

DATED *28 March* 2012

NUCLEAR DECOMMISSIONING AUTHORITY

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**THIRD DEFINITIVE TRUST DEED**

**For the Combined Nuclear Pension Plan**

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DATE OF DEFINITIVE TRUST DEED is made on

28 March

2012

## PARTY

**NUCLEAR DECOMMISSIONING AUTHORITY** a statutory body set up under section 1 of the Energy Act 2004 (the "NDA")

## RECITALS

- A This Deed is supplemental to the second definitive deed dated 1 September 2009 which, together with any other documents which relate to or govern the operation of the Scheme, currently governs the Scheme (the "**Second Definitive Deed**").
- B Clause 22 of the Second Definitive Deed (now Clause 25 of the Trust Deed) gives power to the Lead Company, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively).
- C The Scheme is intended to satisfy the requirements of the Government Actuary's Department in the exercise of its functions under government guidance current at the Commencement Date entitled Fair Deal for Staff Pensions: Procurement of Bulk Transfer Agreements and Related Issues (June 2004).
- D Following the agreement between the Trustee, the Lead Company and the trustees of the Nirex Pension Scheme (the "**NPS**") and the GPS Group Pension Scheme ("**GPS**") that all the assets and liabilities of the NPS and GPS be transferred to the Scheme, the Lead Company now wishes, pursuant to Clause 22 of the Second Definitive Deed) with effect on and from the Effective Date, to amend:
- (i) the Trust Deed and General Rules, so as to ensure that the powers and discretions which are currently provided to the trustee of each of the NPS and GPS are replicated in the Scheme in respect of Nirex beneficiaries and GPS beneficiaries respectively; and
  - (ii) the Rules, so as to set out the benefits to be provided to Nirex beneficiaries by the creation of a new benefit structure, the Nirex Benefit Structure contained in Schedule 8; and
  - (iii) the Rules, so as to set out the benefits to be provided to GPS beneficiaries by the deletion of the existing GPS Benefit Structure and replacement with a new GPS Benefit Structure contained in Schedule 3.
- E The Lead Company wishes to make the amendments to the Trust Deed and Rules. The Lead Company has consulted with the Trustee on the amendments contained within this Deed.
- F The Lead Company is satisfied that the amendments being made by this Deed are not regulated modifications for the purposes of section 67 of the Pensions Act 1995 and, as such, Trustee consent to the amendments is not required.
- G The Actuary has confirmed in writing to the Trustee that the amendments being made by this Deed will not prevent the Scheme from continuing to satisfy the conditions of section

9(2B) of the Pensions Schemes Act 1993. A copy of the Actuary's written confirmation is appended to this Deed.

**THIS DEED WITNESSES THAT:**

**1 DEFINITIONS AND INTERPRETATION**

**1.1 The Schedules**

The attached schedules form part of this Deed.

**1.2 Interpretation**

- (a) Words and expressions used in this Deed shall have the meanings assigned to them in Schedule 12 (Definitions).
- (b) In this Deed, where the context so requires, words in the masculine gender include the feminine and words in the singular include and plural and vice versa.
- (c) The headings to this Deed have been inserted for ease of reference only. They do not affect its interpretation.
- (d) Any reference to a statute includes any regulations made under that statute, and any reference to any statute or statutory instrument includes:
  - (i) any modification, re-enactment or consolidation of it for the time being in force, and
  - (ii) where the legislation applies to part only of the United Kingdom, any corresponding provisions of any legislation applying to any other part of the United Kingdom.
- (e) Where a Member has received a full gender recognition certificate under the Gender Recognition Act 2004, that Member will be treated for the purposes of this Deed as if the Member were of the gender stated on the Member's birth certificate for the period prior to the receipt of the full gender recognition certificate and the Member's acquired gender for the period on and after the receipt of that certificate.
- (f) Unless the context otherwise requires, a reference to a Clause is to a Clause of the Deed, a reference to a Rule is to a Rule in the Rules and a reference to a Schedule is to a Schedule to the Deed. Within each Schedule to the Rules, a reference to a particular Rule shall be a reference to the corresponding Rule within that Schedule unless the context otherwise requires.

**1.3 Governing Law**

The validity of the Scheme, its construction, effects and administration shall be governed by and construed in accordance with the laws of England and Wales. The parties agree to submit to the jurisdiction of the English courts.

## 2 OPERATION OF THIS DEED

- 2.1 Subject to Clause 2.2 below and with effect on and from the Effective Date, the Lead Company in exercise of the powers conferred on it by Clause 22 of the Second Definitive Deed and of all other enabling powers, **HEREBY AMENDS** the provisions of the Second Definitive Deed by deleting them and replacing them with the provisions set out in this Deed.
- 2.2 This Deed shall not operate so as to:
- (a) adversely affect the benefits of any Member which relate to Active Membership before the date of this Deed. The Actuary's opinion in this regard shall be conclusive and binding on the persons concerned; or
  - (b) affect any arrangements in place at the date of this Deed under Schedule 5 to the Definitive Deed (Additional Benefits (Defined Benefit) Rules); or
  - (c) amend any rights or entitlements under the NPS and GPS as provided by the NPS Definitive Trust Deed and the GPS Definitive Trust Deed which were in place immediately before the Effective Date.

## 3 APPOINTMENT OF THE LEAD COMPANY

- 3.1 Subject to Clause 3.2, the Lead Company may agree by deed with another Company to transfer its powers, duties and obligations as Lead Company to that other Company in which case the other Company shall be deemed to be the Lead Company for all the purposes of the Trust Deed and the Rules and former Lead Company shall be discharged of all rights and liabilities under them.
- 3.2 For so long as there is a GPS Member, a Nirex Member or any person claiming a benefit through a GPS Member or a Nirex Member, the transfer referred to in Clause 3.1 above shall require the agreement of the Trustee.

## 4 APPOINTMENT OF THE TRUSTEE

The Lead Company shall have the power by deed to remove the Trustee from office and to appoint as Trustee in its place any other corporate trustee (whether or not a trust corporation) whose articles of association comply with the requirements of Clause 17. The Lead Company shall remove from office the Trustee if its articles of association do not comply with the requirements of Clause 17 provided that the Lead Company may allow such period of time as it, in its absolute discretion, determines reasonable to permit the Trustee's articles to be changed in order to comply with Clause 17. Before appointing or removing a trustee of the Scheme, the Lead Company must consult with the Section Lead Employer of each of the GPS Sections.

## 5 TRUSTS OF THE SCHEME

The Trustee shall hold the Fund upon the trusts and with and subject to the powers and provisions contained in the Trust Deed and the Rules.

## **6 PURPOSE OF THE SCHEME**

- 6.1 The Scheme is established as a Registered Pension Scheme for the purpose of providing pensions and other benefits for and in respect of the Members of the Scheme and any other person entitled to benefits under the Trust Deed and Rules in order to assist the delivery of certain pension protection required under Schedule 8 to the Energy Act 2004 in particular the requirement for the NDA to satisfy itself in certain circumstances that every person entitled to pension protection thereunder has the opportunity to join a pension scheme providing no less favourable benefits (taking into account such other benefits as are mentioned in paragraph 11(6) of that Schedule) in respect of their future employment so long as they remain entitled to protection under the Act.
- 6.2 The Lead Company and the Trustee shall make any changes to the Trust Deed and Rules which are necessary to obtain the certification of the Government Actuary's Department pursuant to Recital C above.
- 6.3 No Energy Act CPS Member shall be entitled by reason of the operation of the Scheme in relation to the enhancement of Reckonable Service after becoming a Member to benefits which are greater than he would have received had he remained an active member of the CPS until he retired, left pensionable service or died, whichever occurs first earlier. To the extent that this is the case and any excess payment is due or has been paid under the Scheme, the Member's benefits shall be reduced and any overpayment may be recovered.

## **7 SECTIONS OF THE SCHEME**

- 7.1 The Scheme shall be divided into Sections under which assets and liabilities attributable to Members in one Section are accounted for separately from those in other Sections pursuant to Clause 13.3.
- 7.2 Save where a Site Licensee Company has been admitted as an Employer (pursuant to Clause 8) solely to participate in the GPS SLC Section, a separate Section shall be maintained for each Employer which is a Site Licensee Company. Any Site Licensee Company with its own separate Section may also participate in the GPS SLC Section.
- 7.3 The Lead Company may create one or more other Sections. If any such Section is to apply to a GPS Member (or any person claiming a benefit through a GPS Member), the Lead Company shall consult with the Trustee prior to the creation of the Section.
- 7.4 The Lead Company shall give notice to the Trustee of the creation of a Section specifying:
- (a) whether the Section is for single or multiple Employers and the Employer(s) who will initially participate in that Section;
  - (b) the category of employees who are to be eligible to become Members of that Section; and
  - (c) the Benefit Structure and Rules that are to apply to that Section.
- 7.5 An Employer may participate in more than one Section.

- 7.6 Each Section may comprise one or more Benefit Structures. However, the use of one or more Benefit Structures is not to be construed as creating separate schemes or sections within each Section.
- 7.7 The Lead Company may direct the Trustee to combine any two or more Sections or to split any Sections into two or more new Sections and, in either case, if those Sections include any GPS Sections, having previously consulted with the Trustee, subject to:
- (a) in respect of any of the GPS Sections, consulting with the Section Lead Employer of each Section concerned and in respect of any other Section, consulting with each Employer which participates in each Section concerned or, prior to giving such direction;
  - (b) satisfying itself that the giving of such direction will not cause the Scheme to cease to be a sectionalised scheme for the purposes of relevant legislation;
  - (c) in respect of any direction relating to the Nirex Section, obtaining the consent of the Trustee which must not be provided unless the Trustee is satisfied that the combination or split is not reasonably likely to be detrimental to the interests of the Nirex Members or persons claiming benefits through any Nirex Members; and
  - (d) in respect of any direction to combine one or more GPS Sections with any Section which is not a GPS Section, obtaining the consent of the Trustee (which must not be provided if the Trustee believes the interests of the Members of the relevant GPS Section or Sections would be materially prejudiced by the combination).

## **8 ADMISSION TO PARTICIPATION IN A SECTION**

- 8.1 Admission to participation in a Section shall be at the discretion of the Lead Company and shall be effected by a Deed of Participation executed by the Lead Company and a Company.
- 8.2 In respect of GPS Sections only:
- (a) the Lead Company shall give reasonable consideration to any request from a Section Lead Employer to adhere to its Section a Company which satisfies the requirements of Clause 8.2(b)(i); and
  - (b) no Company shall be admitted to participation in any GPS Section unless:
    - (i) it employs employees whose employment duties consist wholly or mainly of duties relating to matters connected with the carrying out by the NDA of its functions; and
    - (ii) the Trustee has been consulted in relation to the proposed admission.
  - (c) The Lead Company may determine that in relation to the said Company and its employees the Trust Deed and Rules shall apply with such variations as the Lead Company with the consent of the Trustee shall specify.
- 8.3 The Deed of Participation shall be in a form determined by the Lead Company and shall:

- (a) specify the Section or Sections in which the Company is to participate;
- (b) specify the category of employees of the Company who are to be eligible for Membership;
- (c) specify the Benefit Structure or Benefit Structures applicable to the employees of that Company;
- (d) if the Lead Company so determines, specify the date or event on which the Company shall cease to participate in any Section or Sections;
- (e) save in respect of an admission to participation in a GPS Section, include the nomination of the Lead Company by the Employer as its representative on all occasions on which the Trustee is required by the general law or under the Trust Deed and Rules to consult, negotiate or agree with Employers; and
- (f) include a covenant in favour of the Lead Company and the Trustee to observe and perform all things which are applicable to it as an Employer under the Trust Deed and Rules, the terms of the Deed of Participation, and the general law.

## **9 NEW SECTION LEAD EMPLOYER IN GPS SECTIONS**

9.1 Subject to the provisions of Clause 9.2, the Section Lead Employer of a GPS Section may be substituted by another Employer within the same Section by:

- (a) in respect of any GPS Section other than the GPS SLC Section, the agreement of a majority of the Employers of the relevant Section; and
- (b) in respect of the GPS SLC Section, the Lead Company.

9.2 Any change in Section Lead Employer shall:

- (a) not be made if it would prejudice the Scheme's status as a Registered Pension Scheme; and
- (b) require the consent of the Employer which is to be appointed as the new Section Lead Employer.

9.3 The change in Section Lead Employer shall be recorded in writing and notified to the Trustee and, in respect of a change in Section Lead Employer of any GPS Section other than the GPS SLC Section, the Lead Company. The written record of the change in Section Lead Employer shall specify the date on which the change takes effect.

## **10 END OF PARTICIPATION IN A SECTION**

10.1 The participation of an Employer in a Section shall cease and the relevant provisions of Clause 11 shall apply on the earliest of the following:

- (a) any date specified for that purpose in the Deed of Participation;
- (b) the Lead Company or, in relation to a GPS Section other than the GPS SLC Section, the Section Lead Employer, giving notice that the Employer is to cease to participate in the Scheme or that Section;

- (c) the Employer, with the consent of the Lead Company, giving notice in writing or by other means if the Trustee and Lead Company agree terminating its liability to pay contributions to the Fund or the part of the Fund relating to that Section;
  - (d) an Employment-Cessation Event occurring in relation to the Employer in relation to that Section;
  - (e) the Employer failing to observe and perform all things which are applicable to it as an Employer under the Trust Deed and Rules, the terms of the Deed of Participation or the general law and:
    - (i) in respect of a GPS Section, the Trustee resolving with the consent of the Lead Company or, in relation to a GPS Section other than the GPS SLC Section, of the Section Lead Employer, that the Employer's participation in the Section of the Scheme shall cease, save that in the case of a failure capable of being remedied, the Employer must first have been given one month's notice by the Trustee and not have remedied the failure; and
    - (ii) in respect of all other Sections, the Lead Company determining that it should cease to participate in the Scheme or in that Section;
  - (f) the Employer entering into liquidation, ceasing to carry on business or being dissolved (other than in the respect of a GPS Section when pursuant to a reorganisation and/or in circumstances where another Company assumes the Employer's responsibilities under the Scheme);
  - (g) the Employer being subject to any corporate reorganisation the result of which is that it no longer employs Active Members in that Section, unless the Lead Company determines, and with the consent of the Trustee in relation to a GPS Section that the Employer's participation should continue; and
  - (h) in relation to a GPS Section, the Employer's continued participation in the Section prejudicing the Scheme's status as a Registered Pension Scheme.
- 10.2 An Employer may cease to participate in one Section without ceasing to participate in all Sections.
- 10.3 Subject to Clause 11.5, when an Employer ceases to participate in any Section, the Active Members of that Section employed by that Employer shall be entitled to benefits in accordance with the leaving service rule in whichever Benefit Structure is relevant and the provisions of Rules 9.1 and 11 of the General Rules shall apply.
- 10.4 When an Employment-Cessation Event occurs in relation to any Employer, such Employer may only enter into an Exit Agreement in relation to that event with the consent of the Lead Company. In addition to and without prejudice to the Trustee's obligation to comply with any relevant legislative requirements, the Exit Agreement may include:
- (a) a right for the Lead Company to direct that any amounts payable at some future time to the Trustee under the Exit Agreement shall be paid at any earlier time specified by the Lead Company; and
  - (b) such other terms as the Lead Company may specify.

10.5 In relation to the GPS SLC Section only, if a GPS SLC Employer or the Lead Company is of the opinion that an Employment-Cessation Event in relation to a GPS SLC Employer (the "**Exiting GPS SLC Employer**") in respect of the GPS SLC Section is likely to occur, the GPS SLC Employer or the Lead Company (as appropriate) shall notify the Trustee of this as soon as reasonably practicable and subject to Clauses 10.5(a) and 10.7, Clause 10.5(b) shall apply in relation to the Employment-Cessation Event.

(a) Clause 10.5(b) shall only apply where:

- (i) there is more than one GPS SLC Employer for the purpose of determining the amount of any Section 75 Debt that may become due from the Exiting GPS SLC Employer on the Employment-Cessation Event; and
- (ii) the Trustee receives written confirmation from the NDA of its funding support for GPS SLC Employers in the form set out in Appendix B or any other form acceptable to the Trustee.

(b) The Trustee and Lead Company (and any GPS SLC Employers as may be required by the applicable legislation) may enter in to a Scheme Apportionment Arrangement so that for the purposes of the Employer Debt Regulations, the Exiting GPS SLC Employer's Share of the Difference (if any) in relation to the GPS SLC Section shall be apportioned as follows:

- (i) the Exiting GPS SLC Employer shall be apportioned a Scheme Apportionment Arrangement Share of one hundred and fifty pounds sterling; and
- (ii) the whole of the balance of the Exiting GPS SLC Employer's Share of the Difference (after deducting one hundred and fifty pounds sterling) shall be apportioned to the remaining GPS SLC Employers in such proportions as the Lead Company shall decide subject to the obtaining the Trustee's consent.

10.6 In relation to the GPS EnergySolutions Section only, if a GPS EnergySolutions Employer or the Lead Company is of the opinion that an Employment-Cessation Event in relation to that GPS EnergySolutions Employer (the "**Exiting GPS EnergySolutions Employer**") has occurred or is likely to occur, the GPS EnergySolutions Employer or the Lead Company (as appropriate) shall notify the Trustee of this as soon as reasonably practicable and, subject to Clauses 10.6(a) and 10.7, Clause 10.6(b) shall apply in relation to the Employment-Cessation Event.

(a) Clause 10.6(b) shall only apply where there is more than one GPS EnergySolutions Employer for the purpose of determining the amount of any Section 75 Debt that may become due from the Exiting GPS EnergySolutions Employer on the Employment-Cessation Event.

(b) The Trustee and Lead Company (and any GPS EnergySolutions Employers as may be required by the applicable legislation) may enter in to a Scheme Apportionment Arrangement for the purposes of the Employer Debt Regulations, on such terms as are agreed in writing between the Trustee, the Lead Company and the relevant GPS EnergySolutions Employers.



- 10.7 Nothing in or under Clauses 10.5 or 10.6 (or the deeds of amendment putting them in place) constitutes the entry by the Trustee into a legally enforceable agreement, the effect of which is to reduce the amount of any debt due to the Scheme (or any Section) under section 75 of the 1995 which may be recovered by or on behalf of the Trustee so that the Scheme (or any Section) would cease to be a eligible scheme by reason of regulation 2(2) of the Pension Protection Fund (Entry Rules) Regulations 2005 (SI 2005/590, as amended). The Trustee may in its absolute discretion vary or dispense with any notification referred to in Clauses 10.5 and 10.6.

## **11 EVENTS LEADING TO FULL OR PARTIAL TERMINATION OF A SECTION**

- 11.1 Subject to Clause 11.5, if an Employer ceases to participate in a Section pursuant to Clause 10.1 at a time when no other Employer continues to participate in that Section, or at a time immediately after which no other Employer commences participation in that Section, the Section shall be terminated in the manner specified in Clause 31.

- 11.2 In respect of the GPS Sections only, a GPS Section or GPS Sections (as appropriate) shall be terminated in the manner specified in Clause 31 if:

- (a) the Lead Company, after consulting with the Trustee, gives to the Trustee notice in writing of one month, or of such lesser period as may be agreed by the Lead Company with the Trustee, that it wishes a GPS Section to terminate; or
- (b) the Trustee and the Lead Company, after consulting the Actuary and have given one month's notice in writing to the Section Lead Employer that the GPS Section is insolvent and the Trustee resolves to determine the relevant GPS Section; or
- (c) the Lead Company or an Employer of a GPS Section shall at any time fail to observe and perform any or all of its material obligations under the Trust Deed and Rules and the Trustee resolves to determine:
  - (i) in respect of a failure by the Lead Company, all of the GPS Sections; and
  - (ii) in respect of a failure by an Employer, the relevant GPS Section or Sections;

save that, in the case of a failure capable of being remedied, the Lead Company or, where such failure is on the part of an Employer, the Section Lead Employer, must first have been given one month's notice by the Trustee and not have remedied the failure; or

- (d) the Lead Company or a Section Lead Employer goes into liquidation, is dissolved or ceases to carry on business (other than pursuant to a reorganisation and/or in circumstances where another Company assumes its responsibilities under the relevant GPS Sections) and the Trustee resolves to determine:
  - (i) where this Clause applies to the Lead Company, all of the GPS Sections; and
  - (ii) where this Clause applies to a Section Lead Employer, the relevant GPS Section or Sections.

11.3 In respect of the Nirex Section only, that Section shall be terminated in the manner specified in Clause 31 if:

- (a) the Lead Company enters into liquidation and if at the commencement of such liquidation or at any time thereafter another body corporate (whether in contemplation of such liquidation or after the commencement thereof) has not entered into an agreement with the Trustee and the Lead Company or its liquidator to perform the obligations of the Lead Company under the Scheme and the Trustee is of the opinion that there is no reasonable expectation of such agreement;
- (b) the undertaking of the Lead Company is acquired by or vested in any other body corporate and if at the time of such acquisition or at any time thereafter the other body corporate:
  - (i) has not agreed with the Trustee and the Lead Company or its liquidator to perform the obligations of the Lead Company under the Scheme; or
  - (ii) is not bound by virtue of or pursuant to any statutory provision or any order of the Court or rule, order, regulation or direction made thereunder or otherwise to perform the obligations of the Lead Company under the Scheme,

and the Trustee is of the opinion that there is no reasonable expectation of such agreement or of such other body corporate being so bound; or

- (c) the Lead Company is dissolved by virtue of or pursuant to any statutory provision or any order of the Court or any rule, order, regulation or direction made thereunder or otherwise and no other body corporate is bound by virtue of or pursuant to any statutory provision or any order of the Court or any rule, order, regulation or direction made thereunder or otherwise to perform the obligations of the Lead Company under the Scheme and the Trustee is of the opinion that there is no reasonable expectation of any other body corporate becoming so bound.

11.4 Subject to Clause 11.5 and to any alternative arrangements which may be agreed between the Lead Company and the Trustee, if an Employer ceases to participate in a Section at a time when one or more other Employers continue to participate in that Section, or at a time immediately after which one or more Employers commence participation, that part of the Section which relates to Members employed and formerly employed by that Employer shall be terminated as if it were an entire Section in the manner specified in Clause 31 but using only that part of the Fund relating to the Section determined in accordance with Clause 31.3.

11.5 The provisions of Clauses 10.3, 11.1 and 11.4 shall not apply on an Employer ceasing participation under Clause 10.1 if it is replaced by another Company (the "**New Employer**") which undertakes to take the place of the Employer for all the purposes of either the Scheme or that Section (such undertaking to be in a form determined by the Lead Company). In that event, for the avoidance of doubt, any period of Membership during which a Member was employed by the Employer ceasing to participate shall be deemed to be a period of Membership during which the Member was employed by the New Employer for the purpose of determining liabilities under the Scheme and the relevant Section.

## **12 TRANSFERS BETWEEN SECTIONS**

- 12.1 In the event that any Member of a Section ceases to be employed by an Employer participating in that Section and becomes employed by an Employer participating in another Section and the following provisions of this Clause 12 do not apply to that Member, a transfer of assets and liabilities between the Sections may be made, subject to the consent of the Lead Company (such consent not to be required in respect of any transfer affecting a GPS Member which is not a transfer pursuant to Clause 12.3), in accordance with the relevant provisions of the General Rules as if the Sections were separate pension schemes unless the NDA and the Trustee agree otherwise.
- 12.2 Save in respect of transfers to or from a GPS Section or the Nirex Section, if an Active Member of one Section ceases to be employed by an Employer participating in that Section and becomes employed by an Employer participating in another Section so that he is entitled to benefits under the same Benefit Structure the following provisions apply:
- (a) the Trustee shall re-allocate assets equal to the Past Service Reserve Transfer from his previous Section to his new Section;
  - (b) the Member and those claiming in respect of the Member, shall cease to be entitled to benefits in his previous Section and instead shall be entitled in his new Section to the same benefits to which he was entitled in his previous Section. For this purpose no account shall be taken of the fact that the Member has changed Employer; and
  - (c) the Employer to whose Section the reallocation of assets is made under Clause 12.2(a) shall pay, within a time period agreed between the Employer and the Lead Company, such additional contributions to the Section as the Actuary shall certify are required to provide the benefits granted under Clause 12.2(b) after account has been taken of the receipt into that Section of the Past Service Reserve Transfer.
- 12.3 In respect of transfers between the GPS Sections, the Lead Company may, with the written consent of the Member, direct the Trustee to make a transfer of assets between any GPS Sections where the Member ceases to be employed by an Employer participating in a GPS Section and becomes employed by an Employer participating in a different GPS Section and in which case the amount of the assets to be transferred and the benefits granted in the receiving GPS Section shall be determined by the Lead Company (having regard to the advice of the Actuary) with the consent of the Trustee.

## **13 THE FUND**

- 13.1 The Trustee shall hold the Fund on trust to administer manage and apply in the provision of pensions and other benefits in accordance with and subject to the Trust Deed and the Rules.
- 13.2 Assets representing contributions paid by Members to procure additional benefits on a money purchase basis under the New Joiners Benefit Structure, the Additional Benefits (Defined Contribution) Rules and Shift Pay Pension Plan Rules shall be held separately from the other assets of the Scheme as segregated funds.

- 13.3 Subject to the overall requirement that they shall manage the Fund in such a way as to ensure that the Scheme is treated as a sectionalised scheme for the purposes of relevant legislation, the Trustee shall:
- (a) maintain separate accounts within the Fund for each Section;
  - (b) allocate contributions by and in respect of a Member of a particular Section to that Section;
  - (c) allocate transfer values received in respect of a Member of a particular Section to that Section;
  - (d) allocate assets purchased in respect of contributions and transfer values to the relevant Section;
  - (e) identify the assets to which investment returns relate and then allocate them to Sections on that basis;
  - (f) attribute liabilities relating to a particular Member to the Section in which the Member participates;
  - (g) allocate expenses as set out in Clause 23; and
  - (h) ensure that the assets of one Section shall not be used for the purposes of any other Section unless the relevant Sections are combined pursuant to Clause 7.7.

#### **14 INVESTMENT POWERS: GENERAL**

- 14.1 The Trustee may invest any part of the Fund in or upon the security of any stock and shares, property, debentures, options, futures, derivatives, insurance policies, managed funds or deposit administration contracts or any other investments (whether or not of an income-producing nature) which the Trustee could make if it was absolutely and beneficially entitled to the Fund.
- 14.2 The Trustee may invest any part of the Fund in any tax exempt trust or fund even though such investment would not be available to it if it were investing as a person absolutely and beneficially entitled to the Fund.
- 14.3 Any monies being part of the Fund may be retained or placed on deposit or current account with any bank or with any company or society of good repute and the Trustee shall not be chargeable in respect of any interest on any such monies in excess of the interest (if any) actually paid or credited thereon.
- 14.4 The Trustee shall have power:
- (a) to enter into underwriting or sub-underwriting contracts on such terms as it shall think fit;
  - (b) to maintain improve and develop any investments of the Scheme in freehold or leasehold land or land of any other tenure by expenditure in the erection or completion of buildings or other works on any such land or in the alteration demolition reconstruction enlargement repair decoration equipment or furnishing of any buildings or other works for the time being on any such land or in

insurance of any such buildings or other works or in any other maintenance improvement or development of any such land or buildings or other works;

- (c) to enter into contracts to purchase sell create cancel or otherwise deal in traded options or financial futures traded on any recognised traded option or financial futures market and all such contracts shall for the purpose of the Trust Deed be deemed to be investments;
- (d) to participate in any common investment fund (being an arrangement for the pooling of investments held for the purposes of Registered Pension Schemes) the terms and conditions of which are contained in a written agreement to which the Trustee is a party;
- (e) to deal in foreign currencies either at the official rate of exchange or at any other rate and either for present or forward settlement and all such transactions shall for the purposes of the Trust Deed be deemed to be investments;
- (f) make loans (whether secured or unsecured) to any person or body of persons (excluding any Employer or any person connected with an Employer, Member, Beneficiary or director or employee of the Trustee) at such rate of interest (if any) and upon such terms as the Trustee thinks fit;
- (g) to make investments either in its own name or the name of any custodian or nominee appointed under Clause 22;
- (h) to direct the transfer of the whole or part of the Fund under the management of one Investment Manager to the management of another Investment Manager; and
- (i) to empower any Investment Manager to commingle all or any part of the Fund with other funds of the Investment Manager or other customers of the Investment Manager or of any other person.

## **15 INVESTMENT POWERS: MEMBERS' ACCOUNTS**

### **15.1 The Trustee may (but need not):**

- (a) make available a list of investment options (to be established following advice from a duly appointed investment adviser) in which Members may direct the Trustee to invest all or part of their Members' Accounts; and
- (b) impose any restrictions on the availability of those options (including, but not limited to, restrictions as to which Members or any class of Members may select certain options, the proportionate amount of the Members' Accounts that may be invested in a particular option and which contributions or Scheme assets may be invested in a particular option),

as it from time to time sees fit. Members who wish to select such options must comply with any notice requirements that the Trustee may from time to time prescribe. The Trustee shall give effect to the selection of any option by a Member as soon as reasonably practicable after the option is selected and shall continue to give effect to such selection until it is superseded, either by the Member making further selections in

the manner prescribed by the Trustee or by the Trustee in accordance with this Clause 15.

For the avoidance of doubt, this Clause 15.1 confers a power to make investment decisions on the Member in question in respect of the Member's Account and is not a delegation of the Trustee's power of investment.

- 15.2 The Trustee may entirely at its own discretion and without the concurrence of the Members withdraw or alter the investment options available to Members. Members who had selected an option which is subsequently withdrawn in accordance with this Clause 15.2 shall be entitled to select a different option in which the Trustee shall invest their Members' Accounts.
- 15.3 The Trustee may in its discretion determine that a reasonable charge in relation to any investment selection made in accordance with Clause 15.1 above is deducted from the appropriate Member's Account.
- 15.4 The Trustee shall (or may in relation to (b) below) cease to give effect to any selection made by a Member in accordance with Clause 15.1 if:
- (a) the Trustee determines that the option in question is not available for the investment of Members' Accounts;
  - (b) it is shown to the satisfaction of the Trustee that by reason of any physical disability or mental incapacity the Member is unable to manage his own affairs;
  - (c) to give effect or to continue to give effect (as appropriate) to the exercise of any selection would or might in the opinion of the Trustee breach any law, regulation or requirement; or
  - (d) some exceptional event or exceptional circumstance is brought to the attention of the Trustee which in its opinion, acting on the advice of a duly appointed investment adviser, makes it impracticable or inappropriate (whether generally or by reason of being administratively inexpedient) to continue to follow the Member's wishes.
- 15.5 Notwithstanding the power conferred on Members by Clause 15.1, until a Member notifies the Trustee of his investment options in the required manner the Trustee shall arrange for the Member's Account to be invested in accordance with its powers under Clause 14. For the avoidance of doubt, this limited discretion shall also apply where a particular investment option has been overridden in accordance with Clause 15.4 until the Member in question notifies the Trustee of his new investment options in the required manner.
- 15.6 A Member granted a choice of investments shall not be entitled to any specific assets of the Fund and any entitlements to benefits under the Scheme in respect of him shall be against the Fund as a whole.

## **16 INVESTMENTS**

- 16.1 The Trustee shall prepare and maintain a Statement of Investment Principles.

- 16.2 The Trustee may adopt a different investment policy for each Section. When reviewing its investment policy, the Trustee may consider the investment policy for each Section separately.
- 16.3 The Trustee shall consult the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer, before preparing the Statement of Investment Principles in relation to each Section. All of the Employers shall (and are hereby deemed to) nominate the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer, as their representative to consult the Trustee on their behalf in respect of the contents of the Statement of Investment Principles. In respect of the GPS Sections other than the GPS SLC Section, each Section Lead Employer shall obtain the prior written consent of the Lead Company to any response it wishes to provide to the Trustee as part of the consultation exercise.
- 16.4 The Trustee shall comply with the provisions of section 40 of the 1995 Act relating to employer-related investments.
- 17 TRUSTEE DIRECTORS: APPOINTMENT AND REMOVAL, CONDUCT OF MEETINGS ETC.**
- 17.1 The appointment, removal and resignation of a director of the Trustee shall be dealt with in the manner set out in the articles of association of the Trustee. The articles of association shall comply with this Clause.
- 17.2 There shall be eight directors of the Trustee, subject to Clause 17.5.
- 17.3 Subject to Clause 17.5, 50% of the directors shall be selected by (or in relation to the period prior to the selection of such directors, shall be deemed to represent) the Members of the Scheme ("**member directors**"). The Trustee shall where required propose a nomination process for member directors which is in accordance with sections 242 and 243 of the 2004 Act. Member directors shall be appointed for the period specified in the nomination process, which shall not exceed 4 years.
- 17.4 The remainder of the directors shall be nominated by the Lead Company ("**employer directors**"). Employer directors shall be appointed until such time as they are removed from office by the Lead Company.
- 17.5 The Trustee, with the consent of the Lead Company may appoint an independent trustee director in addition to the other trustee directors. If this power is used there shall be 9 trustee directors of which 4 shall be member nominated and Clause 17.3 shall have effect accordingly.
- 17.6 Any director may resign from office with immediate effect on giving notice to the Lead Company.
- 17.7 The directors may act notwithstanding a vacancy in their number.
- 17.8 The Lead Company shall appoint and may remove the chairman of the Trustee from among the directors. He shall have a casting vote.

- 17.9 The quorum for a meeting of the directors of the Trustee shall be 4 directors of which 2 directors shall be member directors and 2 shall be employer directors. For this purpose attendance can be in person or as set out in the articles of association of the Trustee.
- 17.10 Decisions of the Trustee may be made at quorate meetings or by a written resolution signed by all of the Trustee directors. The directors of the Trustee shall meet at such times as they consider appropriate and, except as set out in this Clause or the articles of association of the Trustee, the directors may regulate their proceedings as they see fit.
- 17.11 With effect on and from the Effective Date, for a period of 12 months (or such longer period determined by the Lead Company) or until the earlier date on which the first nomination and selection process for member nominated directors in accordance with 242 and 243 of the 2004 Act is completed and the member nominated directors are appointed, (the "**transitional period**") the provisions of Clauses 17.2 to 17.10 will apply but varied as follows:
- (a) there shall be 10 directors, 4 being member directors, 4 being employer directors and 2 being the member nominated directors of the trustee of the GPS who were in office immediately before the Effective Date but in event that either or both of those individuals do not wish to be appointed as directors of the Trustee or do not continue as directors throughout the transitional period, selected from among the membership of the GPS Sections ("**transitional directors**");
  - (b) the period of office for any member director, if it would otherwise end during the transitional period due to a limitation to 4 years, shall be extended to the end of the transitional period;
  - (c) no transitional director may be removed from office otherwise than by the unanimous consent of all other directors;
  - (d) the quorum for a meeting of the directors of the Trustee shall be 5 directors of which 2 directors shall be member directors, 2 shall be employer directors and 1 shall be a transitional director; and
  - (e) each director shall have one vote save that the votes of the employer directors shall count as for 1.5 votes (which shall be proportionately adjusted in the event a meeting of the Trustee is not fully attended) and the chairman shall have an additional single casting vote.

## 18 CONSULTATION

- 18.1 The Lead Company may make such arrangements for a consultative committee for the Members of a Section as it may agree with the Trustee and the Employers in the relevant Section.
- 18.2 The Lead Company may set up a forum for consultation with the Employers. The Lead Company shall make such arrangements for the employers' forum as it may agree with the Employers.
- 18.3 Where Employers are required by the 2004 Act to consult with certain members before certain decisions are made in relation to the Scheme, the Lead Company shall provide such information as is required by the 2004 Act to the relevant Employers so as to enable the necessary consultation to be undertaken.



**19 TRUSTEE AND TRUSTEE DIRECTORS' LIABILITY**

- 19.1 Any director of the Trustee may receive and retain beneficially as remuneration for the performance of his duties in that capacity such fees and expenses as may be agreed between him and the Lead Company.
- 19.2 Subject to section 47 of the 1995 Act the Trustee may rely upon the advice or opinion (whether or not obtained by it) of any lawyer broker actuary accountant medical practitioner investment adviser or other professional person including a firm or company of pension consultants and shall not be responsible for any resulting loss.
- 19.3 Neither the Trustee, nor any current or former director, officer or employee of the Trustee, shall incur any personal responsibility or be liable for anything whatsoever (including any acts or decisions taken in connection with the Scheme prior to the Commencement Date) except:
- (a) for breach of trust knowingly and intentionally committed by the person who seeks to rely on this indemnity; and
  - (b) (in the case of a professional person or corporate trustee appointed as independent trustee under Clause 17.5 who or which is engaged in the business of providing a trustee service for payment) liability for negligence.
- 19.4 The Trustee and any current and former directors, officers and employees of the Trustee shall be indemnified out of the Fund against all liabilities and expenses incurred by them in the execution or purported execution of the powers trusts authorities and discretions vested in the Trustee and against all proceedings costs charges expenses claims and payments in respect of any matter or thing done or omitted in any way relating to the Scheme (including anything done or omitted in connection with the Scheme prior to the Commencement Date) except where such indemnity would be prohibited by virtue of section 33 of the 1995 Act or section 256 of the 2004 Act and subject to the exceptions referred to in Clause 19.3.
- 19.5 The Trustee and any current and former directors, officers and employees of the Trustee shall be indemnified by the Lead Company against any costs, claims, damages, losses or expenses incurred in connection with the Scheme (including anything done or omitted in connection with the Scheme prior to the Commencement Date) to the extent that such person is unable or prevented by law from meeting them out of the Scheme, whether they relate to that person's own act or omission or that of any other person or company. However, this indemnity shall not apply where the exceptions referred to in Clause 19.3 apply.
- 19.6 The Employers shall pay to the Lead Company in such proportions as the Lead Company may determine all or part of any amounts paid or payable by it under Clause 19.5.
- 19.7 No decision of or exercise of a power by the Trustee or any director, officer or employee of the Trustee shall be invalidated or questioned on the ground that such person had a direct or indirect interest in the result of any such decision or in the exercise of any such power. Rights and benefits payable under the Scheme to any director, officer or employee of the Trustee who is also a Member shall not be affected by the fact of his directorship or office or employment by the Trustee.

- 19.8 Where a director of the Trustee acquires information otherwise than in his capacity as a director of the Trustee which he is prevented from disclosing to the other directors of the Trustee by a duty of confidentiality owed to another party (the "Confidential Information"), provided that he complies with Clause 19.9 the director shall not be under a duty to disclose the Confidential Information to the other directors.
- 19.9 Where a director of the Trustee is in possession of Confidential Information which he believes would be of relevance to the other directors of the Trustee in performing their functions as directors of the Trustee, the director shall:
- (a) declare that fact to the other directors; and
  - (b) take no part in any discussions or decisions of the directors where he believes that the Confidential Information would or might be material.
- 19.10 Where a director of the Trustee:
- (a) acquires information in that capacity which he is under a duty to disclose to the Lead Company and/or to one or more of the Employers because of his position as an officer of the Lead Company and/or an Employer; and
  - (b) the disclosure of that information to the Lead Company and/or an Employer would cause the director to breach his duty of confidentiality owed to in respect of the Scheme,
- the Employers, by their continued participation in the Scheme, and the Lead Company hereby waive the director's duty to disclose that information to them.
- 19.11 Subject to section 256 of the 2004 Act, the Trustee may, with the consent of the Lead Company, purchase indemnity insurance from the assets of the Fund which benefits the Trustee and its current and former directors, officers and employees.

## **20 GENERAL TRUSTEE POWERS**

- 20.1 The Trustee shall have and may exercise all powers vested in it by general law.
- 20.2 In addition to the powers referred to at Clause 20.1, the Trustee shall have and may exercise the following powers:
- (a) power to delegate to any person or body of persons all or any of the powers duties rights trusts and discretions vested in it by the Trust Deed and Rules, the general law and any such delegation may be on such terms and conditions for such periods and at such remuneration (if any) (the costs of which shall be expenses of the Scheme for the purposes of Clause 23) as the Trustee thinks fit (including the power to sub-delegate) and the Trustee shall not be bound to supervise the proceedings of or be in any way responsible for any loss incurred as a result of such delegation or sub-delegation or the negligence or default of any delegate or sub-delegate;
  - (b) power to open, operate and close such bank accounts as it thinks necessary and from time to time in writing to authorise such persons as it thinks fit to draw cheques on any banking account of the Scheme or to endorse any cheque or to give receipts and discharges and so that any such receipt or discharge shall be

as valid and effective as if it were given by the Trustee and so that the provision of a written authority of the Trustee shall be a sufficient protection to any person taking any such receipts or discharge or otherwise acting under or relying upon such authority;

- (c) power to make arrangements generally for the administration of the Scheme as it thinks fit in particular to employ such agents and staff including a secretary and professional administrators to transact any business of the Scheme including the payment of pensions and benefits and any valid receipt given to such agents and staff shall be a good and sufficient discharge to the Trustee;
- (d) power (subject to the powers for the time being exercisable by the Lead Company or the Employers) to exercise all rights authorities and discretions in connection with the Scheme requisite or proper to enable it to carry out any transaction act deed or thing arising under or in connection with the Scheme;
- (e) subject to section 36A of the 1995 Act, power to borrow money for the purposes of the Fund and secure repayment thereof in such manner as the Trustee thinks fit by mortgaging or charging all or any part of the Fund;
- (f) power to give such guarantees, warranties, indemnities and undertakings as the Trustee so decides (including as guarantees, indemnities or undertakings which may only become operative by reason of some act or omission which constitutes a breach of trust on the part of the Trustee);
- (g) power to commence, defend, continue or terminate any legal proceeding in relation to the Scheme (without obligation to take such action);
- (h) power to insure any of the assets of the Fund against such risks as the Trustee determines, and the Trustee may apply any part of the assets of the Fund in maintaining such insurance; and
- (i) power to accept (and may renounce) any donations, bequests or gifts for any purposes of the Scheme.

## **21 MANAGEMENT OF THE SCHEME**

- 21.1 The Trustee shall be responsible for the management of the Scheme including the determination of all claims made on it and the payment of all benefits prescribed by the Rules.
- 21.2 The Trustee shall (unless otherwise determined by the Lead Company) be the scheme administrator as defined in section 210 of the Finance Act and shall duly discharge or procure the discharge of all duties imposed by the Finance Act on the scheme administrator.
- 21.3 The Trustee shall comply with the requirements of the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.
- 21.4 The Trustee shall maintain a dispute resolution procedure in accordance with section 50 of the 1995 Act.

- 21.5 The Trustee shall keep any monies received by it in a separate account pursuant to section 49 of the 1995 Act.
- 21.6 The Trustee shall keep such accounts registers and records as may be necessary for the proper administration of the Scheme and as are required by section 49 of the 1995 Act.
- 21.7 The Trustee shall cause to be prepared as soon as practicable after the end of each Scheme Year accounts for the Scheme Year audited by the Auditor. The audited accounts shall comply with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

## **22 ADVISERS AND SERVICE PROVIDERS**

- 22.1 The Trustee shall appoint as actuary to the Scheme an actuary (being a Fellow of the Institute of Actuaries and the Faculty of Actuaries in Scotland) and may at any time and from time to time revoke such appointment and appoint another such actuary.
- 22.2 The Trustee shall appoint as auditor to the Scheme an auditor (being a firm or individual adequately qualified for the purposes of section 47(5)(b) of the 1995 Act) and may at any time and from time to time revoke such appointment and appoint another such auditor.
- 22.3 The Trustee shall where required by section 47 of the 1995 Act and may in all other circumstances appoint one or more Investment Managers who satisfy the requirements of section 34 of the 1995 Act to manage the investments of the Scheme and may at any time and from time to time revoke such appointment.
- 22.4 The Trustee may appoint any other advisers, agents or service providers (whether firms or individuals) it sees fit including, without limitation, an investment adviser, custodian, nominee, lawyer, medical adviser or administration service provider and may at any time and from time to time revoke any such appointment.
- 22.5 All appointments made by the Trustee under this Clause 22 shall be on such terms (including as to remuneration) as it thinks fit and shall comply with the requirements of section 47 of the 1995 Act, where applicable.
- 22.6 The costs of obtaining advice or services from any person appointed under this Clause 22 shall be expenses of the Scheme for the purposes of Clause 23.
- 22.7 Any person appointed by the Trustee under this Clause 22 may comply with any direction or request issued to it by the Trustee without being obliged to ascertain whether or not such directions are in accordance with the provisions of the Trust Deed or Rules.

## **23 EXPENSES**

- 23.1 Subject to the following provisions of this Clause 23, all costs charges and expenses of or incidental to the establishment administration and management of the Scheme (including without prejudice to the generality of the foregoing payment of the Levy) shall be met by the Trustee out of the part of the Fund relating to the relevant Section.
- 23.2 All costs charges and expenses of or incidental to the establishment, administration and management of the Nirex Section (other than stamp duties, fees and other expenses of, or incurred in connection with the investment or management or realisation of the investments of the assets of the Nirex Section) shall be met by the Lead Company.

- 23.3 Any costs, charges and expenses not referable to any one Section shall be allocated between Sections in such manner as the Trustee may determine having regard to the reason the cost, charge or expense was incurred. Any such allocation shall be made in a manner which ensures that the Scheme will not cease to be a sectionalised scheme for the purposes of relevant legislation. No cost, charge or expense shall be paid more than once.
- 23.4 The Lead Company may determine that such costs charges and expenses as are referred to in Clause 23.1 shall be met by the Lead Company and the Employers in which event they shall be met by the Lead Company and the Employers in such proportions as the Lead Company shall determine. In this event, the Employers shall reimburse the Trustee for payment of any costs, charge or expense to which the determination relates which have already been paid by the Trustee.
- 23.5 Subject to Clause 23.2, where the Lead Company does not make a determination in accordance with Clause 23.4 that costs, charges and expenses relating to the administration of AVC Accounts, Members' Accounts and Shift Pay Pension Plan Accounts should be met by the Lead Company and/or the Employers, the Trustees shall deduct a reasonable amount in respect of such costs, charges and expenses (such amount to be agreed with the Lead Company) either from those accounts or from contributions to those accounts. For the avoidance of doubt, this provision shall not be used so as to reduce the value of each AVC Account, Member's Account and Shift Pay Pension Plan Account below its value as at 1 April 2010 (after taking into account subsequent investment gains, losses and charges) and it shall not apply in relation to costs, charges and expenses relating to investment selections pursuant to Clause 15.

## **24 DISCRETIONARY TRUSTS**

- 24.1 Any benefit which is expressed to be held on the Discretionary Trusts shall be held by the Trustee on trusts set out in this Clause.
- 24.2 The Trustee shall have power to pay or apply any such benefit within two years from the date of the relevant death or the date the Trustee ought reasonably to have known of the Member's death to or for the benefit of all or any of the Beneficiaries in such shares as the Trustee shall decide.
- 24.3 Any part not so distributed within two years shall:
- (a) in respect of a GPS Member, be paid to the relevant Member's personal representatives unless to do so would result in an Unauthorised Payment from the Scheme, in which event the relevant benefit shall be substituted for an alternative payment or payments in accordance with Rule 7.2 of the General Rules; and
  - (b) in respect of all other Members, cease to be payable and assets referable to that part of the benefit shall be held for the general purposes of the relevant Section.
- 24.4 Any part which would fall to be applied as bona vacantia shall cease to be payable and assets referable to that part of the benefit shall be held for the general purposes of the relevant Section
- 24.5 The Trustee may have regard to, but is not bound by, any nomination or statement or wishes lodged with the Trustee by the Member before his death or, in the case of:

- (a) an Energy Act CPS Member, any nomination or statement or wishes notified to the administrator or trustee of the CPS;
- (b) a GPS Member, any nomination or statement or wishes notified to the administrator or trustee of the GPS; and
- (c) a Nirex Member, any nomination or statement or wishes notified to the administrator or trustee of the NPS.

24.6 In respect of any benefit to be applied under this Clause 24, the Trustee may pay all or any part of such benefit to the trustees of any settlement. In addition, the Trustee may declare such trusts in respect of the benefit as the Trustee decides. Any expenses, fees or other outgoings incurred in connection with the payment, application or transfer pursuant to this Clause 24.6 in respect of the GPS Sections may, if the Trustee so decides, be deducted from or paid out of such benefits.

## **25 AMENDMENT**

25.1 Subject to the following provisions of this Clause 25, the Lead Company shall have power from time to time and at any time, after consulting the Trustee to amend or alter all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively).

25.2 Any amendment or alteration to:

- (a) the provisions of the Nirex Benefit Structure; or
- (b) any other provision of the Trust Deed or the Rules granting a power, discretion or right to:
  - (i) a Nirex Member;
  - (ii) any person claiming a benefit through a Nirex Member; or
  - (iii) the Trustee where such power, discretion or right relates to a Nirex Member or any person claiming a benefit through a Nirex Member,

shall only be made with the consent of the Trustee and, in so far as it relates to protected persons, as defined in The Electricity (Protected Persons) (England and Wales) Pension Regulations 1990, so as not to contravene those Regulations.

25.3 Any amendment or alteration to:

- (a) the provisions of the GPS Benefit Structure;
- (b) any provisions of the New Joiners Benefit Structure which relate to GPS Members; or
- (c) any other provision of the Trust Deed or the Rules granting a power, discretion or right to:
  - (i) a GPS Member;

- (ii) any person claiming a benefit through a GPS Member; or
- (iii) the Trustee where such power, discretion or right relates to a GPS Member or any person claiming a benefit through a GPS Member,

shall only be made with the consent of the Trustee.

- 25.4 Any retrospective amendment or alteration which, in the opinion of the Trustee, would materially and prejudicially affect the overall value of the accrued rights of any GPS Member accrued in respect of Pensionable Service prior to the date of the amendment and to which the Member would be entitled (ignoring discretionary augmentation) if the relevant GPS Section had been terminated.
- 25.5 Any amendment or alteration pursuant to this Clause 25 shall be made by deed. The Lead Company and, where appropriate, the Trustee shall comply with sections 67 to 67I of the 1995 Act in the exercise of this power.

## **26 ACTUARIAL INVESTIGATIONS**

- 26.1 The Trustee shall instruct the Actuary to make actuarial investigations of and report on the financial condition of the Fund and each Section at such intervals as are required under section 224 of the 2004 Act and at such other times as the Lead Company may direct or the Trustee may decide. For any Section in which more than one Employer participates, the Trustee may and shall if so directed by the Lead Company instruct the Actuary to report separately on the funding position in relation to a particular Employer.
- 26.2 The Lead Company, the Employers and the Trustee shall furnish to the Actuary all accounts and information which the Actuary may reasonably require for the purpose of performing each actuarial investigation carried out pursuant to the provisions of Clause 26.1.
- 26.3 The Trustee shall require the Actuary to report to it and to the Lead Company in writing on the completion of each actuarial investigation carried out pursuant to the provisions of Clause 26.1.
- 26.4 The Trustee shall comply generally with the provisions of sections 224 and 225 of the 2004 Act.

## **27 SCHEME FUNDING**

- 27.1 The Trustee, with the agreement of the Lead Company, shall prepare and from time to time revise in relation to each Section:
- (a) a Statement of Funding Principles setting out its policy for ensuring that the Statutory Funding Objective is met;
  - (b) a Recovery Plan where one is required; and
  - (c) a Schedule of Contributions showing the rates and due dates of contributions payable by the Employers.

In each case, the words capitalised above and not defined in Schedule 12 have the meanings given to them in sections 223 to 230 of the 2004 Act.

- 27.2 In the event that the Trustee is unable to obtain the agreement of the Lead Company to the contents of all or any documents required to be prepared and revised under Clause 27.1 within the timescales permitted under sections 223 to 230 of the 2004 Act, it shall nevertheless ensure compliance with the requirements of those sections.
- 27.3 For the purposes of section 229 of the 2004 Act, the Employers shall (and are hereby deemed to) appoint the Lead Company or, in respect of GPS Sections other than the GPS SLC Section, the Section Lead Employer of the Section in which they participate as their representative for the purposes of negotiation and agreement with the Trustee under that section. In respect of any of the GPS Sections other than the GPS SLC Section, the Section Lead Employer shall obtain the prior written consent of the Lead Company to any response it wishes to provide to the Trustee or any matter it wishes to agree with the Trustee in relation to Part 3 of the 2004 Act.
- 27.4 Subject to section 37 of the 1995 Act and section 251 of the 2004 Act, if applicable, if at any time the Actuary shall certify that the value of the assets of a GPS Section or the Nirex Section exceeds the liabilities of that Section by an amount determined, calculated and verified in accordance with the requirements prescribed from time to time by section 37 of the 1995 Act, the excess may be reduced:
- (a) in respect of the GPS Sections except the GPS SLC Section, by the Trustee, having taken advice from the Actuary and having obtained a certificate as required by section 37 of the 1995 Act, with the consent of the Lead Company and the relevant Section Lead Employer in one or more of the following ways:
    - (i) by transferring to a Section Employer cash or other assets representing all or any part of the relevant excess;
    - (ii) by suspending a Section Employer's obligations to pay contributions under the Section or by reducing the amount of a Section Employer's contribution under the Section;
    - (iii) by suspending the obligations of Members to pay contributions under the Section or by reducing the amount of Members' contributions under the Section;
    - (iv) by improving existing benefits under the Section;
    - (v) by providing new benefits under the Section; and/or
    - (vi) in such other way or ways as the Trustee may from time to time agree with the Lead Company;
  - (b) in respect of the GPS SLC Section, by the Lead Company, having obtained a certificate as required by section 37 of the 1995 Act, in such ways as the Lead Company shall determine;
  - (c) in respect of the Nirex Section, by the Trustee at the request of the Lead Company, by transferring to the Employer(s) cash or other assets representing all or part of the excess. In considering whether or not to exercise its discretion to make such a transfer to the Employer(s), the Trustee shall have regard to the advice of the Actuary as to whether if an assessment had been carried out by the Actuary in accordance with Schedule 22 of the 1988 Act the assets of the Nirex



Section would have exceeded the value of its liabilities by a percentage which is more than the last maximum percentage prescribed under that Schedule.

## 28 EMPLOYER CONTRIBUTIONS

28.1 Subject to Clauses 28.2 and 28.3, each Employer shall pay to the Trustee in relation to each Section in which it participates:

- (a) until such time as the coming into force of the Schedule of Contributions prepared after the first actuarial valuation of each Section (and at any other time when sections 223 to 230 of the 2004 Act do not apply to the Section), at such times as the Lead Company shall determine, such contributions as the Lead Company shall determine (after considering actuarial advice and consulting the Trustee) in order to provide the benefits payable for and in respect of the Members in each Section; and
- (b) at all other times, the contributions set out in the relevant Schedule of Contributions.

28.2 Subject to Clause 28.3 the contributions payable by each Employer in respect of each New Joiner who is an Active Member shall be determined by reference to the rate at which the relevant Member pays contributions under Rule 2 of the New Joiners Benefit Structure and in accordance with the following table:

<b><u>Member Contribution Rate</u></b> <b><u>(% of Member's Pensionable Pay)</u></b>	<b><u>Employer Contribution Rate</u></b> <b><u>(% of Member's Pensionable Pay)</u></b>
<u>3</u>	<u>8</u>
<u>4</u>	<u>9.5</u>
<u>5</u>	<u>11</u>
<u>6</u>	<u>12.5</u>
<u>7 or more</u>	<u>13.5</u>

28.3 In relation to any GPS Section, with the consent of the Trustee and acting on the advice of the Actuary, the Lead Company may, if the Actuary is satisfied that there are sufficient assets in the relevant GPS Section, from time to time agree with the Section Lead Employer that the Employers' contributions due under Clause 28.2 shall be met in whole or in part out of the existing assets of the Section.

28.4 In addition each Employer shall pay to the Trustee at such times as the Trustee shall determine:

- (a) such additional contributions as may be required under Clause 28.4(c);
- (b) such additional contributions as may be required under Rule 8 of the General Rules;

- (c) any expenses allocated to it under Clause 23 and not otherwise provided for under Clause 28.1; and
- (d) such additional contributions as the Trustee may require with the consent of the Lead Company to provide the death in service lump sum for New Joiners under Rule 8.1(a) of the New Joiners Benefit Structure.

28.5 Subject to Rule 11 of the GPS Benefit Structure, an Employer may with the consent of the Lead Company, by giving written notice to the Trustee, reduce, suspend or vary its liability to make contributions to the relevant GPS Section. On receipt of such a notice the Trustee may, if it considers it appropriate after consulting the Actuary, reduce (subject to Clause 25.4) the benefits of all or any of the Members who are or have been employed by that Employer or treat them as ceasing to be in Pensionable Service during the period of the reduction, suspension or variation. All Members who are affected by such action shall be notified by the Trustee.

28.6 If on any occasion an Employer does not pay all contributions (including the Members' contributions) to the Trustee on the agreed date, the Trustee shall be empowered to charge reasonable interest on the outstanding amount at such rate as the Trustee shall decide. This shall not be considered as a loan for the purpose of Clause 14.4(f).

## **29 EVENTS LEADING TO TERMINATION OF THE SCHEME**

29.1 The Lead Company may, by notice in writing to the Trustee, terminate the Scheme with effect on such date as it may specify and to the extent that such termination relates to any GPS Section the Lead Company shall give to the Trustee notice in writing of one month, or such lesser period as may be agreed between the Lead Company and the Trustee.

29.2 The Scheme shall be terminated if the period specified in Clause 32 for the duration of the Scheme expires.

## **30 TERMINATION OF THE SCHEME**

30.1 Whenever the provisions of Clause 29 require the termination of the Scheme the following provisions of this Clause 30 shall apply.

30.2 The liability of each of the Employers and the Members to pay contributions to the Fund (if not already terminated) shall terminate but without prejudice to the liability of each Employer to pay:

- (a) any contributions assessed and due before the date of termination; or
- (b) any debts due under section 75 of the 1995 Act including under an Exit Agreement.

30.3 Each Section shall be terminated in the manner specified in Clause 31.

## **31 TERMINATION OF A SECTION**

31.1 Whenever the provisions of Clauses 11 or 30.3 require the termination of a Section, the following provisions of this Clause 31 shall apply in relation to that Section.

- 31.2 The liability of each of the Employers and the Members participating in that Section to pay contributions to the Fund for allocation to that Section shall (if not already terminated) terminate but without prejudice to the liability of each Employer to pay:
- (a) any contributions assessed and due before the date of termination;
  - (b) any contributions pursuant to Clause 31.6; or
  - (c) any debts due under section 75 of the 1995 Act including under an Exit Agreement.
- 31.3 The part of the Fund of the Section referred to in Clause 11.4 shall be the part determined by the Trustee acting on the advice of the Actuary (and, in relation to the GPS Sections, with the consent of the Lead Company) which, in relation to the Members employed or formerly employed by the Employer who do not become employees of another Employer in the relevant Section referred to in that Clause, is specified in (a) or (b) below plus (c):
- (a) in respect of a GPS Section, is equal to the value of the benefits and contingent benefits in respect of the persons affected but making allowance for projected increases in the rate of Pensionable Earnings to assumed dates of benefits coming into payment, death or leaving Service together with provisions for likely increases to pensions in payment and adjusted to allow for the period from the date of calculation to the date of payment; and
  - (b) in respect of all other Sections:
    - (i) is equal to the share of the assets attributable to those Members (ignoring for this purpose any which form part of Members' Accounts and any debt under section 75 of the 1995 Act recovered from the Employer), such share being determined on a basis consistent with the assumptions and methodology required to be used to calculate any debt payable by the Employer under section 75 of the 1995 Act but, unless the Lead Company otherwise agrees, not exceeding the share of liabilities attributable to those Members calculated on the same basis;
    - (ii) includes an appropriate part of the Fund in relation to the relevant Members' Accounts; and
    - (iii) includes any debt under section 75 of the 1995 Act recovered from the Employer;
  - (c) any extra amount determined by the Lead Company.
- 31.4 At any time prior to the commencement of the winding up of a Section other than a GPS Section or the Nirex Section under Clause 31.5, the Lead Company may direct any Employer which previously participated in that Section to pay to the Trustee any amount up to the equivalent of any debt which would be due and payable by it under section 75 of the 1995 Act if that section were to apply to it on the date specified for this purpose by the Lead Company. The Lead Company may not make such a direction in respect of any Employer which:

- (a) has already paid in full any debt due from it which arose on it ceasing to participate in the Section either under section 75 of the 1995 Act or under an Exit Agreement; or
    - (b) if, although section 75 of the 1995 Act applied on it ceasing to participate in the Section, no debt was treated as being due.
- 31.5 Subject to Clauses 31.6 and 31.7, the Trustee shall wind up the Section applying the assets applicable to the Section in accordance with the requirements of section 73 of the 1995 Act (or other relevant legislation which may be in force at the relevant time), save that the part of the Fund attributable to each Member's Account shall be held separately from the other assets of the relevant Section and shall be used to secure benefits for the relevant Member. Liabilities shall be secured in one of the ways permitted by section 74 of the 1995 Act (which shall include a transfer pursuant to Rule 11.1 of the General Rules or, in respect of any GPS Sections, on such other terms as the Trustee determines). If there are any assets left over after all of the liabilities of the Section have been secured, the Trustee may, in respect of the GPS Sections and the Nirex Section only, apply them to provide such additional benefits to all or any Members, surviving Spouse or dependants of persons who are or have been Members entitled to benefits from the Section as the Trustee may decide with the consent of the Lead Company, subject to the provision of those benefits not thereby prejudicing the status of the Scheme as a Registered Pension Scheme. Any further assets shall, subject to the requirements of section 76 of the 1995 Act, be paid to the Employers in such proportions as:
- (a) in respect of the Nirex Section, the Trustee may determine to be just and equitable and failing such determination, in the proportions in which the Employers contributed; and
    - (b) in respect of any other Section, the Lead Company may direct.
- 31.6 Except where the Section has been terminated by operation of Clause 29.2, the Lead Company may direct the Trustee (save in respect of the Nirex Section and any of the GPS Sections, in relation to which the Trustee may resolve) to defer the commencement of the winding up of the Section under Clause 31.5 and instead to continue it as a frozen arrangement subject to the trusts of the Scheme (including the power of amendment contained in Clause 25 and each Employer's liability to contribute under Clause 28) until:
- (a) in relation to any GPS Section and the Nirex Section, the earliest of:
      - (i) such time as the Trustee may determine;
      - (ii) the exhaustion of the Fund; and
      - (iii) the expiry of period specified in Clause 32 for the duration of the Scheme; and;
    - (b) in relation to any other Sections:
      - (i) such time as the Lead Company directs; or
      - (ii) the expiry of the period specified in Clause 32 for the duration of the Scheme.

- 31.7 If section 73 of the 1995 Act does not apply on the winding up of the Nirex Section, or it only applies to part of the assets and liabilities of the Nirex Section, the priority order set out in the NPS Definitive Trust Deed shall instead apply to such part or all of the assets and liabilities of the Nirex Section to which section 73 does not apply.

## **32 DURATION OF THE SCHEME**

Unless determined earlier in accordance with Clause 30 the trusts of the Scheme shall endure for eighty years from the Commencement Date or for such longer period as may then be lawful.

## **33 MISCELLANEOUS PROVISIONS**

- 33.1 The NDA, the Lead Company and the Employers shall not be under any liability whatsoever in connection with the Scheme except as expressly provided in the Trust Deed and the Rules.
- 33.2 When exercising powers and discretion and when giving or withholding consent under the provisions of this Deed and the Rules, the NDA, the Lead Company and the Employer shall not be required to act in a fiduciary capacity nor to consider anything other than their own interests provided that the power appointing and removing the Trustee under Clause 4 shall be fiduciary.
- 33.3 The written consent of a Member shall for any purpose of the Scheme be deemed to represent the consent of and to be binding upon any contingent beneficiary who may have any claim to any benefit under the Scheme in respect of that Member.
- 33.4 No Member or other person entitled to benefits under the Scheme shall have any claim or right to any benefit except insofar as the Scheme allows and in accordance with the Trust Deed and Rules.
- 33.5 Nothing in the Trust Deed or Rules shall restrict the right of an Employer to terminate the Service of any Member nor shall any expectation of benefits from the Scheme be made the grounds for increasing damages in any action brought by a Member against the Employer, the NDA or the Lead Company.
- 33.6 The discretions conferred on the Trustee by the Trust Deed and the Rules shall be absolute and unfettered discretions and the Trustee shall not be obliged to give to any Member or any other person any reason or justification for any exercise of such discretion.
- 33.7 In any instance where a right or benefit under the Scheme is expressed to be subject to the consent of the Trustee, the Employer, the Section Lead Employer, the Lead Company or the NDA, no Member or other person affected by the consequences either of a failure to consent or of any limitation, curtailment or exclusion shall have any right in that behalf against the Trustee, any Employer, the Lead Company or the NDA.
- 33.8 Where:
- (a) (i) any provision of this Trust Deed or the Rules gives a power or discretion to an Employer or to the Section Lead Employer of a GPS Section; or

- (ii) any provision of the trust deeds which governed the GPS prior to the Effective Date gave a power or discretion to an Employer or a Section Lead Employer;
- (b) the Employer or the Section Lead Employer of the GPS Section purports or purported to exercise that power or discretion or declines or declined to do so on or after 31 March 2007; and
- (c) in the opinion of the Lead Company, that power or discretion has been exercised or has been declined to be exercised in a way which does not comply with the obligations relating to the protection of members under the Energy Act 2004,

then the Lead Company may, by giving written notice to the Trustee and the Employer or Section Lead Employer, deem (where appropriate) that exercise of power or discretion to be of no effect and, instead, substitute its own decision in place of that of the Employer or Section Lead Employer to the extent necessary to comply with the obligations relating to the protection of members under the Energy Act 2004.

### **34 MATTERS OF DOUBT**

Except in relation to any power which is expressed to be exercisable by the NDA, the Lead Company or an Employer, the Trustee shall have full power conclusively to determine whether or not a person is entitled to any benefit under the Scheme, and all matters of doubt arising in connection with the Scheme or the Fund, whether relating to the construction of the Trust Deed and Rules or otherwise. Any determination made shall be final and binding on all interested parties, subject to the overriding jurisdiction of the court. The Trustee may act on such evidence and may make such assumptions as it considers reasonable in the circumstances.

### **35 CONSTRUCTION**

The trusts hereby created shall be construed and the rights of the parties thereto shall be governed by the laws of England and Wales and shall be subject to the jurisdiction of the Courts of England and Wales.

**IN WITNESS** whereof this Deed has been executed and delivered on the day and year first above written.

**SCHEDULE 1**  
**GENERAL RULES**

**1 DEFINITIONS**

In the Trust Deed and the Rules, the words and phrases set out in Schedule 12 shall have the meanings given to them in that Schedule.

**2 INTERPRETATION**

- 2.1 In the interpretation of the Trust Deed and the Rules, the following provisions of this Rule 2 shall apply.
- 2.2 Where the context does not otherwise determine, words (other than the words "male" or "widower") importing the masculine gender shall include the feminine gender and words importing the singular number shall include the plural number and vice versa.
- 2.3 Reference to any statute shall include references to any regulations made under that statute and references to any legislation shall include any amendment or re-enactment of that legislation and, where appropriate, any preceding or subsequent related legislation and equivalent legislation in Scotland and Northern Ireland.
- 2.4 Any period of 365 consecutive days shall be deemed to constitute a year but not so that in the calculation of a number of years any day is counted more than once.
- 2.5 Where the amount of a benefit depends on the calculation of a number of years without expressly requiring that these should be complete years, a proportionate amount shall be given for any part of a year which would not otherwise be included in the calculation.
- 2.6 Where a reference is made to any period of time, except a day, week or year, the period shall be counted to the nearest day.
- 2.7 Any power which is exercisable by the Trustee, the Employer, the Section Lead Employer, the Lead Company or the NDA may be exercised from time to time and at any time.
- 2.8 Any power which is exercisable in respect of a Member may be exercised in respect of a group of Members and vice versa.
- 2.9 The tables of contents and the headings to the Trust Deed and the Rules are for convenience of reference only and shall not affect their interpretation.
- 2.10 Words in quotation marks and beginning with capital letters shall have the meaning of the words immediately preceding them when they first occur inside parentheses.
- 2.11 Unless the context otherwise requires, a reference to a Clause is to a Clause of the Trust Deed, a reference to a Rule is to a Rule in the Rules and a reference to a Schedule is to a Schedule to the Trust Deed. Within each Schedule to the Rules, a reference to a particular Rule shall be a reference to the corresponding Rule within that Schedule, unless the context otherwise requires.

- 2.12 Unless the context otherwise requires, a reference to "in writing" includes typing, printing, lithography, photography, fax, email, distribution over the internet or any intranet or any other form of electronic communication by which words or images are produced or reproduced or represented in a visible form.
- 2.13 Where the Trust Deed or the Rules provide that the Trustee, the NDA, the Lead Company any Employer or any Section Lead Employer is under an obligation to comply with a particular statutory reference, that reference is stated in the Trust Deed or the Rules for guidance only. The obligations on the Trustee and the Lead Company shall not exceed the obligations set out in the relevant legislation. The penalties for failure to comply shall be as set out in that legislation and it shall not be a breach of trust if the legislation is not complied with.

### **3 ELIGIBILITY**

- 3.1 The eligibility requirements for each Benefit Structure are set out in the relevant Schedules.
- 3.2 The Lead Company shall determine the Section of the Scheme in which an Active Member shall accrue benefits. The decision of the Lead Company as to whether a person is eligible to participate in the Scheme and the Section in which he shall participate is final and binding.
- 3.3 Subject to Rule 3.4, the Lead Company may:
- (a) exclude any Employee or group of Employees from Active Membership;
  - (b) limit Active Membership to the Active Members of a Section as at any given date;
  - (c) direct that a Section be reopened; and
  - (d) other than in relation to Members of a GPS Section, terminate the Active Membership of any Employee or group of Employees.
- 3.4 Before exercising its powers under Rule 3.3 in relation to a GPS Section the Lead Company shall consult with the Section Lead Employer and shall give written notice to the Trustee in respect of any such exercise of power.
- 3.5 A Section Lead Employer may by notice terminate the Active Membership of any Employee or group of Employees other than Employees who are GPS DB Members.
- 3.6 Notwithstanding the closure of a GPS Section to new Members or a group of new Members in accordance with Rule 3.3, the Lead Company may determine that:
- (a) a person who has not fulfilled the requirements for Membership may become a Member of a GPS Section on such terms and subject to such conditions as it may determine; and
  - (b) a person or category of persons not already Members of a GPS Section shall not be eligible to become Members or may only become Members subject to such conditions as the Lead Company and the Trustee may prescribe.



- 3.7 The Deed of Participation by which an Employer participates in the Scheme may set out restrictions on the Employees who may become Active Members in which case such Deed of Participation shall override this Rule 3.

#### **4 MEDICAL OR OTHER EVIDENCE**

- 4.1 The Trustee may waive all or any of the conditions and restrictions contained in this Rule 4.
- 4.2 The Trustee may ask any person who seeks to be entitled to benefits under the Scheme to supply such evidence of age, marriage, existence or good health or such other information or to consent to the processing of such data as it considers appropriate. The Trustee may withhold payment of benefits due (subject to the requirements of any overriding legislation) until such evidence or information or consent is received and accepted by the Trustee as satisfactory for its purposes.
- 4.3 A person who is entitled to benefit under the Scheme shall without delay notify the Trustee of any event or fact which may affect that entitlement.
- 4.4 If following a request pursuant to Rule 4.2 or, where appropriate, in respect of an Energy Act CPS Member by reference to the CPS, a person fails to provide evidence of good health or furnishes evidence which is not in the opinion of the Trustee satisfactory or if the person, in the opinion of the Trustee, withholds information or knowingly makes a false statement about the state of his health, the Trustee may exclude him and any person claiming through him in whole or in part from entitlement in respect of all or any benefits payable under the Scheme. Alternatively, the Trustee may withhold, restrict, modify, restore or increase such entitlement but subject to such conditions as it thinks fit.
- 4.5 If any information provided by a person under Rule 4.2 is incorrect, the Trustee may adjust the benefits payable to or in respect of the person in such a way that, in the opinion of the Actuary, the Scheme shall be placed in no worse position than if the correct information had been given and may recover any overpayments of pension or other benefits in such manner as the Trustee thinks most appropriate.
- 4.6 The accrual or payment of benefits by or to an Energy Act CPS Member shall not be dependent on that Member providing satisfactory evidence of good health on joining the Scheme in accordance with this Rule 4.

#### **5 ADMISSION TO AND DURATION OF ACTIVE MEMBERSHIP**

- 5.1 Every person eligible for Active Membership shall be admitted to Active Membership on the day he enters Service or, if such a person was not eligible on the day he entered Service, on the first date on which he becomes eligible unless:
- (a) he has notified the Employer in writing within three months of becoming eligible that he does not wish to become a Member or, in respect of Active Membership under the GPS Benefit Structure, the person refuses such membership;
  - (b) he has not satisfied such of the requirements of Rule 4 as apply in respect of him;
  - (c) the relevant Section has been closed to new Members or a class of new Members in accordance with Rule 3.3;

- (d) in respect of Active Membership in any GPS Section, he is not a “relevant employee” as provided under section 3 of the Welfare Reform and Pensions Act 1999 (but disregarding subparagraph (a) of that definition); or
  - (e) he is an employee of the Lead Company and it has not given explicit written consent to his becoming a GPS Member under this Rule 5.1.
- 5.2 The Lead Company may admit any person to Special Membership.
- 5.3 An Active Member may, on giving to the Trustee (or the Lead Company or Employer in respect of a GPS DB Member) such notice as it may reasonably require, terminate his Active Membership although he remains in Service. When such notice takes effect, the Member's benefits shall be dealt with in accordance with whichever of the Benefit Structures is relevant to the Member.
- 5.4 The Benefit Structures detail whether persons who do not join the Scheme when first able or who later opt out of Active Membership may rejoin the Scheme.
- 5.5 Active Membership shall terminate on the earliest of:
  - (a) the date on which the Active Member gives a notice under Rule 5.3;
  - (b) the date on which the Active Member leaves Service;
  - (c) the date on which the Active Member dies;
  - (d) the date on which the Active Member retires with an immediate entitlement to benefit;
  - (e) the date on which the Lead Company, or in respect of any GPS New Joiners, the Section Lead Employer, so determines and gives notice under Rule 3.3 or Rule 3.5 as appropriate; and
  - (f) such other date as is determined as a special term under Rule 1.2 of the Nirex Benefit Structure.
- 5.6 Subject to Rule 5.7, the transfer of an Employee from the Service of one Employer to another Employer shall not result in the termination of Active Membership under this Rule.
- 5.7 If a GPS DB Member in Active Membership transfers from the Service of one Employer to the Service of another Employer which participates in a different GPS Section, the Member's Active Membership in the first GPS Section shall cease and he shall commence a new period of Active Membership in the GPS Section in which his new Employer participates.
- 5.8 The following provisions apply where a person ceases and then rejoins Active Membership:
  - (a) Where a person other than an Energy Act CPS Member or a GPS DB Member who was an Active Member but ceased Active Membership rejoins the Scheme as an Active Member, his periods of Active Membership shall be treated separately for the purposes of the Scheme. However, the Trustee, with the

consent of the Lead Company and the Member, may aggregate the periods of Active Membership and the previous periods of Active Membership shall count towards Qualifying and Reckonable Service and the Member shall cease to be entitled to benefits in respect of previous periods of Active Membership.

- (b) Where an Energy Act CPS Member who was an Active Member but ceased Active Membership rejoins the same Section and is entitled to accrue benefits under the same Benefit Structure (in both cases) as when he was last an Active Member, he shall be entitled to have his benefits calculated on the basis of whichever of the following gives the higher amount:
  - (i) by aggregating the last period of Active Membership with any previous such periods and multiplying that by the relevant fraction of Pensionable Final Earnings in lieu of any other entitlement to benefits in respect of the earlier periods, except that such periods shall count towards Qualifying Service, or
  - (ii) by treating the different periods of Active Membership separately for the purposes of the Scheme.
- (c) A GPS DB Member who was an Active Member but ceased Active Membership who rejoins the Scheme as an Active Member, or whose Active Membership is interrupted shall have his periods of Active Membership treated separately for the purposes of the Scheme. Where a GPS DB Member who was an Active Member leaves Active Membership and then rejoins the Scheme as an Active Member, or where the Member's Active Membership was interrupted in circumstances where the Member has retained a right to benefits or has received benefits under the GPS Benefit Structure in respect of his first period of Active Membership the GPS DB Member may, with the consent of the Lead Company, elect to surrender his benefits in respect of the first period of Active Membership on terms that the two periods of Active Membership shall be aggregated for the purpose of calculating his entitlement to benefits under the relevant GPS Section which shall be adjusted as the Lead Company considers appropriate.

- 5.9 In respect of the GPS Sections, each Employer shall provide the Trustee with details of Employees who in its opinion are eligible to become Active Members under the GPS Benefit Structure and the Trustee shall be entitled to rely on any such details provided to it.

## **6 TEMPORARY ABSENCE**

- 6.1 The provisions of this Rule 6 shall not apply to Nirex Members.
- 6.2 The Lead Company (or, in respect of GPS New Joiners, the Section Lead Employer) may direct the Trustee to treat a person who is absent from Service as though he were not so absent for some or all of his benefits under the Scheme provided that Active Membership shall cease immediately:
  - (a) if the Member becomes a member of another retirement benefit scheme unless the Lead Company (or, in respect of GPS New Joiners, the Section Lead Employer) determines otherwise; or

- (b) if there is no longer a definite expectation of the Member's return to work with the Employers.

The Lead Company (or, in respect of GPS New Joiners, the Section Lead Employer) may direct the Trustee to make such adjustments to the benefits accruing and the contributions payable during such period of absence as the Lead Company (or, in respect of GPS New Joiners, the Section Lead Employer) thinks fit.

- 6.3 A Member who is absent from Service by reason of contractual leave (other than when Rules 6.4 to 6.8 apply) or sickness during which he is contractually entitled to continue to accrue benefits as an Active Member shall do so (and shall pay such ordinary contributions as may be required) in accordance with the relevant Benefit Structure.
- 6.4 The benefits and contributions of an Active Member who is not GPS DB Member and who is on Standard Maternity Leave or Standard Adoption Leave shall be calculated as follows:
  - (a) the Member shall remain an Active Member throughout the period of leave;
  - (b) Reckonable Service shall continue to accrue (where appropriate) for a Member and benefits shall be payable in respect of the Member during Standard Maternity Leave and Standard Adoption Leave (including Employer contributions in respect of a New Joiner), calculated by reference to the notional Pensionable Earnings, or Pensionable Pay (as appropriate and as determined in either case by the Employer) which would have been paid had the Member not been on leave; and
  - (c) the Member shall pay any contributions required by the relevant Benefit Structure during Standard Maternity Leave and Standard Adoption Leave, calculated by reference to the Member's actual Pensionable Earnings or Pensionable Pay (as appropriate).
- 6.5 The benefits and contributions of an Active Member who is not a GPS DB Member and who is on Unpaid Maternity Leave or Unpaid Adoption Leave shall be calculated as follows:
  - (a) In respect of a GPS New Joiner or any other Member where the period of Unpaid Maternity Leave or Unpaid Adoption Leave commences before 1 September 2009:
    - (i) the Member shall remain an Active Member throughout the period of leave; but
    - (ii) Reckonable Service shall continue to accrue (where appropriate) for a Member and benefits shall be payable in respect of the Member during Unpaid Maternity Leave and Unpaid Adoption Leave (including Employer contributions in respect of a New Joiner) only if the Member pays the contributions required by the relevant Benefit Structure (either during the period of absence or on returning from the period of absence) calculated by reference to the Member's notional Pensionable Earnings or Pensionable Pay (as appropriate and as determined in either case by the Employer) which would have been paid had the Member not been on leave.

- (b) In respect of any Member other than a GPS New Joiner where the period of Unpaid Leave or Unpaid Adoption Leave commences on or after 1 September 2009:
  - (i) the Member shall remain an Active Member throughout the period of leave; but
  - (ii) Reckonable Service shall continue to accrue (where appropriate) for a Member and benefits shall be payable in respect of the Member during Unpaid Maternity Leave and Unpaid Adoption Leave only if the Member pays both the contributions required by the relevant Benefit Structure and the Employer contributions (relating only to future accrual of the Member's benefits throughout the period of leave), calculated as follows:
    - (A) where the Active Member applies to pay contributions before the commencement of the unpaid period of absence, contributions are calculated by reference to the Member's notional Pensionable Earnings or Pensionable Pay (as appropriate and as determined in either case by the Employer) which would have been paid had the Member not been on leave; and
    - (B) where the Active Member applies to pay contributions after returning from the unpaid period of absence, contributions are calculated by reference to the Member's actual Pensionable Earnings or Pensionable Pay at the time the contributions are paid.
- (c) Where an Active Member:
  - (i) has been absent on Unpaid Maternity Leave or Unpaid Adoption Leave;
  - (ii) chooses to pay contributions in respect of that period of absence after returning from that period of absence; and
  - (iii) has moved to a different Section either during the period of absence or after returning from the period of absence,

the Member's contributions in respect of the period of absence shall be paid to the Section(s) from which the Member was absent and the Member shall be treated as having accrued Reckonable Service (where appropriate) in that Section in accordance with this Rule 6.5. Where the Member was moved to a different Section during the period of absence, the Lead Company shall determine how the Member's contributions should be allocated between the different Sections after consulting with the Actuary.

6.6 The benefits and contributions of an Active Member who is not a GPS DB Member who is on Paternity Leave shall be calculated as follows:

- (a) the Member shall remain an Active Member throughout the period of leave;
- (b) Reckonable Service shall continue to accrue (where appropriate) for a Member and benefits shall be payable in respect of the Member during Paternity Leave (including Employer contributions in respect of a New Joiner), calculated by

reference to the notional Pensionable Earnings or Pensionable Pay (as appropriate and as determined in either case by the Employer) which would have been paid had the Member not been on leave; and

- (c) the Member shall pay any contributions required by the relevant Benefit Structure during Paternity Leave, calculated by reference to the Member's actual Pensionable Earnings or Pensionable Pay (as appropriate).

6.7 The benefits and contributions of an Active Member who is not a GPS DB Member who is on Paid Family Leave shall be calculated as follows:

- (a) the Member shall remain an Active Member throughout the period of leave;
- (b) Reckonable Service shall continue to accrue (where appropriate) for a Member and benefits shall be payable in respect of the Member during Paid Family Leave (including Employer contributions in respect of a New Joiner), calculated by reference to the Member's actual Pensionable Earnings or Pensionable Pay (as appropriate); and
- (c) the Member shall pay any contributions required by the relevant Benefit Structure during Paid Family Leave, calculated by reference to the Member's actual Pensionable Earnings or Pensionable Pay (as appropriate).

6.8 This Rule 6.8 applies, subject to Rule 5.3 of the General Rules and Rule 14.6 of the GPS Benefit Structure, in relation to a female GPS DB Member who is absent from work wholly or partly because of pregnancy or childbirth.

- (a) In relation to such a female Member the "**Return Date**" shall be the earlier of:
  - (i) the date she notifies her Employer that she will not be returning to work; and
  - (ii) the last date on which she had a statutory right to return to work under the Employment Rights Act 1996.
- (b) Such a female Member who does not return to work with the Employer on or before the Return Date shall then be treated as leaving Active Membership and shall be entitled to the withdrawal benefits set out in Rule 6 of the GPS Benefit Structure based on Pensionable Service completed to the date on which her Pensionable Earnings (including statutory maternity pay) payable during the period of absence ceased.
- (c) If such female GPS Member returns to work on or before the Return Date:
  - (i) any period of her absence from work in which contributions were payable and paid in accordance with Rule 6.8(e) shall count towards Pensionable Service;
  - (ii) any other period of her absence from work not falling within (i) above shall not count towards Pensionable Service but shall not break the continuity of Pensionable Service.

- (d) In relation to such a female GPS Member, whether or not she returns to work on or before the Return Date, the whole of the period of her absence from work shall count towards Qualifying Service for the purposes of Rules 4, 5, 6, 9.1 and 10.1 of the GPS Benefit Structure.
- (e) The contributions payable by a female GPS Member in respect of her absence from work shall be calculated by reference to her annual rate of actual Pensionable Earnings (including statutory maternity pay) received during the period of absence, and shall be payable, in accordance with Rule 2 of the GPS Benefit Structure, whether or not she returns to work.
- (f) With the exception of Rule 6.8(e) Pensionable Earnings shall in relation to the period of absence be calculated by reference to the annual rate of Pensionable Earnings that would have been likely to have applied had she been working normally.
- (g) If such a female Member dies before the Return Date, the death benefits set out in Rules 9.1 and 10.1 of the GPS Benefit Structure shall be payable but calculated using her Pensionable Final Earnings the day before her unpaid absence from work due to pregnancy or confinement commenced and her Pensionable Service up to the date on which she ceased contributing.

6.9 Subject to Rules 6.1 to 6.8, the Active Membership of a Member who is absent from Service shall be suspended during the period of such absence and such a Member shall not accrue any benefits under the Scheme during such period of absence nor shall he pay contributions. Periods of Active Membership either side of such suspension shall be aggregated for the purpose of calculating benefits.

## **7 BENEFIT STRUCTURES**

7.1 The provisions of the Trust Deed, the General Rules and the Pension Sharing on Divorce Rules shall apply to all Members. The provisions of the Additional Benefits (Defined Benefit) Rules, the Additional Benefits (Defined Contribution) Rules, the Shift Pay Pension Plan Rules, the Scheme Limits Rules and the Contracting Out Rules shall apply to all Members other than New Joiners or Ex-Spouses of New Joiners (unless otherwise indicated in those provisions). Where the Contracting Out Rules apply they shall override anything else in the Rules. Benefits payable under the Additional Benefits (Defined Contribution) Rules or the Shift Pay Pension Plan Rules will not be subject to the Scheme Limits Rules. Where the Scheme Limits Rules apply they shall override anything else in the Rules other than the Contracting Out Rules and benefits granted under Rule 8. In addition:

- (a) an Active Member who is an Energy Act CPS Member shall be entitled to accrue the benefits set out in either the CPS Benefit Structure or the CPS 2 Benefit Structure, as determined in accordance with the eligibility requirements of those Benefit Structures;
- (b) an Active Member who is a GPS DB Member shall be entitled to accrue the benefits set out in the GPS Benefit Structure;
- (c) Appendix 1 to the GPS Benefit Structure shall apply to modify the benefits provided to and in respect of Former BNFL Members;

- (d) an Active Member who is a Nirex Member shall be entitled to accrue benefits on such special terms as are specified under the Nirex Benefit Structure;
- (e) a GPS New Joiner shall be entitled to accrue benefits set out in the New Joiners Benefits Structure;
- (f) in accordance with its powers under Clause 25, the Lead Company may create additional Schedules setting out benefits for other Energy Act Nuclear Scheme Members if so required; and
- (g) all other persons becoming Active Members shall be entitled to accrue the benefits set out in the New Joiners Benefit Structure.

7.2 Notwithstanding the provisions of the Trust Deed and the Rules, no person shall be entitled to an Unauthorised Payment from the Scheme. If:

- (a) in respect of a GPS Member or a Nirex Member, circumstances arise after the Effective Date, where if the same had arisen before the Effective Date the trustee of the GPS or NPS (as appropriate) would have had a discretion to pay a benefit as an Unauthorised Payment under the GPS Definitive Trust Deed or the NPS Definitive Trust Deed (as appropriate); or
- (b) in respect of any Member, a provision of the Trust Deed or the Rules purports to confer an entitlement to an Unauthorised Payment on any person,

the Trustee shall make any part of the payment to the extent (if any) that this can be done without being an Unauthorised Payment but shall decline to pay any part which would be an Unauthorised Payment. Instead, the Trustee shall substitute an alternative payment or payments of broadly equivalent value (to be determined by the Actuary) which would not be Unauthorised Payments provided that, in respect of any Member other than a GPS Member or a Nirex Member, the Trustee determines that it would be reasonably practical to do so. The alternative payment or payments shall be made to the person in question or, at the Trustee's discretion, to someone else nominated by that person.

## **8 AUGMENTATION AND DISCRETIONARY BENEFITS**

8.1 Subject to Rules 8.2 and 8.4, the Lead Company may at its own discretion direct the Trustee to grant:

- (a) increased or additional benefits in respect of any person entitled to benefits from the Scheme;
- (b) benefits in respect of any person entitled to benefits from the Scheme different from those set out in the Trust Deed and the Rules, subject to the consent of that person; or
- (c) benefits for or in respect of any other person,

provided that the relevant Employer pays any additional contributions as the Trustee, on the advice of the Actuary, requires.



- 8.2 The Trustee may in its discretion, at the request of the Lead Company, grant any of the benefits set out in Rule 8.1 out of the Nirex Section without payment of the additional contributions referred to in the Rule 8.1.
- 8.3 Any benefits granted under Rule 8.1:
- (a) to or in respect of a GPS DB Member, shall:
    - (i) only be made after consulting the Section Lead Employer and the relevant Employers and with the consent of the Trustee;
    - (ii) not prejudicially affect the rights or interests of GPS Members in respect of pension benefits accrued prior to the date of the direction; and
    - (iii) in relation to benefits granted under Rule 8.1(b) only, not require the consent of the relevant person and the proviso relating to the payment of additional Employer contributions set out at the end of Rule 8.1 shall not apply;
  - (b) to or in respect of a GPS New Joiner, shall only be made after consulting the relevant Section Lead Employer.
- 8.4 Any benefits granted under this Rule 8 must comply with the Contracting Out Rules and must not confer on any person an entitlement to an Unauthorised Payment.

## **9 INDIVIDUAL TRANSFER TO ANOTHER SCHEME OR PERSONAL PENSION OR INSURANCE POLICY**

- 9.1 At the request of a Member who has a right to a cash equivalent transfer value under section 94 of the 1993 Act, the Trustee shall make a transfer to another retirement benefit scheme or personal pension scheme or insurance policy. Where a Member has no such right, the Trustee may nevertheless make such a transfer at the request of the Member. The amount of the transfer value shall be the cash equivalent transfer value as calculated under section 97 of the 1993 Act or such higher amount as the Lead Company may direct, provided that in respect of such direction relating to any GPS Member, the Lead Company shall first obtain the consent of the Trustee. Upon payment of the transfer value, the Member and those claiming through him shall cease to be entitled to any benefits under the Scheme.
- 9.2 The Trustee may make a transfer under this Rule without the consent of the Member where so permitted by the 1993 Act.
- 9.3 A transfer in accordance with this Rule 9 shall only be made if:
- (a) it would be a recognised transfer for the purposes of the Finance Act; and
  - (b) where a Member is entitled to benefits under both the CPS Benefit Structure and the CPS 2 Benefit Structure, all of the Member's benefits from the Scheme are being transferred into one or more other arrangements at the same time.

## **10 INDIVIDUAL TRANSFER FROM ANOTHER SCHEME**

The Trustee may accept a transfer to the Scheme of all or any of the assets of another retirement benefit scheme or personal pension scheme in respect of any Member. On the acceptance of a transfer of assets, the Trustee shall grant such benefits in respect of the transfer as it, with the consent of the Lead Company, so determines.

## **11 BULK TRANSFERS TO AND FROM THE SCHEME**

11.1 At the direction of the Lead Company the Trustee shall (or, in respect of a Nirex Member, may) transfer part or all of the Scheme's liabilities to another Registered Pension Scheme. When given such a direction, the Trustee shall also transfer to the Registered Pension Scheme that part (if any) of the Fund which, on the advice of the Actuary, the Lead Company decides is appropriate provided that in respect of any such determination relating to a GPS Member or a Nirex Member, the consent of the Trustee shall be obtained.

11.2 In addition, the Trustee may transfer to another Registered Pension Scheme part or all of the Scheme's liabilities in respect of one or more GPS Members and part or all of the Fund which relates to those Members. The part of the Fund to be transferred shall be determined by the Trustee (having regard to the advice of the Actuary) as being, in respect of each transferring Member:

- (a) equal to the Member's cash equivalent transfer value as calculated under section 97 of the 1993 Act; and
- (b) at least equal, to the reasonable satisfaction of the Trustee, where the transfer is by way of substitution for short service benefit (as defined in the 1993 Act) and the consent of the person to whom the transfer relates has not been obtained:
  - (i) where the transfer is by way of complete substitution for short service benefit, to the value of any benefits which have accrued to or in respect of the person to whom the transfer relates, including for this purpose any increase in benefits which have accrued or the Trustee estimates would accrue in accordance with the 1993 Act; and
  - (ii) where the transfer is by way of partial substitution for short service benefit, to the value of the relevant part of any benefits which have so accrued, including for this purpose any increases in benefits which have accrued or which the Trustee estimates would accrue in accordance with the 1993 Act; or
- (c) such greater amount as the Lead Company may, with the consent of the Trustee, direct.

11.3 Where a transfer is proposed to be made:

- (a) in accordance with Rule 11.1 in respect of a GPS Member, the consent of the Member must be sought; and
- (b) in any other case, the consent of the transferring Members and beneficiaries shall only be sought where it is required by the 1993 Act.

- 11.4 Upon payment of a transfer value in accordance with Rules 11.1 and 11.2, the transferring Members and beneficiaries and those claiming through them shall cease to be entitled to any benefits under the Scheme.
- 11.5 The Trustee shall, at the direction of (or in respect of the Nirex Section may at the request of) the Lead Company or, in the event no such direction is given (or request made) the Trustee may with the consent of the Lead Company, accept a transfer from another Registered Pension Scheme of part or all of its assets. When given such a direction, the Trustee shall grant the transferring beneficiaries such benefits under the Scheme as the Lead Company shall determine, having consulted the Actuary, provided that in respect of any such determination relating to a GPS Section or the Nirex Section, the consent of the Trustee shall be obtained.
- 11.6 Any transfers made in accordance with this Rule 11 shall comply with the requirements of the Finance Act in relation to recognised transfers and the 1993 Act.

## **12 NON-STATUTORY BUY-OUTS**

- 12.1 The Trustee may, in respect of a Member who ceases to be in Pensionable Service, purchase or provide in the name of the Member or a trustee for the benefit of such Member (and, if appropriate, the Member's Dependants), or transfer to such Member or trustee, an Approved Policy which provides benefits in lieu of the Member's benefits under a Section.
- 12.2 The purchase or transfer shall only be made, subject to Rule 12.3, at the request of or with the consent of the Member and with the consent of the Lead Company. The Trustee shall not be obliged to obtain the consent of any other beneficiary concerned. The terms and conditions of the policy and the benefits payable under the policy shall be such as would not prejudice the status of the Scheme as a Registered Pension Scheme.
- 12.3 The Trustee may make a purchase or transfer under this Rule without the consent of the Member where the requirements set out in either Regulation 6 or Regulation 9 of the Occupational Pension Schemes (Preservation of Benefits) Regulations 1991 are satisfied.
- 12.4 An Approved Policy shall, where it is in substitution for short service benefit (as defined in the 1993 Act), not be purchased or transferred as aforesaid unless the Trustee is reasonably satisfied that the payment to be made to the insurance company is at least equal to the value, at the date on which the insurance company assumes an obligation to pay benefits under the Approved Policy, of the benefits which have accrued to or in respect of the Member under a Section, including for this purpose any benefits which the Trustee anticipates would have accrued to the Member if the Member had been granted a preserved pension and lump sum under a Section.
- 12.5 The power of the Trustee to purchase or transfer an Approved Policy under this Rule 12 does not (unless it is made pursuant to Rule 12.3) apply to a Member who may exercise the option conferred by section 95(2) of the 1993 Act (as amended) except to the extent that the payment to be made to the insurance company pursuant to this Rule 12 exceeds the cash equivalent to which the Member has acquired a right under sections 93 to 101 of the 1993 Act. The Trustee may treat any consent or request of the Member in connection with the transfer of such cash equivalent as relating also to the transfer of any such excess under this Rule 12.

- 12.6 Where an Approved Policy has been purchased or transferred in accordance with this Rule 12, the Trustee shall be discharged from any obligation to provide benefits to which the Approved Policy relates.

### **13 PAYMENT OF BENEFITS**

- 13.1 Pensions are payable for life unless specified otherwise for the purposes of the relevant Benefit Structure. Subject to Rule 13.3, pension benefits which are payable from the Scheme shall be paid monthly in arrears or otherwise as the Trustee determines.
- 13.2 Subject to Rule 13.3, the last instalment of pension shall be that payable on the normal payment date coinciding with or immediately following the recipient's death but shall be apportioned to the date of the death unless the Trustee decides otherwise.
- 13.3 In respect of the Nirex Section, pensions and allowances shall be paid monthly in advance (unless otherwise determined by the Trustee) and the first payment of any pension shall be an apportioned part of the monthly amount appropriate to the period between the date upon which the pension begins and the end of that month. The last payment shall be paid in full and not be apportioned.
- 13.4 Rules governing pensions payable to Spouses, Dependants and Children are set out in the Benefit Structures.
- 13.5 All benefits payable under the Scheme are payable in Sterling and in the United Kingdom. The Trustee may, if the beneficiary so requests, make alternative arrangements on the basis that any additional costs arising from such arrangements shall be deducted from the benefits payable.
- 13.6 Where two or more persons have a claim to be a surviving Spouse of a Member, the Trustee may split any benefit due or may pay it to one or other of the persons, subject to the requirements of the Contracting Out Rules.

### **14 INCAPACITY OF BENEFICIARY**

- 14.1 If, in the opinion of the Trustee, any beneficiary is a minor or is suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt for the pension or other moneys payable under the Scheme, the Trustee shall have the powers in this Rule 14.
- 14.2 The Trustee may make payments to any of the relatives of the beneficiary or to any institution to be applied for his benefit. In addition, the Trustee may make payments to or for the benefit of any relative or other person who in the opinion of the trustee on the advice of the Employer may be dependent on the beneficiary.
- 14.3 The receipt of the person or authorised officer of the institution so paid shall be a complete discharge to the Trustee for the money paid and it shall be under no liability to see to the application of the payment.
- 14.4 Alternatively, the Trustee may declare in respect of all or any part of the benefits payable to such beneficiary, such trusts as it thinks fit, including without limitation provisions for maintenance, education, advancement or accumulation. The Trustee shall have the power to appoint and remove the trustees of any such trust and the costs of

establishment of the trust shall be deducted from the benefit due to the beneficiary, unless the Trustee otherwise directs.

## **15 TAX**

Where the Trustee is liable (including jointly and severally liable with another person) to pay or to account for a charge to tax in respect of any beneficiary's benefits under the Scheme or a payment made in respect of a beneficiary from the Scheme, it shall deduct an amount equal to that tax charge from the relevant benefits or payment in such manner as the Trustee considers appropriate having considered the advice of the Actuary.

## **16 INFORMATION**

- 16.1 Every Member shall be entitled, on request and subject to the payment of any reasonable charge imposed by the Trustee, to a copy of the Trust Deed and the Rules. Every Member shall, in addition, have such rights as are specified in the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.
- 16.2 Every Member, prospective Member, other beneficiary under the Scheme and Employer shall provide the Trustee with any documents and information which the Trustee may from time to time reasonably require. The Trustee may suspend the payment of any benefit pending the provision of such documents or information.
- 16.3 Every Member or other beneficiary shall give notice in writing to the Trustee of his place of residence when he becomes a Member or entitled to a pension or an annuity under the Scheme and thereafter shall give immediate notice of any change of residence.

## **17 UNCLAIMED MONIES**

Any monies payable to or in respect of a Member or other beneficiary not claimed within six years after they have become due shall cease to be claimable and, unless the Trustee determines otherwise, shall revert to the Fund to be held for the general purposes of the Scheme.

## **18 ASSIGNMENT OF AND CHARGE OVER BENEFITS**

Other than in accordance with the Pension Sharing on Divorce Rules the assignment by a Member or any other beneficiary of any benefit under the Scheme is prohibited and if any Member or other beneficiary shall either wholly or partially assign or charge any present or future benefit under the Scheme or attempt or purport to do so or if any other act shall be done or event shall happen whereby the same if belonging absolutely to the Member or other beneficiary would be vested in or payable to or charged in favour of any other person he shall forfeit all rights whatsoever to such benefit other than his right to benefits under the Contracting Out Rules. In the event of any benefit being so forfeited the Trustee may at its discretion pay or apply the same to or for the benefit of such one or more of the Member or other beneficiary concerned and his Dependants but so that in no circumstances shall any payment be made to an assignee.

## **19 FORFEITURE**

- 19.1 The beneficial interest of any member under the Scheme may, at the discretion of the Trustee, be forfeited in the circumstances set out in section 92(3) of the 1995 Act.

- 19.2 Subject to the provisions of the 1995 Act, the Trustee may suspend payment of a benefit during any period when the recipient of the benefit is in prison or detained in legal custody but the amount of the benefit must then be paid or applied for the maintenance of such one or more of the recipient's dependants as the Trustee shall determine.

## **20 LIENS**

- 20.1 Subject to Rule 20.2, the beneficial interest of any Member under the Scheme including any payments which may fall due to be made in respect of him on or after his death (but excluding the amount of any guaranteed minimum pension) shall stand charged with the payment of any debt or liabilities owing to the Trustee, the Employers, the NDA or the Lead Company or any of them and arising out of the criminal negligent or fraudulent act or omission of such person subject however to the requirements of section 91 of the 1995 Act and, in particular, the following conditions:

- (a) any amount received by virtue of a transfer from another scheme shall be excluded;
- (b) the amount recovered must not be greater than the amount of the debt nor greater than the actuarial value of the Member's actual or prospective benefits at the time;
- (c) the Member must be given a certificate showing the amount recovered and its effect on his benefits; and
- (d) in the event of a dispute about the amount due the lien cannot be exercised until the debt has become enforceable under a court order or the award of an arbitrator.

- 20.2 In relation to a Member who is entitled to benefits under both the CPS Benefit Structure and the CPS 2 Benefit Structure, where the Member's benefits stand charged with the payment of any debt or liabilities, that charge shall be allocated on a proportionate basis between the Member's benefits under the CPS Benefit Structure and the CPS 2 Benefit Structure. If there is any doubt as to the mechanism to be used for this proportionate allocation, the Lead Company shall determine the basis to be used after consulting with the Actuary.

## **21 EXCESS PAYMENT**

In the event that, for any reason whatsoever, any amount paid to a Member or other beneficiary is in excess of that to which the beneficiary is entitled in accordance with or pursuant to the Trust Deed or the Rules, then the amount so overpaid or any part thereof shall, if the Trustee so determines, be deducted from any subsequent payments thereafter due to that beneficiary or due or payable to any other beneficiary who derives his entitlement to benefit under the Rules through the same Member. The Trustee shall nevertheless have the right to recover the sum overpaid or any part thereof immediately or at any later date from the beneficiary or any other person to whom the amount was so overpaid or their respective legal personal representatives.

## **22 PAYMENT OF DEATH BENEFITS BEFORE GRANT OF PROBATE**

In any case where a grant of representation has not actually been taken out to the estate of a deceased person, any sum or sums of money not exceeding in the aggregate £1,500

(or such other amount as the Trustee may from time to time determine) payable by the Trustee to the legal personal representatives of the deceased may at the absolute discretion of the Trustee be paid to the spouse or other next-of-kin of the deceased or any person entitled to any benefit from the deceased's estate and a receipt given by the person to whom payment is so made shall operate as a valid and effectual discharge in the like manner as if it had been given by the legal personal representatives of the deceased.

## **23 NOTICES**

Any notice required to be given to or served on the Trustee, the NDA, the Lead Company, the Employer, the Section Lead Employer or the Member or any other person shall be deemed to be sufficiently given or served if in writing and either delivered by hand or sent by pre-paid first class post under cover addressed:

- (a) to the Trustee, the Lead Company, the NDA or an Employer or Section Lead Employer which is a registered corporate body, care of its registered office or, if not a registered corporate body, its principal place of business; and
- (b) to a Member or other Beneficiary, at the last known address as shown in the records of the Employer or the Trustee.

Any notice served in this way shall be deemed to have been received 48 hours after posting.

Whenever any notice is required to be given to a Member or other beneficiary, any accidental failure to give such notice and any non-receipt of such notice shall in no way invalidate the proceedings in connection with which the notice is required to be given.

## **24 SALARY SACRIFICE**

### **24.1 Application of this Rule**

Where a Member participates in a Scheme Salary Sacrifice Arrangement benefits payable to or in respect of him under the Scheme and the rate of contributions payable by him and his Employer to the Scheme shall be calculated or determined in accordance with this Rule 24.

### **24.2 General Provisions**

- (a) Where an Employer has offered a Scheme Salary Sacrifice Arrangement to any of the Active Members it employs, it shall notify the Trustee in writing at least one month before the commencement of the period to which the arrangement relates:
  - (i) the terms of the arrangement as they apply in relation to that period; and
  - (ii) the names of the Active Members who have accepted those terms in accordance with the Employer's offer.
- (b) An Employer shall notify the Trustee in writing at least one month in advance (where reasonably practicable) where, in relation to a Member, an event occurs during a relevant period such that the terms of the Scheme Salary Sacrifice Arrangement shall cease to apply to that Member.

### **24.3 Contributions**

For so long as a Salary Sacrifice Arrangement applies to an Active Member:

- (a) the Active Member shall be required to pay contributions at such rate as he has agreed with his Employer under the Scheme Salary Sacrifice Arrangement, in respect of any or all of the Benefit Structures to which the Scheme Salary Sacrifice Arrangement applies; and
- (b) the amount of contributions payable by his Employer shall be calculated in accordance with the terms notified to the Trustee in accordance with Rule 24.2(a)(i).

### **24.4 Benefits**

- (a) Subject to Rule 24.4(b), benefits payable to or in respect of the Member to whom a Scheme Salary Sacrifice Arrangement applies shall be the same as those benefits which would have been payable had the Member not participated in the Scheme Salary Sacrifice Arrangement.
- (b) In the event of such a Member ceasing to be an Active Member in circumstances which entitle him to a refund of his own contributions he will be entitled only to receive a refund of contributions he has actually paid (and interest on those contributions if interest is payable).



**SCHEDULE 2****CPS BENEFIT STRUCTURE****1 ELIGIBILITY**

- 1.1 Any Employee who is an Energy Act CPS Member shall be entitled to join the Scheme and to accrue benefits under this Schedule unless he has previously been entitled to accrue benefits under the CPS 2 Benefit Structure. Where a Member has previously been entitled to accrue benefits under the CPS 2 Benefit Structure, he shall only be entitled to accrue further benefits under this Schedule with the consent of the Lead Company.
- 1.2 No other person shall be entitled to accrue benefits under this Schedule.

**2 CONTRIBUTIONS BY ACTIVE MEMBERS**

- 2.1 Each Active Member shall pay to the Scheme:

- (a) ordinary contributions at the rate of 3.5% of his Pensionable Earnings;
- (b) family benefit contributions at the rate of 1.5% of his Pensionable Earnings; and
- (c) any contributions required under the Additional Benefits (Defined Benefit) Rules, the Additional Benefits (Defined Contribution) Rules or the Shift Pay Pension Plan Rules.

An Active Member whose Total Reckonable Service reaches 45 years shall cease to pay contributions under Rule 2.1(a) but shall continue to make contributions under Rules 2.1(b) and 2.1(c) as appropriate.

- 2.2 An Active Member's contributions shall be collected from him by his Employer by deduction from his salary or by such other method as the Trustee may determine and shall be paid to the Trustee (or as the Trustee directs) by the Employer at such intervals as may be required by the Trustee under the Schedule of Contributions in force.
- 2.3 Contributions under Rule 2.1(a), 2.1(b) and Rule 1.2 of the Additional Benefits (Defined Benefit) Rules shall not in total exceed 15% of the Member's Pensionable Earnings.

**3 RETIREMENT AT OR AFTER NORMAL PENSION AGE**

- 3.1 Subject to Rule 4, on leaving Active Membership, otherwise than due to Ill Health or death, at or after Normal Pension Age, a Member shall receive the following benefits:
- (a) an immediate annual pension of  $\frac{1}{80}$ th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
  - (b) a lump sum of  $\frac{3}{80}$ ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service.

- 3.2 Benefits payable under this Rule 3 shall be payable in accordance with Rule 13 of the General Rules.

#### **4 DEFERRED RETIREMENT**

- 4.1 On or before leaving Active Membership in accordance with Rule 3, a Member may elect to defer bringing his pension into payment until a date which is later than his Normal Pension Age. Such an election shall be made in writing to the Trustee and shall, where required by the Trustee, specify the date on which the Member wishes his pension to commence. Any such election may be varied or withdrawn at any time by the Member giving further notice in writing to the Trustee.
- 4.2 Where a Member elects to defer his pension in accordance with this Rule 4, he shall become a Deferred Pensioner entitled to benefits in accordance with Rule 7.2. If the Member dies before his pension comes into payment, benefits shall be payable from the Scheme on the basis that the Member died as a Deferred Pensioner.

#### **5 ILL HEALTH RETIREMENT**

- 5.1 An Active Member with 2 or more years of Qualifying Service who retires from Service and ceases to be an Active Member due to Ill Health shall receive the following benefits:
- (a) an immediate annual pension of  $\frac{1}{80}$ th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
  - (b) a lump sum of  $\frac{3}{80}$ ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service
- 5.2 For the purposes of both Rules 5.1(a) and 5.1(b):
- (a) in respect of an Active Member who is not on a fixed term contract and who has 5 or more years of Qualifying Service, Reckonable Service shall be increased by the following amounts:
    - (i) where Total Reckonable Service is between 5 and 10 years, Reckonable Service shall be increased to:  
  
( $2 \times \text{Total Reckonable Service}$ ) – CPS Reckonable Service; and
    - (ii) where Total Reckonable Service is 10 years or more, Reckonable Service shall be increased by whichever of the following gives the better result:
      - (A)  $20 - \text{Total Reckonable Service}$ ; or
      - (B)  $6 \frac{2}{3}$ ds years,

provided that the maximum Reckonable Service for the purposes of (i) and (ii)(A) above shall be the amount of Reckonable Service which the Active Member would have accrued had he remained in Active Membership until age 65 (irrespective of his Normal Pension Age) and the maximum Reckonable Service for the purposes of (ii)(B) above shall be the amount of Reckonable Service which the Active Member would have accrued had he remained in Active

Membership until age 60 or, if the Member's Normal Pension Age is 65, age 65; and

- (b) in respect of an Active Member on a fixed term contract, Reckonable Service shall be increased by the remaining term of the fixed term contract.

5.3 Where, on or after 1 April 2008, an Active Member receives an enhancement to his Reckonable Service under this Rule 5 and at the date of leaving Active Membership he has a Spouse to receive a pension on his death, a deduction shall be made from the lump sum benefit due under Rule 5.1(b). The deduction shall be of an amount equal to  $1.5/80$  multiplied by the number of years by which the Member's Reckonable Service is enhanced under this Rule 5 and multiplied by the Member's Pensionable Final Earnings.

5.4 Benefits payable under this Rule 5 shall be payable in accordance with Rule 13 of the General Rules.

## **6 OTHER EARLY RETIREMENT**

6.1 An Active Member who retires at any time after he reaches Minimum Pension Age may elect to receive the following benefits:

- (a) an immediate annual pension of  $1/80$ th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
- (b) a lump sum of  $3/80$ ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service,

reduced as determined by the Trustee on the advice of the Actuary to reflect their early payment.

6.2 Benefits payable under this Rule 6 shall be payable in accordance with Rule 13 of the General Rules.

## **7 LEAVING ACTIVE MEMBERSHIP**

7.1 An Active Member who ceases to be an Active Member without being entitled to an immediate benefit under Rules 3 or 5 and who does not or cannot (as the case may be) elect to receive immediate early retirement benefits under Rule 6 shall be entitled to benefits under this Rule 7.

7.2 If the Member has completed more than 2 years of Qualifying Service or a transfer payment has been received in respect of him from a personal pension scheme, he shall be entitled to benefits payable at any time on or after Normal Pension Age calculated as follows:

- (a) an annual pension of  $1/80$ th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
- (b) a lump sum of  $3/80$ ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service.

The Member may choose the date on or after Normal Pension Age on which the benefits are to become payable by notifying the Trustee in writing in accordance with any

procedures put in place by the Trustee from time to time for this purpose. The benefits set out in (a) and (b) above shall be increased each year between the date of leaving Active Membership and the date on which they become payable in line with the rise in the Index.

- 7.3 In any of the following cases, the benefits under Rule 7.2 may be brought into payment before Normal Pension Age (without being subject to a reduction for early payment):
- (a) having withdrawn from the Scheme in accordance with Rule 5.3 of the General Rules, the Member is retired from Service due to Ill Health;
  - (b) the Member develops an illness after having left Service and the Trustee is satisfied that the illness would have led to his retirement due to Ill Health had he still been in Active Membership; or
  - (c) the Member has attained the Minimum Pension Age and the Lead Company believes that there are personal circumstances which compel the Member to give up employment or prevent him from seeking employment and the Lead Company decides to authorise a benefit under this Rule 7.3(c).
- 7.4 A Member entitled to benefits under Rule 7.2 which have not become payable and who has not reached Normal Pension Age may instead opt for the payment of a transfer value under Rule 9 of the General Rules or, provided he has reached Minimum Pension Age and the Trustee consents, for a reduced pension calculated under Rule 6.1.
- 7.5 A Member who has completed less than 2 years of Qualifying Service and in respect of whom no transfer payment has been received from a personal pension scheme may opt for the payment of a transfer value under Rule 9 of the General Rules. If he does not do so within a reasonable period of time (to be determined by the Trustee), he shall be entitled to a refund of:
- (a) his ordinary and family benefit contributions made under Rules 2.1(a) and (b); and
  - (b) such share of any transferred service credits as, in the opinion of the Actuary represent the contributions of the Member and any other payments made by the Member under the Additional Benefits (Defined Benefit) Rules other than payments made to secure additional benefits for the Member's family,
- less the certified amount of any contributions equivalent premium payable by the Trustee under the 1993 Act and any tax for which the Trustee is liable to account in respect of the payment.
- 7.6 Where appropriate benefits payable under this Rule 7 shall be payable in accordance with Rule 13 of the General Rules.

## **8 EXCHANGING BENEFITS**

- 8.1 A Member who is entitled to a lump sum under Rules 3.1, 6.1, 7.1 or 7.3(c) may, before his benefits come into payment, exchange part of the lump sum for an additional pension for the Member, the Member's Spouse or any one or more of the Member's Dependents. The amount of the lump sum exchanged and the pension benefit for which it is exchanged shall be determined by the Trustee on the advice of the Actuary. Once made,

the exchange may not be withdrawn except with the consent of the Trustee and the Lead Company. The exchange may not be withdrawn once the Member's benefits have come into payment.

- 8.2 A Member who is entitled to a pension under Rules 3.1, 6.1, 7.1 or 7.3(c) may, before his benefits come into payment, exchange part of that pension for additional benefits for the Member's Spouse or any one or more of the Member's Dependants at the time of making the exchange. The amount of the pension so exchanged and the benefit for which it is exchanged shall be determined by the Trustee on the advice of the Actuary. The amount of pension exchanged shall not exceed 1/3rd of the Member's own pension, nor shall it reduce the Member's own pension below the amount required by the Contracting Out Rules. Once made, the exchange may not be withdrawn except with the consent of the Trustee and the Lead Company. If the Spouse or Dependant dies before the Member's benefits come into payment, the exchange shall be cancelled. The exchange may not be withdrawn once the Member's benefits have come into payment.
- 8.3 A Member who is entitled to a pension under this Schedule may, before his benefits come into payment, exchange part of this pension for an additional lump sum equal to the maximum which can be paid as an Authorised Payment calculated as set out in this Rule 8.3. For the purpose of determining that maximum under this Rule 8.3, only the Member's benefit under this Schedule, the CPS 2 Benefit Structure and the Additional Benefits (Defined Benefit) Rules (where appropriate) shall be taken into account. The amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee. The exchange may not be withdrawn once the Member's benefits have come into payment.
- 8.4 The Trustee shall set out such procedures as it thinks fit for the operation of this Rule 8 and the giving of notices by Members. Members must provide such evidence as the Trustee requires that they are in good health before making any surrender or allocation under Rules 8.1 and 8.2.

## **9 LUMP SUM DEATH BENEFITS**

- 9.1 On the death in Service of an Active Member, a lump sum shall be payable of an amount equal to the greater of:

- (a) 2 times Pensionable Final Earnings less:
  - (i) where the Member dies on or after 1 April 2010 but on or before 31 October 2010 and as a consequence of the Member's death a pension becomes payable pursuant to Rule 10 and/or Rule 11, the Member's family benefit contributions paid in accordance with Rule 2.1(b);
  - (ii) where the Member dies on or after 1 November 2010 and as a consequence of the Member's death a pension becomes payable pursuant to Rule 10, 1.5/80 multiplied by the number of years by which the Member's Reckonable Service is enhanced under Rule 10 and multiplied by the Member's Pensionable Final Earnings;

and

- (b) the lump sum that would have been paid under Rule 5.1(b) had the Member retired due to Ill Health immediately prior to the date of his death.

- 9.2 On the death of a Pensioner, before the 5th anniversary of the commencement of his pension, a lump sum shall be payable equal to the difference between:
- (a) 5 times the annual rate of the Member's pension in payment to him at the date of his death (ignoring any additional pension allocated by the Member under Rule 8.1 and as reduced by any allocation under Rule 8.2); and
  - (b) the total of the lump sums and pension payments already made to the Member as at the date of his death.
- 9.3 On the death of a Deferred Pensioner before his benefits are brought into payment, a lump sum shall be payable of an amount equal to the lump sum that would have been paid under Rule 7.2(b) had the Member reached Normal Pension Age immediately prior to the date of his death.
- 9.4 On the death of a Member:
- (a) before 1 November 2010 in circumstances where no benefit is payable under Rules 10 or 11 because the Member is not survived by a Spouse or Children, the Trustee shall pay a lump sum equivalent to a refund of his family benefit contributions paid under Rule 2.1(b); and
  - (b) on or after 1 November 2010 in circumstances where no benefit is payable under Rule 10 because the Member is not survived by a Spouse or Children, the Trustee shall pay a lump sum equivalent to a refund of his family benefit contributions paid under Rule 2.1(b) and
- 9.5 Lump sums payable under this Rule 9 shall be held on the Discretionary Trusts.

## **10 SPOUSE'S PENSION**

- 10.1 On the death in Service of an Active Member who has completed two or more years of Qualifying Service, subject to Rule 10.4, the Member's Spouse shall receive the following benefits:
- (a) for the first 91 days (if there is no Children's pension payable under Rule 11 to a Child in the care of the Member's Spouse) or 182 days (if there is such a Children's pension payable), a pension equal to the Member's annual rate of Pensionable Final Earnings; and
  - (b) thereafter, an immediate annual pension of 1/140th of the Member's Pensionable Final Earnings multiplied by the length of his Reckonable Service. For the purposes of this Rule 10.1(b), the Member's Reckonable Service shall be enhanced by the same amount as it would have been under Rule 5.2 if the Member had retired due to Ill Health immediately before his death.
- 10.2 On the death of a Pensioner, subject to Rule 10.4, the Member's Spouse shall receive the following benefits:
- (a) for the first 91 days (if there is no Children's pension payable under Rule 11 to a Child in the care of the Member's Spouse) or 182 days (if there is such a Children's pension payable), a pension equal to the Member's annual rate of

pension as at the date of his death (ignoring any allocation made under Rule 8.2) or, if higher, the pension calculated under Rule 10.2(b) below; and

- (b) thereafter, an immediate annual pension of 1/140th of the Member's Pensionable Final Earnings multiplied by the length of his Reckonable Service (which, in the case of a Pensioner receiving a pension under Rule 5, shall be the enhanced Reckonable Service used to calculate the Pensioner's pension) and increased by the same proportion as the Member's pension was increased under Rule 12 between the date on which it came into payment and the date of his death.

10.3 On the death of a Deferred Pensioner, subject to Rule 10.4, the Member's Spouse shall receive an immediate annual pension of 1/140th of the Member's Pensionable Final Earnings multiplied by the length of his Reckonable Service and increased by the same proportion as the Member's pension was increased under Rule 7.2 between the date on which the Member left Active Membership and the date of his death.

10.4 On the death of an Energy Act CPS Member who elected whilst a member of the CPS that his Spouse should receive only the GMP, only the minimum payable under the Contracting Out Rules shall be payable.

## **11 CHILDREN'S PENSIONS**

11.1 On the death in Service of an Active Member, subject to Rule 11.4, the Member's Children shall each receive an annual pension calculated as the following proportion of the pension to which the Member would have been entitled had he retired under Rule 5.1 at the date of his death (notwithstanding that he might not have qualified for such a pension) but, if he had less than 10 years' Total Reckonable Service, as if the enhancement to Reckonable Service under Rule 5.2 had been to increase his Reckonable Service to 10 years or to double the Total Reckonable Service, whichever is greater (subject, in either case, to the deduction of his CPS Reckonable Service and to the enhanced Reckonable Service not exceeding the Reckonable Service which could have been completed by the Member had he remained in full-time Service until five years after Normal Pension Age):

- (a) 25% for each eligible Child in the care of the Member's Spouse; and
- (b) 33% for each eligible Child in the care of someone other than the Member's Spouse.

11.2 On the death of a Pensioner, subject to Rule 11.4, the Member's Children shall each receive an annual pension calculated as a proportion of the pension which the Member would have been receiving at the date of his death:

- (a) had the Reckonable Service on which the pension had been based, if Total Reckonable Service is less than 10 years, been increased in accordance with whichever of the following methods provides the lower Reckonable Service:
  - (i) so that Reckonable Service is 10 years (subject to the deduction of his CPS Reckonable Service); and
  - (ii) the Reckonable Service the Member could have completed had he remained in full-time Service until five years after Normal Pension Age; and

- (b) had the total pension then been increased at the same rate as applied to the Member's pension under Rule 12.

The proportion of the Member's pension payable to each Child is:

- (i) 25% for each eligible Child in the care of the Member's Spouse; and
- (ii) 33% for each eligible Child in the care of someone other than the Member's Spouse

- 11.3 On the death of a Deferred Pensioner, subject to Rule 11.4, the Member's Children shall each receive an annual pension calculated as a proportion of the Member's deferred pension as increased under Rule 7.2 between the date on which the Member left Active Membership and the date of his death. The proportion of the Member's deferred pension payable to each Child is:

- (a) 25% for each eligible Child in the care of the Member's Spouse; and
- (b) 33% for each eligible Child in the care of someone other than the Member's Spouse.

- 11.4 Where a Member dies leaving more than one Child, the total of all pensions payable under this Rule 11 shall not exceed the following percentage of the relevant amount:

- (a) 50% if all Children are in the care of the Member's Spouse or if a Spouse's pension is being paid;
- (b) 58.34% if there is one Child in the care of someone other than the Member's Spouse and no Spouse's pension is being paid; and
- (c) 66.67% if two or more Children are in the care of someone other than the Member's Spouse and no Spouse's pension is being paid.

Where the total Children's pension is limited by this Rule, the maximum pension payable shall be apportioned between each Child in such shares as the Trustee shall determine. The maximum pension payable shall be adjusted when any Child starts or ceases to be a Child.

## **12 INCREASES TO PENSIONS IN PAYMENT**

All pensions in payment under this Schedule in excess of the GMP shall increase on a compound basis on each 1 April, or such other date as the Trustee shall determine. The rate of increase shall be equal to the percentage by which the Index for the September immediately preceding the relevant 1 April exceeds the Index for the September immediately before that or, where appropriate, the proportionate part of that percentage increase.

## **13 SERIOUS ILL HEALTH COMMUTATION**

Where a Member whose benefits are due to come into payment under Rules 5.1, 6.1, 7.3(a) or 7.3(b) is suffering from Serious Ill Health, the Member may commute any pension benefit for a lump sum. The lump sum payment shall be 5 times the annual rate



of the pension which would have been payable under whichever of those Rules is appropriate less the amount of the lump sum payable under those Rules.

#### **14 TRIVIAL PENSIONS**

- 14.1 Where a Member's benefits can be paid as a Trivial Commutation Lump Sum, the Member may elect and the Trustee may commute his benefits for a lump sum. The terms of the commutation shall be as determined by the Trustee on the advice of the Actuary.
- 14.2 Where some or all of the benefits payable on the death of a Member can be paid as a Trivial Commutation Lump Sum Death Benefit, the Trustee may commute the relevant benefits for a lump sum. The terms of the commutation shall be as determined by the Trustee on the advice of the Actuary.

#### **15 TEMPORARY ABSENCE**

An Active Member who is absent from work by reason of contractual leave or sickness (in either case, other than that to which Rules 6.4 to 6.7 of the General Rules apply) during which he is contractually entitled to continue to accrue benefits shall continue to accrue benefits as an Active Member. An Active Member who is absent from Service on leave or sick leave on full pay (or half pay when absent on sick leave) shall continue to accrue benefits as an Active Member. Members who accrue benefits under this Rule shall pay such contributions as the Lead Company determines.

#### **16 REJOINING THE SCHEME**

An Employee who does not become an Active Member under the CPS Benefit Structure when first eligible to do so, or an Employee who elects to withdraw from Active Membership under the CPS Benefit Structure while remaining in Service shall be entitled to elect to become an Active Member again and to accrue benefits under the CPS Benefit Structure if:

- (a) he continues to meet the eligibility requirements set out in Rule 1; and
- (b) either:
  - (i) he is aged less than 58 years and this is the first occasion during his current period of Service on which he has made such an election; or
  - (ii) he is aged less than 25 or he has not yet been in Service for more than 3 years.

Any such Employee who does not satisfy the criteria in (a) and (b) above may only be entitled to become an Active Member and to accrue benefits under the CPS Benefit Structure with the consent of the Trustee and the Lead Company and subject to such conditions as they may impose.

#### **17 ALTERATIONS TO PENSIONABLE EARNINGS**

Where the Pensionable Earnings of a Member are reduced (other than in circumstances where Rule 6 of the General Rules applies), the date of the reduction may, if it produces a higher benefit, be taken as the date of termination of Active Membership in which case

Active Membership after the date of reduction shall be treated as a separate period of Active Membership. This test shall be applied when overall benefits come into payment.

## **18 PART TIME SERVICE**

- 18.1 A period during which an Active Member is contracted to work less than full time shall be deemed to be part time Service for the purposes of the Rules.
- 18.2 The period of part time Service:
- (a) shall count in full towards the Member's Qualifying Service; and
  - (b) shall count towards the Member's Reckonable Service in the proportion that the number of hours worked by the Member bear to its full time equivalent (excluding meal breaks, except where such breaks are paid for part time staff).
- 18.3 For the purposes of calculating retirement benefits payable under Rules 3, 4, 5, 6 and 7 and death benefits based on Member's Reckonable Service, Pensionable Earnings for the period of part time Service shall be increased in the proportion that the full time equivalent (excluding meal breaks, except where such breaks are paid for part time staff) of the number of hours worked by the Member bears to the actual number of hours worked by the Member.
- 18.4 For the purposes of calculating lump sum death benefits under Rule 9 based on Pensionable Final Earnings, the actual Pensionable Earnings for the period of part time Service shall be used.
- 18.5 For the purposes of calculating Spouse's death benefits under Rule 10 based only on Pensionable Final Earnings, the actual Pensionable Earnings for the period of part time Service shall be used.
- 18.6 In respect of benefits which require prospective service to a particular age to be calculated, the period of part-time Service shall be assumed to have ended at the date of the Member's death or retirement as appropriate so that the prospective Service element (as opposed to the actual Service element) shall be based on full time Service.

## **19 PAYMENT OF PENSIONS TO SPOUSES, DEPENDANTS AND CHILDREN**

- 19.1 Any pension allocated to a Spouse or Dependant under Rule 8 shall be payable from the date of the Member's death until the death of the Spouse or Dependant or on such other terms as the Trustee may agree with the Member at the date of the allocation.
- 19.2 Subject to the Contracting Out Rules and Rule 19.3, any pension payable to a Spouse under Rule 10 shall be payable for life provided that, if the Spouse remarries, enters into a civil partnership or cohabits as if man and wife or as if Civil Partners, the Trustee shall suspend payment of the Spouse's pension but may reinstate such pension if the Spouse is then divorced, terminates the civil partnership or ceases to cohabit or if such relationship comes to an end by reason of death. The Trustee may agree departures from this Rule in any particular case.
- 19.3 For the purposes of Rule 19.1, references to cohabiting as if man and wife or as if Civil Partners shall not apply in respect of a Member who, prior to joining the Scheme, had

been a member of a pension scheme operated by the United Kingdom Atomic Energy Authority since before 31 May 1978.

- 19.4 If a short term pension is payable under Rules 10.1(a) or 10.2(a), the Children's pensions under Rule 10 shall be payable from the date on which the pension begins to be payable under whichever of Rules 10.1(b) or 10.2(b) is appropriate.
- 19.5 If there is no short term pension payable under Rules 10.1(a) or 10.2(a) or if the Child is not in the care of the Member's Spouse, that Child's pension under Rule 11 shall be payable from the day after the date of the Member's death.
- 19.6 Children's pensions shall continue to be payable to a Child while he still qualifies as a Child. If a Child is under 19 when he ceases to be in full time education or vocational training, he shall continue to qualify for benefit until the earlier of:
  - (a) the second Monday in January;
  - (b) the second Monday after Easter Monday;
  - (c) the second Monday in September;
  - (d) the date he attains age 19 years; and
  - (e) the date he becomes engaged in full time gainful employment.
- 19.7 A Child shall not benefit from a Children's pension in respect of more than 2 Members.

**SCHEDULE 2A****CPS 2 BENEFIT STRUCTURE****1 ELIGIBILITY**

1.1 Any Employee who either:

- (a) automatically transferred for the future accrual of benefits from the Closed Section to the Springfields Fuels 2 Section on 1 April 2010; or
- (b) is an Energy Act CPS Member employed by Springfields Fuels Limited and who would have automatically transferred as set out in (a) above but for the fact that he was not an Active Member at the relevant date,

shall be entitled to accrue benefits under this Schedule.

1.2 No other person shall be entitled to accrue benefits under this Schedule.

1.3 For the purposes of this Rule 1, "Closed Section" and "Springfields Fuels 2 Section" are the Sections known by those names as at 1 April 2010.

**2 CONTRIBUTIONS BY ACTIVE MEMBERS**

2.1 Each Active Member shall pay to the Scheme:

- (a) ordinary contributions at the rate of 3.5% of his Pensionable Earnings;
- (b) family benefit contributions at the rate of 1.5% of his Pensionable Earnings; and
- (c) any contributions required under the Additional Benefits (Defined Benefit) Rules, the Additional Benefits (Defined Contribution) Rules or the Shift Pay Pension Plan Rules.

An Active Member whose Total Reckonable Service reaches 45 years shall cease to pay contributions under Rule 2.1(a) but shall continue to make contributions under Rules 2.1(b) and 2.1(c) as appropriate.

2.2 An Active Member's contributions shall be collected from him by his Employer by deduction from his salary or by such other method as the Trustee may determine and shall be paid to the Trustee (or as the Trustee directs) by the Employer at such intervals as may be required by the Trustee under the Schedule of Contributions in force.

2.3 Contributions under Rule 2.1(a), 2.1(b) and 1.2 of the Additional Benefits (Defined Benefit) Rules shall not exceed 15% of the Member's Pensionable Earnings.

**3 RETIREMENT AT OR AFTER NORMAL PENSION AGE**

3.1 Subject to Rule 4, on leaving Active Membership, otherwise than due to Ill Health or death, at or after Normal Pension Age, a Member shall receive the following benefits:

- (a) an immediate annual pension of 1/80th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus

- (b) a lump sum of 3/80ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
  - (c) an immediate annual pension equal to the Final Salary Link Pension; plus
  - (d) a lump sum equal to the Final Salary Link Lump Sum.
- 3.2 Benefits payable under this Rule 3 are subject to Rule 20 and shall be payable in accordance with Rule 13 of the General Rules.

#### **4 DEFERRED RETIREMENT**

- 4.1 Subject to Rule 20, on or before leaving Active Membership in accordance with Rule 3, a Member may elect to defer bringing his pension into payment until a date which is later than his Normal Pension Age. Such an election shall be made in writing to the Trustee and shall, where required by the Trustee, specify the date on which the Member wishes his pension to commence. Any such election may be varied or withdrawn at any time by the Member giving further notice in writing to the Trustee.
- 4.2 Where a Member elects to defer his pension in accordance with this Rule 4, he shall become a Deferred Pensioner entitled to benefits in accordance with Rule 7.2. If the Member dies before his pension comes into payment, benefits shall be payable from the Scheme on the basis that the Member died as a Deferred Pensioner.

#### **5 ILL HEALTH RETIREMENT**

- 5.1 An Active Member with 2 or more years of Qualifying Service who retires from Service and ceases to be an Active Member due to Ill Health shall receive the following benefits:
- (a) an immediate annual pension of 1/80th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
  - (b) a lump sum of 3/80ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
  - (c) an immediate annual pension equal to the Final Salary Link Pension; plus
  - (d) a lump sum equal to the Final Salary Link Lump Sum.
- 5.2 For the purposes of both Rules 5.1(a) and 5.1(b):
- (a) in respect of an Active Member who is not on a fixed term contract and who has 5 or more years of Qualifying Service, Reckonable Service shall be increased by the following amounts:
    - (i) where Total Reckonable Service is between 5 and 10 years, Reckonable Service shall be increased to:  
  
(2 x Total Reckonable Service) – CPS Reckonable Service; and
    - (ii) where Total Reckonable Service is 10 years or more, Reckonable Service shall be increased by whichever of the following gives the better result:
      - (A) 20 – Total Reckonable Service; or

(B) 6 2/3rds years,

provided that the maximum Reckonable Service for the purposes of (i) and (ii)(A) above shall be the amount of Reckonable Service (including, for this purpose, Reckonable Service under the CPS Benefit Structure) which the Active Member would have accrued had he remained in Active Membership until age 65 (irrespective of his Normal Pension Age) and the maximum Reckonable Service for the purposes of (ii)(B) above shall be the amount of Reckonable Service (including, for this purpose, Reckonable Service under the CPS Benefit Structure) which the Active Member would have accrued had he remained in Active Membership until age 60 or, if the Member's Normal Pension Age is 65, age 65; and

(b) in respect of an Active Member on a fixed term contract, Reckonable Service shall be increased by the remaining term of the fixed term contract.

5.3 Where, on or after 1 April 2010, an Active Member receives an enhancement to his Reckonable Service under this Rule 5 and at the date of leaving Active Membership he has a Spouse to receive a pension on his death, a deduction shall be made from the lump sum benefit due under Rule 5.1(b). The deduction shall be of an amount equal to 1.5/80 multiplied by the number of years by which the Member's Reckonable Service is enhanced under this Rule 5 and multiplied by the Member's Pensionable Final Earnings.

5.4 Benefits payable under this Rule 5 are subject to Rule 20 and shall be payable in accordance with Rule 13 of the General Rules.

## **6 OTHER EARLY RETIREMENT**

6.1 An Active Member who retires at any time after he reaches Minimum Pension Age may elect to receive the following benefits:

- (a) an immediate annual pension of 1/80th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
- (b) a lump sum of 3/80ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
- (c) an immediate annual pension equal to the Final Salary Link Pension; plus
- (d) a lump sum equal to the Final Salary Link Lump Sum,

reduced as determined by the Trustee on the advice of the Actuary to reflect their early payment.

6.2 Benefits payable under this Rule 6 are subject to Rule 20 and shall be payable in accordance with Rule 13 of the General Rules.

## **7 LEAVING ACTIVE MEMBERSHIP**

7.1 An Active Member who ceases to be an Active Member without being entitled to an immediate benefit under Rules 3 or 5 or and who does not or cannot (as the case may be) elect to receive immediate early retirement benefits under Rule 6 shall be entitled to benefits under this Rule 7.

7.2 If the Member has completed more than 2 years of Qualifying Service or a transfer payment has been received in respect of him from a personal pension scheme, he shall be entitled to benefits payable at any time on or after Normal Pension Age calculated as follows:

- (a) an annual pension of 1/80th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
- (b) a lump sum of 3/80ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
- (c) an annual pension equal to the Final Salary Link Pension; plus
- (d) a lump sum equal to the Final Salary Link Lump Sum.

The Member may choose the date on or after Normal Pension Age on which the benefits are to become payable by notifying the Trustee in writing in accordance with any procedures put in place by the Trustee from time to time for this purpose. The benefits set out in (a) to (d) above shall be increased each year between the date of leaving Active Membership and the date on which they become payable in line with the rise in the Index.

7.3 In any of the following cases, the benefits under Rule 7.2 may be brought into payment before Normal Pension Age (without being subject to a reduction for early payment):

- (a) having withdrawn from the Scheme in accordance with Rule 5.3 of the General Rules, the Member is retired from Service due to Ill Health;
- (b) the Member develops an illness after having left Service and the Trustee is satisfied that the illness would have led to his retirement due to Ill Health had he still been in Active Membership; or
- (c) the Member has attained the Minimum Pension Age and the Lead Company believes that there are personal circumstances which compel the Member to give up employment or prevent him from seeking employment and the Lead Company decides to authorise a benefit under this Rule 7.3(c).

7.4 A Member entitled to benefits under Rule 7.2 which have not become payable and who has not reached Normal Pension Age may instead opt for the payment of a transfer value under Rule 9 of the General Rules or, provided he has reached Minimum Pension Age and the Trustee consents, for a reduced pension calculated under Rule 6.1.

7.5 A Member who has completed less than 2 years of Qualifying Service and in respect of whom no transfer payment has been received from a personal pension scheme may opt for the payment of a transfer value under Rule 9 of the General Rules. If he does not do so within a reasonable period of time (to be determined by the Trustee), he shall be entitled to a refund of:

- (a) his ordinary and family benefit contributions made under Rules 2.1(a) and (b); and
- (b) such share of any transferred service credits as, in the opinion of the Actuary represent the contributions of the Member and any other payments made by the

Member under the Additional Benefits (Defined Benefit) Rules other than payments made to secure additional benefits for the Member's family,

less the certified amount of any contributions equivalent premium payable by the Trustee under the 1993 Act and any tax for which the Trustee is liable to account in respect of the payment.

- 7.6 Where appropriate benefits payable under this Rule 7 are subject to Rule 20 and shall be payable in accordance with Rule 13 of the General Rules.

## **8 EXCHANGING BENEFITS**

- 8.1 Subject to Rule 8.5, a Member who is entitled to a lump sum under Rules 3.1, 6.1, 7.2 or 7.3(c) may, before his benefits come into payment, exchange part of the lump sum for an additional pension for the Member, the Member's Spouse or any one or more of the Member's Dependants. The amount of the lump sum exchanged and the pension benefit for which it is exchanged shall be determined by the Trustee on the advice of the Actuary. Once made, the exchange may not be withdrawn except with the consent of the Trustee and the Lead Company. The exchange may not be withdrawn once the Member's benefits have come into payment.
- 8.2 Subject to Rule 8.5, a Member who is entitled to a pension under Rules 3.1, 6.1, 7.2 or 7.3(c) may, before his benefits come into payment, exchange part of that pension for additional benefits for the Member's Spouse or any one or more of the Member's Dependants at the time of making the exchange. The amount of the pension so exchanged and the benefit for which it is exchanged shall be determined by the Trustee on the advice of the Actuary. The amount of pension exchanged shall not exceed 1/3rd of the Member's own pension, nor shall it reduce the Member's own pension below the amount required by the Contracting Out Rules. Once made, the exchange may not be withdrawn except with the consent of the Trustee and the Lead Company. If the Spouse or Dependant dies before the Member's benefits come into payment, the exchange shall be cancelled. The exchange may not be withdrawn once the Member's benefits have come into payment.
- 8.3 A Member who is entitled to a pension under this Schedule may, before his benefits come into payment, exchange part of this pension for an additional lump sum equal to the maximum which can be paid as an Authorised Payment calculated as set out in this Rule 8.3. For the purpose of determining that maximum under this Rule 8.3, only the Member's benefit under this Schedule, the CPS Benefit Structure and the Additional Benefits (Defined Benefit) Rules (where appropriate) shall be taken into account. The amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee. The exchange may not be withdrawn once the Member's benefits have come into payment.
- 8.4 The Trustee shall set out such procedures as it thinks fit for the operation of Rules 8.1 and 8.2 and the giving of notices by Members. Members must provide such evidence as the Trustee requires that they are in good health before making any surrender or allocation under Rules 8.18.1 and 8.2.
- 8.5 Rules 8.1, 8.2 and 8.3 are subject to the overriding conditions that, in relation to a Member who is also entitled to benefits under the CPS Benefit Structure, the Member may only elect to exchange part of his lump sum or pension in the manner set out in



Rules 8.1, 8.2 and 8.3 if he has elected to exchange the same proportion of his lump sum and/or pension (as the case may be) under the CPS Benefit Structure.

- 8.6 Where a Member is also entitled to benefits under the CPS Benefit Structure and he has elected to exchange part of his lump sum and/or pension from the CPS Benefit Structure, the Member's lump sum and/or pension (as the case may be) under this Schedule shall, in accordance with the provisions of Rules 8.1 and 8.2, be exchanged in the same manner and in the same proportion as under the CPS Benefit Structure.
- 8.7 If there is any doubt as to the mechanism to be used for the proportionate allocation under Rules 8.5 or 8.6, the Lead Company shall determine the basis to be used after consulting with the Actuary.

## **9 LUMP SUM DEATH BENEFITS**

- 9.1 On the death in Service of an Active Member, a lump sum shall be payable of an amount equal to the greater of:

- (a) 2 times Pensionable Final Earnings less:
  - (i) the amount of the lump sum payable in respect of that Member by virtue of his death as a Deferred Pensioner under the CPS Benefit Structure; and
    - (A) where the Member dies on or before 31 October 2010 and as a consequence of the Member's death a pension becomes payable pursuant to Rule 10 and/or Rule 11, the Member's family benefit contributions paid in accordance with Rule 2.1(b);
    - (B) where the Member dies on or after 1 November 2010 and as a consequence of the Member's death a pension becomes payable pursuant to Rule 10, 1.5/80 multiplies by the number of years by which the Member's Reckonable Service is enhanced under Rule 10 and multiplied by the Member's Pensionable Final Earnings;

and

- (b) the lump sum that would have been paid under Rules 5.1(b) and (d) had the Member retired due to Ill Health immediately prior to the date of his death.
- 9.2 On the death of a Pensioner, before the 5th anniversary of the commencement of his pension, a lump sum shall be payable equal to the difference between:
- (a) 5 times the annual rate of the Member's pension in payment to him at the date of his death (ignoring any additional pension allocated by the Member under Rule 8.1 and as reduced by any allocation under Rule 8.2); and
  - (b) the total of the lump sums and pension payments already made to the Member as at the date of his death.
- 9.3 On the death of a Deferred Pensioner before his benefits are brought into payment, a lump sum shall be payable of an amount equal to the lump sum that would have been

paid under Rules 7.2(b) and (d) had the Member reached Normal Pension Age immediately prior to the date of his death.

9.4 On the death of a Member:

- (a) before 1 November 2010 in circumstances where no benefit is payable under Rules 10 or 11 because the Member is not survived by a Spouse or Children, the Trustee shall pay a lump sum equivalent to a refund of his family benefit contributions paid under Rule 2.1(b) and
- (b) on or after 1 November 2010 in circumstances where no benefit is payable under Rule 10 the Member is not survived by a Spouse or Children, the Trustee shall pay a lump sum equivalent to a refund of his family benefit contributions paid under Rule 2.1(b).

9.5 Lump sums payable under this Rule 9 shall be held on the Discretionary Trusts.

## 10 SPOUSE'S PENSION

10.1 On the death in Service of an Active Member who has completed two or more years of Qualifying Service, subject to Rule 10.4, the Member's Spouse shall receive the following benefits:

- (a) for the first 91 days (if there is no Children's pension payable under Rule 11 to a Child in the care of the Member's Spouse) or 182 days (if there is such a Children's pension payable), a pension equal to the Member's annual rate of Pensionable Final Earnings less the amount of the Spouse's pension payable by virtue of the Member's death as a Deferred Pensioner under the CPS Benefit Structure; and
- (b) thereafter, an immediate annual pension equal to the sum of:
  - (i) 1/140th of the Member's Pensionable Final Earnings multiplied by the length of his Reckonable Service. For the purposes of this Rule 10.1(b)(i), the Member's Reckonable Service shall be enhanced by the same amount as it would have been under Rule 5.2 if the Member had retired due to Ill Health immediately before his death; plus
  - (ii) the Final Salary Link Pension.

10.2 On the death of a Pensioner, subject to Rule 10.4, the Member's Spouse shall receive the following benefits:

- (a) for the first 91 days (if there is no Children's pension payable under Rule 11 to a Child in the care of the Member's Spouse) or 182 days (if there is such a Children's pension payable), a pension equal to the Member's annual rate of pension as at the date of his death (ignoring any allocation made under Rule 8.2) or, if higher, the pension calculated under Rule 10.2(b) below; and
- (b) thereafter, an immediate annual pension equal to the sum of:
  - (i) 1/140th of the Member's Pensionable Final Earnings multiplied by the length of his Reckonable Service (which in the case of a Pensioner

receiving a pension under Rule 5, shall be the enhanced Reckonable Service used to calculate the Pensioner's pension); plus

- (ii) the Final Salary Link Pension,

as increased by the same proportion as the Member's pension has been increased under Rule 12 between the date on which the pension came into payment and the date of the Member's death.

- 10.3 On the death of a Deferred Pensioner, subject to Rule 10.4, the Member's Spouse shall receive an immediate annual pension equal to the sum of:

- (a) 1/140th of the Member's Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus
- (b) the Final Salary Link Pension,

as increased by the same proportion as the Member's pension was increased under Rule 7.2 between the date on which the Member left Active Membership and the date of his death.

- 10.4 On the death of an Energy Act CPS Member who elected whilst a member of the CPS that his Spouse should receive only the GMP, only the minimum payable under the Contracting Out Rules shall be payable.

## 11 CHILDREN'S PENSIONS

- 11.1 On the death in Service of an Active Member, subject to Rule 11.4, the Member's Children shall each receive an annual pension calculated as the following proportion of the pension to which the Member would have been entitled had he retired under Rule 5.1 at the date of his death (notwithstanding that he might not have qualified for such a pension) but, if he had less than 10 years' Total Reckonable Service, as if the enhancement to Reckonable Service under Rule 5.2 had been to increase his Reckonable Service to 10 years or to double the Total Reckonable Service, whichever is greater (subject, in either case, to the deduction of his CPS Reckonable Service and to the enhanced Reckonable Service not exceeding the Reckonable Service which could have been completed by the Member had he remained in full-time Service until five years after Normal Pension Age):

- (a) 25% for each eligible Child in the care of the Member's Spouse; and
- (b) 33% for each eligible Child in the care of someone other than the Member's Spouse.

- 11.2 On the death of a Pensioner, subject to Rule 11.4, the Member's Children shall each receive an annual pension calculated as a proportion of the pension which the Member would have been receiving at the date of his death:

- (a) had the Reckonable Service on which the pension had been based, if Total Reckonable Service is less than 10 years, been increased in accordance with whichever of the following methods provides the lower Reckonable Service:
  - (i) so that Reckonable Service is 10 years (subject to the deduction of his CPS Reckonable Service); and

- (ii) the Reckonable Service the Member could have completed had he remained in full-time Service until five years after Normal Pension Age; and
- (b) had the total pension then been increased at the same rate as applied to the Member's pension under Rule 12.

The proportion of the Member's pension payable to each Child is:

- (i) 25% for each eligible Child in the care of the Member's Spouse; and
  - (ii) 33% for each eligible Child in the care of someone other than the Member's Spouse
- 11.3 On the death of a Deferred Pensioner, subject to Rule 11.4, the Member's Children shall each receive an annual pension calculated as a proportion of the Member's deferred pension as increased under Rule 7.2 between the date on which the Member left Active Membership and the date of his death. The proportion of the Member's deferred pension payable to each Child is:
- (a) 25% for each eligible Child in the care of the Member's Spouse; and
  - (b) 33% for each eligible Child in the care of someone other than the Member's Spouse.
- 11.4 Where a Member dies leaving more than one Child, the total of all pensions payable under this Rule 11 shall not exceed the following percentage of the relevant amount:
- (a) 50% if all Children are in the care of the Member's Spouse or if a Spouse's pension is being paid;
  - (b) 58.34% if there is one Child in the care of someone other than the Member's Spouse and no Spouse's pension is being paid; and
  - (c) 66.67% if two or more Children are in the care of someone other than the Member's Spouse and no Spouse's pension is being paid.

Where the total Children's pension is limited by this Rule, the maximum pension payable shall be apportioned between each Child in such shares as the Trustee shall determine. The maximum pension payable shall be adjusted when any Child starts or ceases to be a Child.

## **12 INCREASES TO PENSIONS IN PAYMENT**

All pensions in payment under this Schedule in excess of the GMP shall increase on a compound basis on each 1 April, or such other date as the Trustee shall determine. The rate of increase shall be equal to the percentage by which the Index for the September immediately preceding the relevant 1 April exceeds the Index for the September immediately before that or, where appropriate, the proportionate part of that percentage increase.

**13 SERIOUS ILL HEALTH COMMUTATION**

- 13.1 Subject to Rule 13.2, where a Member whose benefits are due to come into payment under Rules 5.1, 6.1, 7.3(a) or 7.3(b) is suffering from Serious Ill Health, the Member may commute any pension benefit for a lump sum. The lump sum payment shall be 5 times the annual rate of the pension which would have been payable under whichever of those Rules is appropriate less the amount of the lump sum payable under those Rules.
- 13.2 Rule 13.1 is subject to the overriding condition that, in relation to a Member who is also entitled to benefits under the CPS Benefit Structure, the Member may only commute his benefits for a lump sum if he has elected to do so in relation to his benefits under the CPS Benefit Structure.
- 13.3 Where a Member who is also entitled to benefits under the CPS Benefit Structure is suffering from Serious Ill Health and he has elected to commute all of his benefits from the CPS Benefit Structure for a lump sum, the Member's benefits under this Schedule shall be commuted for a lump sum in accordance with the provisions of Rule 13.1.

**14 TRIVIAL PENSIONS**

- 14.1 Where a Member's benefits can be paid as a Trivial Commutation Lump Sum, the Member may elect and the Trustee may commute his benefits for a lump sum. The terms of the commutation shall be as determined by the Trustee on the advice of the Actuary.
- 14.2 Where some or all of the benefits payable on the death of a Member can be paid as a Trivial Commutation Lump Sum Death Benefit, the Trustee may commute the relevant benefits for a lump sum. The terms of the commutation shall be as determined by the Trustee on the advice of the Actuary.

**15 TEMPORARY ABSENCE**

An Active Member who is absent from work by reason of contractual leave or sickness (in either case, other than that to which Rules 6.3 to 6.6 of the General Rules apply) during which he is contractually entitled to continue to accrue benefits shall continue to accrue benefits as an Active Member. An Active Member who is absent from Service on leave or sick leave on full pay (or half pay when absent on sick leave) shall continue to accrue benefits as an Active Member. Members who accrue benefits under this Rule shall pay such contributions as the Lead Company determines.

**16 REJOINING THE SCHEME**

An Employee who does not become an Active Member under the CPS 2 Benefit Structure when first eligible to do so, or an Employee who elects to withdraw from Active Membership under the CPS 2 Benefit Structure shall be entitled to elect to become an Active Member again and to accrue benefits under the CPS 2 Benefit Structure if:

- (a) he continues to meet the eligibility requirements set out in Rule 1 and remains in Service with the same Employer; and

- (b) either:
  - (i) he is aged less than 58 years and this is the first occasion during his current period of Service on which he has made such an election; or
  - (ii) he is aged less than 25 or he has not yet been in Service for more than 3 years.

Any such Employee who does not satisfy the criteria in (a) and (b) above may only be entitled to become an Active Member and to accrue benefits under the CPS 2 Benefit Structure with the consent of the Trustee and the Lead Company and subject to such conditions as they may impose.

## **17 ALTERATIONS TO PENSIONABLE EARNINGS**

Where the Pensionable Earnings of a Member are reduced (other than in circumstances where Rule 6 of the General Rules applies), the date of the reduction may, if it produces a higher benefit, be taken as the date of termination of Active Membership in which case Active Membership after the date of reduction shall be treated as a separate period of Active Membership. This test shall be applied when overall benefits come into payment.

## **18 PART TIME SERVICE**

- 18.1 A period during which an Active Member is contracted to work less than full time shall be deemed to be part time Service for the purposes of the Rules.
- 18.2 The period of part time Service:
  - (a) shall count in full towards the Member's Qualifying Service; and
  - (b) shall count towards the Member's Reckonable Service in the proportion that the number of hours worked by the Member bear to its full time equivalent (excluding meal breaks, except where such breaks are paid for part time staff).
- 18.3 For the purposes of calculating retirement benefits payable under Rules 3, 4, 5, 6 and 7 and death benefits based on Member's Reckonable Service, Pensionable Earnings for the period of part time Service shall be increased in the proportion that the full time equivalent (excluding meal breaks, except where such breaks are paid for part time staff) of the number of hours worked by the Member bears to the actual number of hours worked by the Member.
- 18.4 For the purposes of calculating lump sum death benefits under Rule 9 based on Pensionable Final Earnings, the actual Pensionable Earnings for the period of part time Service shall be used.
- 18.5 For the purposes of calculating Spouse's death benefits under Rule 10 based only on Pensionable Final Earnings, the actual Pensionable Earnings for the period of part time Service shall be used.
- 18.6 In respect of benefits which require prospective service to a particular age to be calculated, the period of part-time Service shall be assumed to have ended at the date of the Member's death or retirement as appropriate so that the prospective Service element (as opposed to the actual Service element) shall be based on full time Service.

**19 PAYMENT OF PENSIONS TO SPOUSES, DEPENDANTS AND CHILDREN**

- 19.1 Any pension allocated to a Spouse or Dependant under Rule 8 shall be payable from the date of the Member's death until the death of the Spouse or Dependant or on such other terms as the Trustee may agree with the Member at the date of the allocation.
- 19.2 Subject to the Contracting Out Rules and Rule 19.3, any pension payable to a Spouse under Rule 10 shall be payable for life provided that, if the Spouse remarries, enters into a civil partnership or cohabits as if man and wife or as if Civil Partners, the Trustee shall suspend payment of the Spouse's pension but may reinstate such pension if the Spouse is then divorced, terminates the civil partnership or ceases to cohabit or if such relationship comes to an end by reason of death. The Trustee may agree departures from this Rule in any particular case.
- 19.3 For the purposes of Rule 19.2, references to cohabiting as if man and wife or as if Civil Partners shall not apply in respect of a Member who, prior to joining the Scheme, had been a member of a pension scheme operated by the United Kingdom Atomic Energy Authority since before 31 May 1978.
- 19.4 If a short term pension is payable under Rules 10.1(a) or 10.2(a), the Children's pensions under Rule 10 shall be payable from the date on which the pension begins to be payable under whichever of Rules 10.1(b) or 10.2(b) is appropriate.
- 19.5 If there is no short term pension payable under Rules 10.1(a) or 10.2(a) or if the Child is not in the care of the Member's Spouse, that Child's pension under Rule 11 shall be payable from the day after the date of the Member's death.
- 19.6 Children's pensions shall continue to be payable to a Child while he still qualifies as a Child. If a Child is under 19 when he ceases to be in full time education or vocational training, he shall continue to qualify for benefit until the earlier of:
- (a) the second Monday in January;
  - (b) the second Monday after Easter Monday;
  - (c) the second Monday in September;
  - (d) the date he attains age 19 years; and
  - (e) the date he becomes engaged in full time gainful employment.
- 19.7 A Child shall not benefit from a Children's pension in respect of more than 2 Members.

**20 PAYMENT CONDITIONS AND MODIFICATIONS TO THE GENERAL RULES**

Rules 3 to 7 are subject to the overriding condition that, in relation to a Member who is also entitled to benefits under the CPS Benefit Structure, the benefits under this Schedule can only be brought into payment, and must be brought into payment, in accordance with the relevant Rule at the same time as the Member's benefits under the CPS Benefit Structure come into payment.

### SCHEDULE 3

#### GPS BENEFIT STRUCTURE

## 1 ELIGIBILITY

### 1.1 A person who:

(a) immediately before the Effective Date was an active member, a deferred pensioner or pensioner of the GPS entitled to benefits calculated by reference to the rules of the DB Benefit Structure of the GPS set out at Schedule A to the GPS Definitive Trust Deed ("**DB Rules**") or was receiving a spouse's, child's or other dependant's pension from the GPS calculated by reference to the DB Rules at that date; and

(b) with effect on and from the Effective Date had his accrued rights to benefits under the GPS calculated by reference to the DB Rules transferred to a GPS Section,

and any person entitled to benefits in respect of such a person, shall be entitled to benefits set out in this Schedule.

1.2 No other person shall be entitled to benefits under this Schedule unless the Lead Company and the Trustee agree otherwise.

## 2 CONTRIBUTIONS BY ACTIVE MEMBERS

2.1 Subject to Rule 6.8 of the General Rules and Rule 14 and the Scheme Limits Rules, each Active Member shall contribute to the relevant Section at a percentage rate of Pensionable Earnings while the Member is in Pensionable Service as follows:

(a) Industrials – 5%;

(b) Non-Industrials – 5%; and

(c) for Members admitted under Rule 5.2 of the General Rules such rate or rates as the Section Lead Employer, with the consent of the Lead Company may specify from time to time in relation to any such Member or category of Members.

2.2 No Active Member shall be required to contribute once his Pensionable Service (excluding any period of Pensionable Service attributable to augmentations) is equal to 45 years (or where the Member's Pensionable Service ceased before 1 December 2006, 40 years) or as otherwise agreed between the Member and his Employer.

2.3 Each Active Member's contributions shall be collected by the Employer by deduction from the Member's remuneration unless the Trustee and the Member shall agree some other manner of collection. All such contributions shall be paid by the Employers to the Trustee or as the Trustee shall otherwise direct.

2.4 Appendix 1 to this Schedule shall apply to require additional contributions from certain Former BNFL Members.



### 3 RETIREMENT AT OR AFTER NORMAL PENSION AGE

3.1 Each Active Member who leaves Pensionable Service at or after Normal Pension Age with two or more years of Qualifying Service shall receive an annual pension calculated as the sum of:

- (a) 1/80 times 93.5% of the Member's 93.5% Pensionable Service times Pensionable Final Earnings; plus
- (b) 1/80 times the Member's 100% Pensionable Service times Pensionable Final Earnings,

Pensionable Service counting each complete year (and proportionately, each additional day) of Pensionable Service up to a maximum of 45 years (or where the Member's Pensionable Service ceased before 1 December 2006, 40 years).

When discounting any periods of Pensionable Service in excess of the 45 (or where the Member's Pensionable Service ceased before 1 December 2006, 40) year limit for the purposes of calculating the above pension, for the avoidance of doubt, the discounted period of Pensionable Service will run from the date on which the Member reaches 45 years' (or where the Member's Pensionable Service ceased before 1 December 2006, 40 years' Pensionable Service).

3.2 Each Active Member who leaves Pensionable Service at or after Normal Pension Age with two or more years of Qualifying Service shall, in addition to the annual pension set out in Rule 3.1 above, receive a lump sum payment calculated as the sum of:

- (a) 3/80 times 93.5% of the Member's 93.5% Pensionable Service times Pensionable Final Earnings; plus
- (b) 3/80 times the Member's 100% Pensionable Service times Pensionable Final Earnings,

Pensionable Service counting each complete year (and proportionately, each additional day) of Pensionable Service up to a maximum of 45 years (or where the Member's Pensionable Service ceased before 1 December 2006, 40 years).

When discounting any periods of Pensionable Service in excess of the 45 (or where the Member's Pensionable Service ceased before 1 December 2006, 40) year limit for the purposes of calculating the above lump sum, for the avoidance of doubt, the discounted period of Pensionable Service will run from the date on which the Member reaches 45 years' (or where the Member's Pensionable Service ceased before 1 December 2006, 40 years') Pensionable Service.

3.3 For the purposes only of calculating the pension payable to a Member's Spouse or Adult Dependant under Rules 9.1, 9.2(a)(ii) or (b), and 9.4 the Member's annual pension described in Rule 3.1 above shall be treated as if it had an accrual rate of 1/70<sup>th</sup> (instead of 1/80<sup>th</sup>) for each complete year (and proportionately for each additional day) of the Member's Pensionable Service on and after 1 April 1997 except:

- (a) in relation to Pensionable Service attributable to transfer credits attributable to a transfer into the GPS (prior to 31 March 2007) or the Section in respect of the Member in which case this Rule 3.3 shall only apply in relation to such

Pensionable Service derived from transfers into the GPS or the relevant Section on or after 1 January 2001; and

- (b) in relation to Pensionable Service attributable to the purchase of added years (under paragraph 2 of Appendix 1 to this Schedule) in which case this Rule 3.3 shall (save as envisaged by paragraph 2.1.3 of Appendix 1 to this Schedule) only apply to Pensionable Service attributable to added years where the added years contract commenced on or after 12 January 1999; and
- (c) in relation to any increased pension attributable to an agreement under Rule 7.1 unless the Trustee specifically agrees in writing to the contrary at the time of the commutation under that Rule.

3.4 Benefits payable under this Rule 3 shall be payable in accordance with Rule 13 of the General Rules.

3.5 In addition to the benefits (if any) payable under this Rule 3 there shall be payable under the same provisions:

- (a) any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
- (b) any benefit arising from additional voluntary contributions paid by the Member to the GPS prior to 31 March 2007 or any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; and
- (c) any benefits arising from contributions paid to the GPS prior to 31 March 2007 or any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS,

unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

#### **4 ILL HEALTH RETIREMENT**

4.1 For the avoidance of doubt, the consent of the Lead Company (which it may give or withhold at its sole discretion) is required before any benefits are payable under this Rule 4.

4.2 Subject to the following provisions of this Rule 4, if an Active Member leaves Pensionable Service with the agreement of or at the direction of the Section Lead Employer and the Member's Employer at any time after completing two years' Qualifying Service but before Normal Pension Age on account of incapacity due to Ill-Health the Member shall, subject to the consent of the Lead Company, the Section Lead Employer and the Member's Employer, be eligible to receive an immediate pension and lump sum calculated as in Rule 3 but based on Pensionable Final Earnings and Pensionable Service at the date of leaving Pensionable Service.

- 4.3 Subject to Rules 4.1, 4.11 and 4.12, an Active Member with less than two years' Qualifying Service who leaves before Normal Pension Age due to Ill-Health will be paid a return of contributions in accordance with Rule 6.2.
- 4.4 If an Active Member who is eligible to receive a pension and lump sum under Rule 4.2 has five completed years of Qualifying Service at the date of leaving Pensionable Service, then his Pensionable Service shall, subject to Rule 4.5, be enhanced in accordance with the following table:

<b>Completed years of Qualifying Service at date of leaving</b>	<b>Number of years enhancement (subject to Rule 4.5)</b>
(a) Under 5	Nil
(b) 5-10	Equal to Pensionable Service
(c) 10 upwards	The greater of: (i) the period necessary to make Pensionable Service up to 20 years; and (ii) 6 2/3 years

- 4.5 An Active Member's enhanced Pensionable Service calculated in accordance with Rule 4.4 above may not exceed what the Member's Pensionable Service would have been had he stayed in Pensionable Service in the case of (b) and (c)(i) above, until age 65; and in the case of (c)(ii) above until Normal Pension Age.
- 4.6 Where:
- (a) at the date he leaves Pensionable Service under Rule 4.2, a Member is married or has nominated (under Rule 16.6) an Adult Dependant to receive a pension on his death; and
  - (b) the Pensionable Service of the Member is enhanced under Rule 4.4
- a deduction calculated in accordance with Rule 4.7 shall be made from the lump sum payable to the Member under Rule 4.2.
- 4.7 The deduction referred to in Rule 4.6 shall be the amount which is equal to the period by which Pensionable Service is enhanced under Rule 4.4 multiplied by 0.01875 and multiplied by Pensionable Final Earnings. Any benefits which then become payable to the Member's Spouse or any Adult Dependant under Rule 9.2 shall then be based on the enhanced pension to which the Member was entitled immediately before his death. No deduction shall be made under this Rule 4.7 unless Rule 4.6 applies.
- 4.8 Where no deduction has been made in accordance with Rule 4.6 from the lump sum payable to the Member under Rule 4.2 any enhancement under Rule 4.4 shall be ignored for the purposes of calculating any payment made to the Member's Spouse or any Adult Dependant under Rule 9.2.
- 4.9 The Trustee may in its absolute discretion at any time before the Member's Normal Pension Age reduce, suspend or terminate any pension payable under Rule 4.2 if the

Member either does not supply evidence of continued Ill-Health satisfactory to the Trustee when requested or earns an income from any trade, profession or employment.

- 4.10 If a pension is reduced, suspended or terminated under Rule 4.9, the Member's pension at Normal Pension Age shall be of such amount as the Trustee, having regard to the advice of the Actuary and with the consent of the Lead Company, shall in its discretion decide having regard to the Member's periods of Pensionable Service before first retiring and (if appropriate) after re-admission and the Member's Pensionable Earnings in respect of each such period.
- 4.11 The Trustee may require the Member to submit to such medical examinations by Scheme Medical Advisers and consent to the release of such medical records as the Trustee in its discretion considers appropriate to assist the Trustee to decide whether or not the Member is suffering from Ill-Health.
- 4.12 The Trustee may in its absolute discretion treat an early retirement due to Ill-Health as leaving Pensionable Service with entitlement to benefits under Rule 6 if the Member has made a false declaration, or deliberately suppressed a material fact, about his health when applying for employment.
- 4.13 The Trustee shall be reasonably satisfied that, as advised by the Actuary, on the date when the benefits under Rule 4.2 become payable their value, together with the value of any benefit payable on the Member's death is not less than the value on that date of any benefits which have accrued to or in respect of the Member, including for this purpose any increases in benefits which the Trustee estimates would accrue in accordance with the 1993 Act if the Member elected to take preserved benefits under Rule 6.
- 4.14 Benefits payable under this Rule 4 shall be payable in accordance with Rule 13 of the General Rules.
- 4.15 In addition to the benefits (if any) payable under this Rule 4 there shall be payable under the same provisions:
  - (a) any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
  - (b) any benefit arising from additional voluntary contributions paid by the Member to the GPS prior to 31 March 2007 or any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; and
  - (c) any benefits arising from contributions paid to the GPS prior to 31 March 2007 or any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS,

unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

## 5 OTHER EARLY RETIREMENT

- 5.1 Subject to the following provisions of this Rule 5, if an Active Member with at least five years' Qualifying Service not entitled to a pension under Rule 4.2 leaves Pensionable Service on or after his or her Minimum Pension Age but before Normal Pension Age by reason of Early Provision of Benefits with the consent of the Employer, the Member may elect to forego all or part (as agreed with the Employer) of any compensation payment payable to him by his Employer and to receive instead a pension equal to his preserved pension under Rule 6 together with immediate payment of the lump sum calculated in accordance with Rule 6, both the pension and lump sum to be reduced by such amount as the Trustee deems appropriate, having obtained the advice of the Actuary, to take account of the earlier date on which the benefits become payable.
- 5.2 The pension will begin to be paid on the day immediately following the date of the Member leaving Service (except that it will not be payable for any unexpired portion of a period of formal notice for which pay in lieu is allowed unless otherwise agreed by the Employer).
- 5.3 Where a pension is being paid in respect of a Member under this Rule 5, the annual rate of pension referred to in Rules 9.2, 10.2 and 10.3 shall be the annual rate of pension to which the Member would have been entitled, but for the application of the reduction provided for in this Rule 5.
- 5.4 The Trustee shall be reasonably satisfied that, as advised by the Actuary, on the date when the benefits under Rule 5.1 become payable their value, together with the value of any benefit payable on the Member's death is not less than the value on that date of any benefits which have accrued to or in respect of the Member, including for this purpose any increases in benefits which the Trustee estimates would accrue in accordance with the 1993 Act if the Member elected to take preserved benefits under Rule 6.
- 5.5 Unless the Employer otherwise agrees, a Member whose Service is or could have been terminated on grounds of inefficiency or misconduct shall not be eligible to receive the benefits set out in this Rule 5.
- 5.6 For the purposes of this Rule 5, a certificate given by the Employer shall be conclusive evidence of the reason for or grounds of termination of the Member's employment.
- 5.7 Benefits payable under this Rule 5 shall be payable in accordance with Rule 13 of the General Rules.
- 5.8 In addition to the benefits (if any) payable under this Rule 5 there shall be payable under the same provisions:
  - (a) any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
  - (b) any benefit arising from additional voluntary contributions paid by the Member to the GPS prior to 31 March 2007 or any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; and

- (c) any benefits arising from contributions paid to the GPS prior to 31 March 2007 or any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS,

unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

## **6 LEAVING ACTIVE MEMBERSHIP**

- 6.1 An Active Member who ceases to be an Active Member without being entitled to an immediate benefit under Rules 3, 4 or 5 shall be entitled to benefits under this Rule 6.

- 6.2 If the Member does not have two years of Qualifying Service and no transfer payment has been received in respect of the Member's rights under a personal pension scheme:

- (a) the Trustee shall pay a lump sum equal to:
  - (i) the amount of contributions which the Member has made or is deemed to have made to a Section pursuant to Rule 2 together with interest; plus
  - (ii) the amount attributable to any contributions which the Member has made under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules; plus
  - (iii) the amount (subject to any restrictions under Rule 11.5 of the General Rules) of any contributions made by the Member to any other Registered Pension Scheme and in respect of which a transfer payment has been received by the Trustee pursuant to Rules 10 or 11.5 of the General Rules; less
  - (iv) the certified amount in relation to any contributions equivalent premium paid in respect of the Member as defined by and in accordance with the 1993 Act; less
  - (v) the amount of tax or duty for which the Trustee is liable in respect thereof; and
- (b) the Member shall be entitled to a refund of the amount attributable to any contributions made by the Member under the Shift Pay Pension Plan Rules, or, provided the status of the Scheme as a Registered Pension Scheme is not thereby prejudiced, may retain any preserved rights under the Shift Pay Pension Plan Rules and the Additional Benefits (Defined Contribution) Rules.

- 6.3 If the Member has completed 2 or more years of Qualifying Service or a transfer payment has been received in respect of him from a personal pension scheme, he shall be entitled to a preserved annual pension and lump sum calculated as under Rule 3 but based on Pensionable Final Earnings at, and Pensionable Service up to, the date of leaving Pensionable Service. The pension shall commence at Normal Pension Age but where Normal Pension Age is later than GMP Age the part of the pension which is the Member's GMP shall commence at GMP Age.

- 6.4 The Trustee may, at its sole discretion, bring a preserved pension or lump sum into payment before Normal Pension Age in any of the following circumstances:
- (a) where, having been awarded a preserved pension and lump sum under Rule 6.3, a Member's benefits come into payment due to Ill-Health or would have come into payment due to Ill-health had he still been in Service, the Trustee may, at its sole discretion, bring the preserved lump sum and pension into payment before Normal Pension Age. Where this Rule 6.4(a) applies, pension increases under Rule 11 shall apply as from the date on which the preserved pension and lump sum are brought into payment; or
  - (b) where a Member has attained Minimum Pension Age and there are personal circumstances which compel him to give up employment or prevent him from seeking employment the Trustee may, at its sole discretion, bring either the preserved lump sum or the preserved pension or both into payment before Normal Pension Age. Where this Rule 6.4(b) applies, pension increases under Rule 11 shall apply to the lump sum on the date it is brought into payment and to the pension at such time as the Member attains age 55. The amount of any such preserved lump sum or preserved pension may be reduced by such amount as the Employer, with the consent of the Trustee, shall direct, being no more than the Actuary certifies to be reasonable to take account of the earlier date on which the benefit becomes payable.
- 6.5 The Trustee may in its absolute discretion at any time before the Member's Normal Pension Age reduce, suspend or terminate any pension payable under Rule 6.4(a) if the Member either does not supply evidence of continued Ill-Health satisfactory to the Trustee when requested or earns an income from any trade, profession or employment. If a pension is reduced, suspended or terminated under this Rule, the Member's pension at Normal Pension Age shall be of such amount as the Trustee, having regard to the advice of the Actuary and with the consent of the Lead Company, shall in its discretion decide having regard to the Member's periods of Pensionable Service before first retiring and (if appropriate) after re-admission and the Member's Pensionable Earnings in respect of each such period.
- 6.6 With effect on and from 1 January 2003, the Trustee may bring a preserved pension and preserved lump sum into payment before Normal Pension Age, where:
- (a) the Member has reached the Minimum Pension Age;
  - (b) the Member has left Service; and
  - (c) the Member has given his consent in writing to the Trustee, in such form as the Trustee may from time to time direct.
- 6.7 Where Rule 6.6 applies, pension increases under Rule 11 shall apply to the lump sum on the date it is brought into payment and to the pension at such time as the Member attains age 55. The amount of any such preserved pension and lump sum shall be reduced by such amount as the Actuary certifies is reasonable to take account of the earlier date on which the benefit becomes payable.
- 6.8 Where a pension is being paid in respect of a Member under Rule 6.6, the annual rate of pension referred to in Rules 9.2, 10.2 and 10.3 shall be the annual rate of pension to

which the Member would have been entitled, but for the application of the reduction provided for in Rule 6.7.

- 6.9 A Member who is entitled to a preserved pension and lump sum under Rule 6.3 which has not been brought into payment under Rule 6.4 may elect for the Trustee to make a transfer payment in lieu of the preserved pension and lump sum pursuant to Rule 9, 11.1, 11.2 or 12 of the General Rules (subject to the consent of the Trustee).
- 6.10 A Member who is entitled to a lump sum payment under Rule 6.2 may, prior to the payment of the lump sum and subject to the consent of the Trustee, elect for the Trustee to make in lieu thereof a transfer payment in accordance with Rule 11.1, 11.2 or 12 of the General Rules calculated by reference to the Member's actual Pensionable Service but as if the Member qualified for a preserved pension under Rule 6.3 with more than two years' Qualifying Service.
- 6.11 In addition to the benefits (if any) payable under Rules 6.2 to 6.10 there shall be payable under the same provisions:
- (a) any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
  - (b) any benefit arising from additional voluntary contributions paid by the Member to the GPS prior to 31 March 2007 or any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; and
  - (c) any benefits arising from contributions paid to the GPS prior to 31 March 2007 or any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS,

unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

## **7 EXCHANGING BENEFITS**

- 7.1 A Member may, by giving written notice to the Trustee, elect with the agreement of the Trustee to convert the whole or part of any lump sum payable to him under the Rules 3, 5 and 6.3 into an increased pension on and subject to the following:
- (a) any restriction under the Additional Benefit (Defined Contribution) Rules and Rule 11.5 of the General Rules or any similar provisions previously applicable to the GPS; and
  - (b) the pension payable not exceeding the limits set out in the Scheme Limits Rules;
  - (c) the amount of lump sum converted being an integral multiple of £100; and
  - (d) the right only being exercisable only when the lump sum becomes payable.
- 7.2 The amount of the increase in annual pension (and any increased pension for Spouse or Dependents) obtained as a result of such conversion under Rule 7.1 shall be such



amount as the Trustee, having obtained the advice of the Actuary, may consider reasonably reflects the value of the lump sum foregone. The increase in pension may apply to the Member's pension only or to any pension payable to his Spouse or Dependants under the Scheme.

- 7.3 Any increased pension attributable to Rule 7.1 (including any increase under Rule 11) shall be ignored for the purposes of determining:
- (a) any pensions payable to a Child under Rule 10;
  - (b) any pensions under paragraph 4 of Appendix 1 to this Schedule.
- 7.4 A Member may with the consent of the Trustee elect in writing to surrender part of his pension other than a pension payable under Rule 4, 9.2(a)(ii) or 9.2(a)(b) in order to provide a pension or pensions in addition to any payable under any other Rule, payable on the Member's death to the Member's Spouse and/or any Dependants nominated by the Member (the "**Optional Pension**"). This option is subject to the following conditions:
- (a) it may be exercised not earlier than six months before the Member's pension becomes payable (or would have become payable but for its deferral under Rule 5.8(c) of the General Rules or where the Member continues in Pensionable Service beyond Normal Pension Age);
  - (b) the Optional Pension shall be equal in value to the part of the Member's pension surrendered, calculated on a basis certified as reasonable by the Actuary;
  - (c) the option may not be exercised so that the annual amount of a Spouse's or Dependant's Optional Pension would be less than the limit specified in Rule 13.2 at the time of surrender;
  - (d) confirmation by the Actuary that the aggregate annual amount of the Optional Pension together with any pension contingently payable on the death of the Member in respect of the Member under the Scheme shall not exceed the annual amount of the Member's pension after surrender;
  - (e) if the Spouse or nominated Dependant dies before the Member but after the first instalment of the Member's pension has become payable or after the option was exercised, the Member's pension after surrender shall not be affected;
  - (f) if (i) the Spouse or nominated Dependant or the Member dies before the first instalment of the Member's pension has become payable or (ii) the Spouse or nominated Dependant or the Member dies on the same date as the application is made, any option exercised by the Member under this Rule 7.4 shall lapse and be of no effect;
  - (g) the exercise of the option shall be subject to such restrictions as the Trustee considers appropriate to ensure that the Member's pension is not less than his GMP and that the Scheme continues to qualify as a contracted-out scheme after 5 April 1997;
  - (h) any pension payable to a Dependant or Spouse under this Rule 7.4 shall be payable from the day after the date of the Member's death until the date of the Dependant's or Spouse's death.

- (i) the amount of the Optional Pension shall be such amount as the Trustee, having obtained the advice of the Actuary, decides;
- (j) the amount of the pension surrendered under this Rule 7.4 shall not exceed:
  - (i) one third of the Member's pension; or
  - (ii) the amount as calculated in (d) above which would in the opinion of the Trustee, having obtained the advice of the Actuary, make the Member's pension, after deduction of the amount surrendered, equal to the aggregate of the annual pension under Rules 9 and 10 and the Optional Pension payable to the Spouse or Dependant on the Member's death; and
- (k) if the Member re-enters Pensionable Service after having exercised the option in this Rule 7.4 and after attainment of Normal Pension Age the option to allocate under this Rule 7.4 shall remain in force.

## **8 LUMP SUM DEATH BENEFITS**

- 8.1 On the death in Service of an Active Member before Normal Pension Age, a lump sum shall be payable equal to 2.5 times Pensionable Final Earnings less, in the case of an Active Member who has completed 5 years of Qualifying Service and in respect of whom a pension is payable under Rule 9.1, an amount equal to 0.01875 multiplied by the number of years by which the Member's Pensionable Service is enhanced in accordance with Rule 4.4 and multiplied by the Member's Pensionable Final Earnings,

Provided that, where in the 1,095 days of Pensionable Service immediately preceding the Member's death the Member was employed as a Part-time Employee:

- (a) the Member's Pensionable Final Earnings shall be calculated by reference to the actual Pensionable Earnings in whichever period of 365 consecutive days during those 1,095 days produces the highest rate (and so that paragraph (i) of the definition of Pensionable Final Earnings shall not apply);
  - (b) and the period of 365 consecutive days referred to in (a) must end on the date of the death of the Member or on any date which is any multiple, not exceeding 8 multiples, of 91 days before the date of death of the Member.
- 8.2 On the death of an Active Member on or after Normal Pension Age, a lump sum shall be payable equal to 2.5 times Pensionable Final Earnings at the date of death.
- 8.3 On the death of a Pensioner, before the 5th anniversary of the commencement of his pension, a lump sum shall be payable equal to the difference between:
- (a) 5 times the annual rate of the Member's pension in payment to him at the date of his death, including any increase under Rule 11; and
  - (b) the total of the lump sums and pension payments already made to the Member as at the date of this death,

where the amount calculated under (b) is less than the amount calculated under (a) and provided that, where the Member has made an election under Rule 7.1 in relation to the

Member's pension only or exercised his option under Rule 7.4, the annual rate of the pension in (a) above shall be deemed to be the annual rate of pension to which he would have been entitled but for the election under Rule 7.1 or the exercise of the option under Rule 7.4.

- 8.4 On the death of a Deferred Pensioner before his benefits are brought into payment, if the Trustee so decides a lump sum shall be payable of an amount equal to the lump sum that would have been paid under Rule 6.3 (including any increase under Rule 11).
- 8.5 Lump sums payable under this Rule 8 shall be held on the Discretionary Trusts.

## **9 SPOUSE'S PENSION**

- 9.1 On the death in Service of an Active Member before Normal Pension Age who has completed at least two years of Pensionable Service, the Member's Spouse (or, where the Member was unmarried at the date of his death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive an immediate annual pension equal to one half of the pension the Member would have received had he retired due to Ill Health under Rule 4 immediately before the date of his death, save that the Member's pension shall be calculated by applying Rule 3.3.
- 9.2 On the death in Service of an Active Member on or after Normal Pension Age, the Member's Spouse (or, where the Member was unmarried at the date of his death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive a pension calculated in accordance with Rule 9.3(b), as if the Member had left Service and his pension had started to become payable immediately before the Member died.
- 9.3 On the death of a Pensioner, the Member's Spouse (or, where the Member was unmarried at the date of his death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive:
  - (a) where there are no Children in the care of the Member's Spouse or of the Adult Dependant to whom a pension is paid under this Rule:
    - (i) an immediate pension payable for the period of 137 days following the Member's death equal to two thirds of the annual rate of the Member's pension immediately before his death; and
    - (ii) thereafter a pension equal to one half of the annual rate of pension (including any increase under Rule 11) being paid to the Member (applying Rule 3.3 as appropriate) immediately before his death;
  - (b) where there are such Children, a pension equal to one half of the annual rate of pension (including any increase under Rule 11) being paid to the Member (applying Rule 3.3 as appropriate) immediately before his death,

subject in both cases, if applicable, to the following:

- (i) the provisions of Rule 5.3 and 6.8;
- (ii) where the Member retired on account of Ill-Health under Rule 4, any enhancement to the Member's pension under Rule 4.4 shall be taken into account only where a deduction from the Member's lump sum was made

in accordance with Rule 4.7. In all other cases, the annual rate of pension shall be the annual rate of pension which would have been payable to the Member immediately preceding his death but ignoring any enhancement under Rule 4.4; and

- (iii) where the Member has exercised his option under Rule 7.4 to provide an Optional Pension, the annual rate of the pension shall be deemed to be the annual rate of pension to which he would have been entitled but for the exercise of the option under Rule 7.4.

- 9.4 On the death of a Deferred Pensioner, the Member's Spouse (or, where the Member was unmarried at the date of his death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive an immediate annual pension equal to one half of the Member's preserved pension at the date of his death and after applying Rule 3.3.

## **10 CHILDREN'S PENSION**

- 10.1 On the death in Service of an Active Member before Normal Pension Age the Member's Children (up to a maximum of 2) shall each receive an annual pension calculated as the following proportion of the pension the Member would have received had he retired on account of Ill Health under Rule 4.1 immediately before the date of his death, save that the Member's Pensionable Service (after any enhancement under Rule 4.4) shall not be less than 10 years:

- (a) 25% for each Child in the care of the Member's Spouse or of an Adult Dependant who is in receipt of a pension under Rule 9.1; and
- (b) 33% for each other Child.

- 10.2 On the death of a Pensioner who leaves no Spouse or Adult Dependant but who leaves one or more Children in the care of some other person, there shall be payable to that person for the period of 183 days where there is one Child and 368 days where there are two or more Children an immediate pension equal two thirds of the annual rate of the Member's pension immediately before his death subject, if applicable to the following:

- (a) the provisions of Rule 5.3 and 6.8;
- (b) where the Member retired on account of Ill-Health under Rule 4, any enhancement to the Member's pension under Rule 4.4 shall be taken into account only where a deduction from the Member's lump sum was made in accordance with Rule 4.7. In all other cases, the annual rate of pension shall be the annual rate of pension which would have been payable to the Member immediately preceding his death but ignoring any enhancement under Rule 4.4; and
- (c) where the Member has exercised his option under Rule 7.4 to provide an Optional Pension, the annual rate of the pension shall be deemed to be the annual rate of pension to which he would have been entitled but for the exercise of the option under Rule 7.4.

- 10.3 On the death of a Pensioner the Member's Children (up to a maximum of 2) shall each receive an immediate annual pension if no pension under Rule 10.2 is payable or an annual pension commencing on expiry of the period for payment of the pension payable

under Rule 10.2, in either case, calculated as a proportion of the annual rate of the pension (including any increase under Rule 11) being paid to the Member immediately before his death, subject, if applicable to the following:

- (a) the provisions of Rule 5.3 and 6.8;
- (b) where the Member retired on account of Ill-Health under Rule 4, any enhancement to the Member's pension under Rule 4.4 shall be taken into account only where a deduction from the Member's lump sum was made in accordance with Rule 4.7. In all other cases, the annual rate of pension shall be the annual rate of pension which would have been payable to the Member immediately preceding his death but ignoring any enhancement under Rule 4.4; and
- (c) where the Member has exercised his option under Rule 7.4 to provide an Optional Pension, the annual rate of the pension shall be deemed to be the annual rate of pension to which he would have been entitled but for the exercise of the option under Rule 7.4.

The proportion payable to each Child shall be:

- (i) 25% for each Child in the care of the Member's Spouse or an Adult Dependant;
- (ii) 33% for each other Child.

- 10.4 On the death of a Deferred Pensioner the Member's Children (up to a maximum of 2) shall each receive an annual pension calculated as a proportion of the Member's preserved pension at the date of his death, save that, if the Member had less than 10 years of Pensionable Service, the Member's pension shall be calculated on the basis that the Member's Pensionable Service had been 10 years or, if less, the Pensionable Service the Member would have completed had he remained in full time Service for five years after Normal Pension Age.

The proportion payable to each Child shall be:

- (a) 25% for each Child in the care of the Member's Spouse or an Adult Dependant who is in receipt of a pension under Rule 9.4; and
- (b) 33% for each other Child.

## **11 INCREASES TO PENSIONS IN PAYMENT AND REVALUATION**

- 11.1 Subject to the provisions of this Rule 11 and to the provisions of the 1993 Act relating to increases to preserved benefits and of sections 51 to 55 of the 1995 Act (Indexation) (as amended), all pensions and preserved benefits in excess of the GMP shall be increased annually on a compound basis.
- 11.2 The rate of increase shall be such rate as the Lead Company and the Trustee, after consulting the Section Lead Employer, may agree each year but shall not be less than the Indexation Factor (or, in the case of a pension which commenced payment or a preserved benefit which was granted under Rule 6 in the twelve months preceding the date of the pension increase, such proportion of the Indexation Factor which relates to

the number of months during the twelve month period since the pension was brought into payment or the preserved pension was granted). A pension payable under Rules 9 and 10 to a Spouse, Adult Dependant or Child following the death of a Member to whom a pension had commenced to be paid will be treated for this purpose as having commenced payment when the Member's pension commenced payment.

11.3 The payment of increases under this Rule 11 shall be made in April in each year or at such other time or times as the Trustee shall determine.

11.4 Increases under this Rule 11 shall not apply to:

- (a) benefits deriving from additional voluntary contributions paid by the Member to the GPS prior to 31 March 2007 or a Section pursuant to 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; or
- (b) any benefits arising from contributions paid to the GPS prior to 31 March 2007 or a Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; or
- (c) that part of any pension which constitutes the GMP (if any) of the recipient,

unless the Trustee and the Lead Company, having consulted with the Section Lead Employer, so direct.

11.5 Where a Member is under age 55 at the date of his retirement under Rule 5 or paragraph 3 of Appendix 1 to this Schedule:

- (a) the pension payable under Rule 5 or paragraph 3 of Appendix 3 shall not be increased in accordance with this Rule 11 until such date as the Member attains age 55; and
- (b) upon the Member attaining age 55, the pension shall be increased by such amounts as would have applied but for the operation of this Rule 11.5 and future instalments of the pension shall be automatically subject to the increases in this Rule 11.

## **12 SERIOUS ILL HEALTH COMMUTATION**

If a Member becomes entitled to payment of a pension and lump sum in exceptional circumstances of serious ill-health the Trustee may pay the Member in lieu of the whole or any part of that pension a lump sum of such amount as it shall determine, calculated on a basis certified as reasonable by the Actuary provided that it is a "serious ill health lump sum" (as defined in paragraph 4 of Schedule 29 to the Finance Act).

## **13 TRIVIAL PENSIONS**

13.1 If a person's benefit is trivial (within Rule 13.2), the Trustee may, under this Rule 13.1, pay a person, in lieu of his pension, a lump sum of such amount as the Trustee shall determine, calculated on a basis certified as reasonable by the Actuary. This power may be exercised only if it is consistent with the status of the Scheme as a Registered Pension Scheme.

- 13.2 For the purpose of Rule 13.1 a person's benefit is trivial in circumstances where the lump sum payable on commutation would be a "trivial commutation lump sum" as defined in paragraph 7 of Schedule 29 to the Finance Act or a "trivial commutation lump sum death benefit" as defined in paragraph 20 of Schedule 29 to the Finance Act, as appropriate.

#### **14 TEMPORARY ABSENCE**

- 14.1 An Active Member absent from work on full pay or absent from work for reasons of ill-health on full pay shall continue to contribute to the GPS Section for so long as he is in receipt of remuneration in accordance with the provisions of Rule 14.2.
- 14.2 An Active Member absent from work in the circumstances envisaged by Rule 14.1 shall continue to pay contributions based on the full Pensionable Earnings which would have been payable to him if he were not absent.
- 14.3 An Active Member absent from work in the circumstances envisaged by Rule 14.1 shall continue to accrue Pensionable Service whilst he contributes to the Scheme.
- 14.4 Any period of absence from work of an Active Member for reasons of ill-health or otherwise not on full pay shall not (subject to Rule 14.5) count towards his Pensionable Service but it shall not break the continuity of his Pensionable Service.
- 14.5 Subject to the provisions of Rules 14.1 to 14.4 above any Employer of a GPS Section may agree with the Trustee any special provisions (consistent with the status of the Scheme as a Registered Pension Scheme) to apply to Members who are absent from work while remaining in Active Membership. These provisions may apply to one Member only, to a category of Members or to all Members who are in Service with that Employer.
- 14.6 The Trustee shall comply with the provisions of section 71 of the Employment Rights Act 1996 and Schedule 5 to the Social Security Act 1989 from the date when they came into force relating to continuity of pension benefits during maternity leave.

#### **15 REJOINING THE SCHEME**

- 15.1 An Employee who ceases to be an Active Member while remaining in Service shall only be readmitted as an Active Member if the Trustee with the consent of the Lead Company so decides and any such readmission shall be subject to such conditions as the Lead Company may decide.
- 15.2 Any person who does not become an Active Member by when first eligible to do so under Rule 5.1 of the General Rules shall only be permitted to become an Active Member at a later date with the consent of the Employer and then upon such terms as the Trustee, the Lead Company and the Employer shall determine.
- 15.3 Each Employee who wishes to become an Active Member or be readmitted as an Active Member under this under this Rule 15 shall complete and submit to the Trustee an entrance form which the Trustee may prescribe and provide such evidence of age, good health and marital status (if any) as the Trustee may require.

#### **16 PAYMENT OF PENSIONS TO SPOUSES, DEPENDANTS AND CHILDREN**

- 16.1 No Child shall be entitled to receive pensions under Rule 10 in respect of more than two Members. Where a Child is eligible to receive more than two pensions under Rule 10, the

Child will count as eligible in respect of only two Members, in the way which, in the opinion of the Trustee, gives the most favourable overall result for the Child.

- 16.2 The Trustee may, at its sole discretion, treat any other child as a Child for the purposes of Rule 10 where that child is under the age of 18, is in full-time education or full-time vocational training and the Trustee is satisfied that at the date of the Member's benefits coming into payment or death or withdrawal from a Section either:
- (a) the child had been dependent on the Member for at least two years or (if less) half the child's life; or
  - (b) the Member had formed the intention of legally adopting the child.
- 16.3 When any Child starts or ceases to be a Child the Trustee may, at its sole discretion, reallocate the pensions then payable to any Children to take account of the reduction or increase in the number of Children.
- 16.4 Where a Member dies leaving more than one Child, the total of all pensions payable under this Rule 10 shall not exceed the following percentage of the relevant amount:
- (a) 50% if all Children are in the care of the Member's Spouse or if a Spouse's pension is being paid;
  - (b) 58.34% if there is one Child in the care of someone other than the Member's Spouse and no Spouse's pension is being paid; and
  - (c) 66.67% if two or more Children are in the care of someone other than the Member's Spouse and no Spouse's pension is being paid.
- Where the total Children's pension is limited by this Rule, the amount payable to each Child shall be scaled down proportionately.
- 16.5 Where, in relation to a Member more than two Children are eligible at any time for any benefits, the Trustee shall have a discretion to allocate the aggregate amount of benefits payable among all Children in relation to that Member.
- 16.6 A Member may, by submitting a written expression of wishes to the Trustee, indicate how the pensions and lump sum payable under Rules 8, 9 and 10 should be divided between those persons who are eligible to receive them. No such expression of wishes shall be binding on the Trustee. The Trustee may specify the form the expression of wishes must take.
- 16.7 Unless the context otherwise requires, a pension payable to a Spouse or an Adult Dependant shall be payable for life.
- 16.8 No pension payable to a Member's Spouse shall be less than the Spouse's GMP in relation to any part of the Member's Pensionable Service which was contracted-out (or treated as contracted-out) by reference to the GPS or the Scheme on a salary related basis under section 9(2) of the 1993 Act (as amended) before 6 April 1997.
- 16.9 In addition to the benefits (if any) payable under Rules 8, 9 and 10 there shall be payable:



- (a) any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
- (b) any benefit arising from additional voluntary contributions paid by the Member to the GPS, or from 31 March 2007, a Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; and
- (c) any benefits arising from contributions paid to the GPS, or from 31 March 2007, a Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS,

save to the extent that increased Pensionable Service has been granted to the Member in respect of those additional voluntary contributions or the transfer payment.

## APPENDIX 1

### RULES APPLYING TO FORMER BNFL MEMBERS AND BNFL TRANSFERRING MEMBERS ONLY

#### 1 LUMP SUM AND SPOUSE'S PENSION

- 1.1 Where a male BNFL Transferring Member joined a Former Scheme prior to the relevant Change Date (as defined in paragraph 1.4 below), Rule 3 shall, subject to paragraph 1.5, be modified so that the lump sum payment shall be calculated as 2/80th of Pensionable Final Earnings for each complete year (and proportionately for each additional day) of Pensionable Service prior to the Change Date plus 3/80th of Pensionable Final Earnings for each year (and proportionately for each additional day) of Pensionable Service after the Change Date up to a maximum of forty years Pensionable Service in total.
- 1.2 (a) On the death of a Member to whom paragraph 1.1 applies, Rule 9 shall, subject to paragraph 1.5 below and applying Rule 3.3 as appropriate, be modified so that the pension payable to the Member's Spouse or Adult Dependant shall be calculated in accordance with paragraph (b).
- (b) The pension referred to in paragraph (a) above shall be calculated as the aggregate of:
- (i) one-third of the Member's pension attributable to the Pensionable Service prior to the Change Date in the case of an Industrial Member and four-ninths of the Member's pension attributable to the Pensionable Service prior to the Change Date in the case of a Non-Industrial Member; and
  - (ii) one half of the Member's Pension attributable to the Pensionable Service on and after the Change Date (applying Rule 3.3 as appropriate).
- 1.3 On the death of a female BNFL Transferring Member who joined a Former Scheme prior to the relevant Change Date, Rule 9 shall be modified so that the part of the Member's pension attributable to any Pensionable Service prior to the Change Date shall, subject to paragraph 1.5 below, be excluded for the purposes of calculating the pensions payable to the Member's Spouse or Adult Dependant.
- 1.4 For the purposes of this paragraph 1, the "**Change Date**" shall be
- (a) in the case of male Non-Industrial BNFL Transferring Members, 1 June 1972;
  - (b) in the case of male Industrial BNFL Transferring Members, 1 October 1973; and
  - (c) in the case of female BNFL Transferring Members, 1 February 1988.
- 1.5 Any option to uprate the Spouse's pension or to redeem the lump sum made under the relevant Former Scheme by BNFL Transferring Members who were in pensionable service on the Change Date shall stand and the amount of that pension or the pension payable in its place to an Adult Dependant and the lump sum shall be such amount as the Trustee shall decide and shall take effect in accordance with the terms agreed with the Member under the Former Scheme unless the Trustee on the advice of the Actuary

allows any debts in respect of those options to be paid by additional contributions. Any such debts not so paid shall be deducted from any lump sum benefit payable.

- 1.6 On the death of a female BNFL Transferring Member, who commenced pensionable service with one of the Former Schemes prior to 1 February 1988, for the purposes of calculating any pensions payable to a Spouse or Adult Dependant under Rules 9.1 and 9.2 where retirement was under Rule 4, the Member's Pensionable Service including any enhancement, shall be subject to a minimum of twenty years.

## **2 ADDED YEARS**

### **2.1 Right to purchase added years**

- 2.1.1 Former BNFL Members are, subject to the provisions of this paragraph 2, and to the provisions of Scheme Limits Rules entitled to:

- (a) enter into an agreement with the Trustee to make periodical voluntary contributions to the Scheme to purchase added years or parts of a year of Qualifying and Pensionable Service; and/or
- (b) where appropriate, continue the agreement previously made with the administrator of the Former Scheme to make periodical voluntary contributions to the Scheme to purchase added years or parts of a year of Qualifying and Pensionable Service.

- 2.1.2 The Trustee may, with the consent of the Former BNFL Member, amend the terms of any agreement made under paragraph 2.1.1.

- 2.1.3 The Trustee may, with the consent of the Employer, agree with the Member to vary any agreement under paragraph 2.1.1 to provide for increased contributions to be payable to convert or purchase all or part of any added years (as agreed):

- (a) on a 100% Pensionable Service basis, instead of a 93.5% Pensionable Service basis; and/or
- (b) on the basis of securing an increased Spouse's pension under Rule 3.3.

### **2.2 Application to purchase added years**

- 2.2.1 Subject to paragraph 2.2.2 below, an application to purchase added years may be made at any time during the Member's Pensionable Service, in such a manner as the Trustee shall from time to time determine. A Member will be required to sign a declaration that he has no reason to believe that his health may prevent him from continuing in Service until age sixty.

- 2.2.2 A Member in Pensionable Service may make an application to purchase added years at any time provided that:

- (a) in the case of applications made before 1 July 1997 at least two years will elapse between the date of his next birthday and the date on which he will reach his sixtieth birthday;

- (b) the total periodical contributions for added years together with all other periodical contributions under this Scheme, including additional voluntary contributions, would at no time exceed:
  - (i) in the case of a person who became a Member of one of the Former Schemes before 1 June 1989, 15% of his current pensionable salary and pensionable emoluments;
  - (ii) in the case of a person who became a Member of the GPS, or of one of the Former Schemes, on or after 1 June 1989, the lower of 15% of his current pensionable salary and pensionable emoluments and 15% of the Permitted Maximum. This paragraph shall not apply to a Member in such circumstances as may be prescribed in regulations made under paragraph 18(4) of Schedule 6 to the Finance Act 1989;
- (c) at least two years have elapsed between making this application and any prior cancellation of a contract under paragraph 2.2.3 below;
- (d) the Member has not given notice on the two occasions permitted under paragraph 2.2.3 below;
- (e) the Member is not on sick leave or under notice of retirement due to Ill-Health.

2.2.3 A Member may at any time on or after 1 July 1997, by notice in writing cancel one or more applications to buy added years, whereupon the provisions of paragraph 2.5.6 shall apply. Such notice shall be effective on the earliest practicable date after which it is received by or on behalf of the Trustee and periodical contributions shall be payable up to that date. The Member may not give such notice on more than two occasions.

## **2.3 Contributions**

- 2.3.1 Where a Member's application to purchase added years is approved by the Trustee, contributions shall be payable as determined by the Trustee on the advice of the Actuary, in respect of such number of added years for which approval has been given on the basis of the Member's Pensionable Earnings and Normal Pension Age, but shall be based on the relevant tables as determined by the Trustee as applying from time to time. Where subsequent to the approval of an application to purchase added years, a Member exercises an option to change his Normal Pension Age, or a change is made to his Normal Pension Age or to his rate of Pensionable Final Earnings, the Trustee on the advice of the Actuary may agree with the Member such amendment to his rate of contribution as to give effect to his application as if his amended Normal Pension Age or his amended rate of Pensionable Final Earnings had been in force when his original application was approved.
- 2.3.2 Where added years are bought by periodical contributions, such contributions shall be payable from the date of the Member's next birthday until the date he attains age sixty.
- 2.3.3 Added years may be bought by lump sum payment only when the application is made by the Member within 12 months from beginning pensionable employment with a member of the BNFL group, except that for the purpose of determining the 'beginning of employment' in this paragraph, no account shall be taken of employment under a temporary or fixed term contract.

## 2.4 Maximum number of added years

- 2.4.1 The maximum amount of added years which may be bought depends on the length of the Member's prospective Pensionable Service up to Normal Pension Age, calculated at the date his Pensionable Service began (in years and fractions of a year, with each day after a whole number of years counting as 1/365th of a further year); and on the benefits (if any) to which he is entitled by virtue of earlier service under another occupational pension scheme.

For the purposes of this paragraph 2, the prospective Service of a Part-time Employee will be calculated as if he were not a Part-time Employee. Where the provisions of the Scheme Limits Rules would allow added years to be bought up to a different maximum from that specified in paragraphs 2.4.2 to 2.4.4, the maximum may be increased or decreased accordingly.

- 2.4.2 A Member whose total prospective Pensionable Service at Normal Pension Age is less than eight years may not buy any added years.
- 2.4.3 Subject to the provisions of this paragraph 2, the maximum amount of added years which may be bought shall be determined by reference to the following table (in which 'N' means the fraction of a year representing the number of days of prospective Pensionable Service up to Normal Pension Age in excess of a whole number of years):

<b>Prospective Pensionable Service up to Normal Pension Age</b>	<b>Maximum added years which may be bought</b>
8 + N	N
9 + N	1 + N
10 + N	2 + N
11 + N	3 + N
12 + N	4 + N
13 + N	5 + (N x 2)
14 + N	7 + (N x 2)
15 + N	9 + (N x 2)
16 + N	11 + (N x 2)
17 + N	13 + (N x 2)
18 + N	15 + (N x 2)
19 + N	17 + (N x 3)
More than 20	40 less the prospective Pensionable Service

- 2.4.4 For a Member who is entitled to benefits under another occupational pension scheme, the maximum amount of added years which he may buy is the smaller of:
- (a) the amount of added years derived under paragraph 2.4.3; and
  - (b) the amount by which 40 exceeds the total of the following:
    - (i) the length of his prospective Pensionable Service in the Scheme; and
    - (ii) where he has retained benefits in the previous scheme, the length of service in that scheme to which the benefits relate.

## **2.5 Change of Circumstances**

- 2.5.1 Subject to paragraph 2.2.3 above and paragraph 2.5.2 below, an application to purchase added years is irrevocable from the date on which the Member pays his first contribution.
- 2.5.2 Where the Trustee is satisfied that a Member's circumstances have changed in an unforeseen manner since he started making contributions to purchase added years, the Trustee may direct that the agreement be adjusted in such manner as the Trustee considers appropriate having obtained the advice of the Actuary and the consent of the Member.
- 2.5.3 Where a Member's contributions are reduced under paragraph 2.5.2 above:
- (a) the added years which the Member originally contracted to purchase shall be reduced by such amount and adjusted in such manner as the Trustee, having obtained the advice of the Actuary, considers appropriate; and
  - (b) the Member shall have an option (which may be exercised only once) to resume his contributions at their original level provided the Trustee is satisfied as to his financial position. The number of added years which shall apply to the Member shall be the number of added years which the Trustee, having obtained the advice of the Actuary, considers appropriate.
- 2.5.4 Where a Member's contributions are suspended under paragraph 2.5.2:
- (a) he shall be credited with added years appropriate to his contributions in accordance with paragraph 2.7 as if he had voluntarily resigned; and
  - (b) he shall have an option to resume contributions in accordance with paragraph 2.5.3 above.
- 2.5.5 Where a Member has exercised his option to resume contributions in accordance with paragraph 2.5.3(b) or 2.5.4(b) above, and his circumstances change thereafter in an unforeseen manner so that to continue paying the contributions would involve him in substantial financial hardship, the Trustee may direct that the contributions shall cease.
- 2.5.6 If a Member ceases paying contributions in accordance with paragraph 2.2.3 or 2.5.5 above, the Member will be credited with such number of added years as the Trustee, after obtaining the advice of the Actuary, considers appropriate.

## **2.6 Death or leaving Service on or after Normal Pension Age**

Where a Member dies or leaves Pensionable Service on or after reaching Normal Pension Age, the period of added years he has bought in accordance with paragraphs 2.1 to 2.5 above, shall count as Pensionable Service for the purpose of calculating the benefits payable to or in respect of the Member.

## 2.7 Death or leaving Service or withdrawal from Scheme before Normal Pension Age

2.7.1 Where a Member who has entered into a contract to purchase added years dies, leaves Service or withdraws from Pensionable Service under the Scheme, the added years of Pensionable Service will be calculated as follows:

- (a) save to the extent that the contract to purchase added years specifies otherwise, where the Member dies in Service or leaves Service on grounds of Ill-health the full amount of the added years as set out in the Member's original contract to purchase added years shall apply, provided always that if the Member dies in Service or leaves Service on grounds of Ill-health, within twelve months of the Trustee accepting the Member's application to purchase added years, the Trustee must be satisfied that the declaration referred to in paragraph 2.2.1 above was made in good faith,
- (b) in all other cases, in accordance with the following formula:

$$\frac{A \times B}{C}$$

Where:

- A = the period of added years the Member contracted to purchase;
- B = the period (expressed to the nearest day) over which the Member has made contributions to purchase added years; and
- C = the total period over which he would have made contributions to purchase added years had he stayed in Service until age 60.

2.7.2 For the purpose of applying the enhancement limits contained in Rule 4.4, any added years purchased in accordance with this paragraph 2 shall be taken into account in the calculation of the Member's Qualifying Service.

## 2.8 More than one application to purchase added years

Where a Member has commenced payment for more than one application to purchase added years, each application shall be treated separately for the purposes of the calculations in this paragraph 2.

## 2.9 Change from full-time to part-time

2.9.1 Where a Member who has entered into a contract to purchase added years changes from full-time to part-time employment or is in part-time employment and changes the number of contractual hours he works then, subject to the limits set out in the Scheme Limits Rules, the Trustee shall, having obtained the advice of the Actuary, recalculate the rate of contribution so that the Member is entitled to the same number of added years as provided for in the original Member's contract to purchase added years.

2.9.2 If, after obtaining the advice of the Actuary, the Trustee considers that it would not be possible to recalculate the rate of contributions so as to provide the same number of added years as provided for in the original contract without exceeding the limits set out in the Scheme Limits Rules, then the Trustee shall restrict the rate of contribution to comply with those limits.

- 2.9.3 Where the Member's rate of contribution is restricted in accordance with paragraph 2.9.2 above, the amount of added years of Pensionable Service applicable to the Member shall be such number of added years as the Trustee considers appropriate, having obtained the advice of the Actuary and having regard to the number of years during which contributions were paid at the rate originally provided for under the contract and the number of years during which contributions were paid at a reduced rate.

### **3 PREMATURE BENEFITS**

#### **3.1 Mobile Members aged 50 or over with 5 or more years' Qualifying Service**

- 3.1.1 Where a Mobile Member with five or more years' Qualifying Service is aged 50 years or over at the date of his Early Provision of Benefits, the lump sum and pension payable to him under Rule 6 (as modified by this Appendix 1) shall, subject to paragraph 3.1.2 below, be paid immediately rather than upon the Member's Normal Pension Age (except that it will not be paid until any unexpired portion of a period of formal notice for which pay in lieu is allowed has expired unless otherwise agreed by the Employer).
- 3.1.2 Where a Mobile Member is to receive benefits in the circumstances set out in paragraph 3.1.1 his Pensionable Service, for the purposes of calculating the lump sum and pension shall be increased by  $6\frac{2}{3}$  years provided that:
- (a) the increased benefits shall not exceed the benefits he would have been entitled to had he stayed in full-time Service until age 60;
  - (b) Pensionable Service may not be enhanced to more than double its length;
  - (c) for the purpose of calculating the limit in (a) above, no account shall be taken of any added years being purchased under paragraph 2 which the Member would have accrued had he not been paid his benefits early; and
  - (d) for the purpose of calculating the limit in (a) above, no account shall be taken of any increase in the elements which make up Pensionable Earnings which are not due to be brought into payment until after the date of early payment of benefits including any increase which would have been due under assimilation arrangements except:
    - (i) any incremental increase due under his current grade within the scale maximum;
    - (ii) any increase in excess of the scale maximum (or when appropriate, the single pay point for the grade) in the pay range for his current grade which is already in payment at the time of his early payment of benefits;
    - (iii) any increase which would have been due under assimilation arrangements, provided that such arrangements have been promulgated at the date of his early payment of benefits; and
    - (iv) any increase in the elements that make up pensionable pay, which has been promulgated at the time of his early payment of benefits, notwithstanding that it has not been brought into payment at that time.



### **3.2 Mobile Members aged under 40 with 5 years' Qualifying Service and Mobile Members of any age with 2 but less than 5 years' Qualifying Service**

A Mobile Member with five years' Qualifying Service aged under 40 at the date of Early Provision of Benefits and a Mobile Member of any age with two but less than five years' Qualifying Service at the date of his Early Provision of Benefits shall receive a preserved pension and lump sum under Rule 6 as if he had resigned voluntarily.

### **3.3 Mobile Members aged 40 or over but less than 50 with 5 years' Qualifying Service**

3.3.1 This paragraph 3.3 shall apply to Mobile Members with five years' Qualifying Service aged 40 or over but less than 50 at the date of Early Provision of Benefits.

3.3.2 A Member to whom paragraph 3.3 applies shall elect to receive benefits under one of the paragraphs (a) or (b) below:

- (a) to receive at Normal Pension Age the preserved lump sum and preserved pension payable to and in respect of him under Rule 6; or
- (b) to forego entitlement to the preserved pension and preserved lump sum under Rule 6 and to receive instead at his Minimum Pension Age:
  - (i) payment of an enhanced pension in accordance with the provisions of paragraphs 3.3.3 to 3.3.5, and
  - (ii) immediate payment of the preserved lump sum, together with immediate payment of all increases applicable to it under Rule 11, but subject to any deduction under paragraph 3.3.6.

Provided that in default of a Member making an election under either 3.3.2(a) or 3.3.2(b) he shall be deemed to have made an election to receive his preserved lump sum and preserved pension under Rule 6 at Normal Pension Age.

3.3.3 A Member to whom paragraph 3.3 applies may elect on the date of his Early Provision of Benefits or at any subsequent date up to the day before attaining his Minimum Pension Age, by notice in writing to the Trustee, or as the Trustee shall direct, to forgo entitlement to the preserved pension and preserved lump sum and to receive instead payment at his Minimum Pension Age of a pension based on his preserved pension calculated in accordance with paragraph 3.3.4 below, together with immediate payment at his Minimum Pension Age of his preserved lump sum, with immediate payment of all increases applicable under Rule 11 to that lump sum from the date of his Early Provision of Benefits to the date of payment. The Trustee must be satisfied that the capital value of the immediate pension plus enhancement and the immediate lump sum with applicable increases is not less than the capital value of the preserved benefits under Rule 6.

3.3.4 A Member's Pensionable Service, for the purposes of calculating the enhanced pension referred to in paragraph 3.3.3 shall be increased, subject to paragraph 3.1.2 and the Scheme Limits Rules, in accordance with the following table:

<b>Age at date of Early Provision of Benefits</b>	<b>Increase to Pensionable Service</b>
45 or over	$6\frac{2}{3}$ years
44	$5\frac{1}{3}$ years
43	4 years
42	$2\frac{2}{3}$ years
41	$1\frac{1}{3}$ years
Under 41	nil

- 3.3.5 A pension payable under paragraphs 3.3.3 shall accrue pension increases in accordance with Rule 11 from the date of Early Provision of Benefits, but such increases shall not come into payment until the Member has attained age 55 as provided in Rule 11.5.
- 3.3.6 Where, at the date of his Early Provision of Benefits, a Member to whom paragraph 3.1.1 or paragraph 3.3 applies is married or has nominated, under Rule 16.6 an Adult Dependant to receive a pension on his death, a deduction shall be made from the lump sum payable to the Member under paragraph 3.1.1 or 3.3.2(b)(ii) or in respect of him under Rule 8.4. The deduction shall be of such amount as the Actuary shall advise is necessary to pay for any enhancement of a pension payable to a Spouse or Adult Dependant under paragraphs 3.3.7 or 3.3.8.
- 3.3.7 Subject to paragraph 3.3.6, on the death on or after Minimum Pension Age of a Member to whom paragraph 3.1 applies or who has exercised the option under paragraph 3.3.2(b), any pension payable to a Spouse or Adult Dependant under Rule 9.2 shall be calculated using the annual rate of enhanced pension payable to the Member immediately before his death. For the purpose of Rule 3.3, the enhancement of service is to be regarded as accruing after 1 April 1997.
- 3.3.8 Subject to paragraph 3.3.6, on the death before attaining the Minimum Pension Age of a Member who has exercised the option under paragraph 3.3.2(b), any pension payable to a Spouse or Adult Dependant under Rule 9.4, shall be calculated using the annual rate of enhanced pension which would have been payable to the Member had he attained the Minimum Pension Age at the date of death, subject to the deduction under paragraph 3.3.6 being taken from the lump sum payable under Rule 8.4, or otherwise settled to the satisfaction of the Actuary.
- 3.3.9 On the death after Minimum Pension Age of a Member who is entitled, or is deemed under 3.3.2 to be entitled, to a preserved pension and preserved lump sum under Rule 6, any pension payable to a Spouse or Adult Dependant shall be calculated using the annual rate of preserved pension, ignoring any enhancement to Pensionable Service as described in paragraph 3.3.4 and no deduction shall be taken from the lump sum payable under Rule 8.4.
- 3.3.10 On the death before Minimum Pension Age of a Member who is entitled, or is deemed under 3.3.2 to be entitled, to a preserved pension and preserved lump sum under Rule 6, then subject to the deduction under 3.3.6 being taken from the lump sum payable under Rule 8.4, the Member shall then be deemed to have exercised the option contained in

3.3.2(b) and any pension payable to a Spouse or Adult Dependant shall be calculated using the enhanced rate of annual pension which would have been payable to the Member, had he attained the Minimum Pension Age at the date of death.

### **3.4 Non-Mobile Members aged 50 or over with 5 years' Qualifying Service**

- 3.4.1 A Non-Mobile Member with five or more years' Qualifying Service who is aged 50 years or over at the date of his Early Provision of Benefits may opt to agree with his Employer to receive a lesser compensation payment from his Employer (the amount of the reduction in the compensation payment to be agreed with the Employer) and that paragraph 3.4.2 shall apply.
- 3.4.2 Where paragraph 3.4.1 applies, the Member's preserved pension and preserved lump sum payable under Rule 6 shall be brought into payment immediately on the date of his Early Provision of Benefits.

### **3.5 Commutation**

- 3.5.1 A Member entitled to a pension under paragraph 3.1 or 3.4 above, may, subject to the Scheme Limits Rules and the advice of the Actuary, elect to commute such pension into a lump sum provided that such lump sum, together with any lump sum payable under paragraphs 3.1 or 3.4 and any compensation payable by the Employer under any applicable compensation scheme may not exceed an amount equal to two years' Pensionable Final Earnings.

If, after such commutation, the pension payable under paragraph 3.1 or 3.4 above is less than the amount specified in Rule 13.2, the whole of the pension payable under paragraphs 3.1 and 3.4 must be commuted.

The amount of the lump sum obtained by commutation under this paragraph 3.5 shall be such amount as the Trustee, having obtained the advice of the Actuary, shall decide.

- 3.5.2 Upon attaining Normal Pension Age, the pension payable to a Member in receipt of a pension reduced under paragraph 3.5.1 shall increase to the level of the annual pension (including increases under Rule 8 of the General Rules and Rule 11) which would have been payable to the Member under paragraphs 3.1 or 3.4 above before any commutation under paragraph 3.5.1.
- 3.5.3 Any pension payable under Rules 9 and 10 to a Dependant of a Member who has commuted part of his pension under paragraph 3.5.1 will be calculated using the pension payable to the Member before any commutation under paragraph 3.5.1.
- 3.5.4 Rules 7.1 to 7.3 shall not apply to any lump sum payable under this paragraph 3.5.

### **3.6 Early Provision of Benefits with lesser benefits**

Where a Mobile Member aged 50 or over is willing to take Early Provision of Benefits, but the Employer is of the opinion that, having regard to the amount of the financial or other advantages which would accrue to the Employer if the Member were to receive benefits, such retirement could not be justified if the Member were to be paid the full benefits payable under this paragraph 3, the Member and the Employer may, if each of them thinks fit, agree to the Member's Early Provision of Benefits with such lesser benefits as may be agreed subject to the approval of the Lead Company; provided that where the full

benefits would consist of pension and lump sum plus enhancement and a compensation payment from the Employer, such lesser benefits shall consist of either:

- (a) the full benefits less any compensation payment payable; or
- (b) benefits of such amount as would result from calculating the full benefits without taking into account any increase of Pensionable Service under paragraph 3.1.2 less any compensation payment payable.

### **3.7 Transfers of benefits**

A transfer payment will not be made under Rules 11.1 and 11.2 of the General Rules in respect of a Member who has commenced receiving a pension under paragraph 3.1, 3.3 or 3.4 of this Appendix.

### **3.8 Termination for inefficiency or misconduct**

A Member whose Service is terminated on grounds of inefficiency or misconduct will not be regarded as taking Early Provision of Benefits under this paragraph 3.

## **4 INVALIDITY PENSIONS FOR PERMANENTLY INCAPACITATED CHILDREN OF MEMBERS**

### **4.1 Nomination for invalidity pension**

Any Member may nominate for an invalidity pension under this paragraph 4 a Child (the Nominee) who is:

- (a) permanently incapacitated; and
- (b) is wholly or mainly dependent on the Member.

Any nomination under this paragraph shall be made in writing to the Trustee. A Member may not have more than one valid nomination in force under this paragraph at any one time.

### **4.2 Meaning of permanently incapacitated**

For the purposes of this paragraph permanently incapacitated means that, because of a specific mental or physical disability which is likely to be permanent, the Child is unlikely in the opinion of the Trustee to be able to earn his own living.

### **4.3 Cessation of nomination**

A nomination under this paragraph shall cease to be valid if:

- (a) the Member revokes it; or
- (b) the Nominee ceases to be permanently incapacitated; or

- (c) the Nominee ceases to be wholly or mainly dependent on the Member, except that at the Trustee's discretion a break in dependence may be disregarded if the Trustee is satisfied that the break is temporary only; or
- (d) the Nominee dies; or
- (e) the Nominee marries the Member.

A Nominee will be regarded as ceasing to be wholly or mainly dependent on the Member if the Nominee enters a hospital or institution maintained by the State and ceases to be maintained by the Member.

#### **4.4 Death of a Member**

If a Member dies:

- (a) in service; or
- (b) after leaving employment with a pension under Rule 3, 4 or 5, or a preserved pension under Rule 6,

and if his nomination is still valid, an invalidity pension shall be payable to the Nominee or to such person for the benefit of the Nominee as the Trustee considers proper.

#### **4.5 Payment of invalidity pension**

An invalidity pension payable under this paragraph will be paid from the day after the Member's death, or (if later) from the date the Nominee reaches the age of 17. The pension will continue in payment until the date of the Nominee's death, except where the Nominee marries in which case the pension will cease unless the Trustee is satisfied that there are compassionate grounds for continuing or restoring it.

#### **4.6 Amount of invalidity pension**

- 4.6.1 The annual amount of an invalidity pension payable under this paragraph shall be 1/80th of the Member's Pensionable Final Earnings multiplied by one-half of his Pensionable Service (excluding any added years purchased under paragraph 2). Where paragraph 4.4(b) applies in respect of a preserved pension, the invalidity pension may be increased under Rule 11 as if it had been awarded at the time the Member left employment.
- 4.6.2 Save where a Member has exercised the option set out in paragraph 4.6.3, any added years purchased under paragraph 2 shall not count for the purposes of calculating any invalidity pension for permanently incapacitated children under paragraph 4.
- 4.6.3 A Member may, with the consent of the Trustee, exercise an option for any added years purchased by the Member under paragraph 2.1 to be taken into account for the purposes of the calculation under paragraph 4.6.1.
- 4.6.4 Where a Member exercises the option set out in paragraph 4.6.3 above, a deduction of 4/80ths of Pensionable Final Earnings for each added year purchased under paragraph 2 shall be made from the lump sum payable to the Member under Rule 3, 4 or 5 on his benefits coming into payment.

#### **4.7 Contributions for invalidity pension**

As from such a date as the Trustee may specify following the date when he makes a valid nomination, a Member in employment shall pay periodical contributions of 2 per cent of his Pensionable Earnings. Subject to Rule 2, these contributions shall continue until the Member's Pensionable Service ends or until the date upon which the Trustee is notified that his nomination has ceased to be valid (whichever first occurs).

#### **4.8 Additional periodical contributions**

- 4.8 Subject to the contributions limits set out in the Scheme Limits Rules, a Member who has made a nomination under paragraph 4.1 may opt to pay additional periodical contributions of 2 per cent or multiples of 2 per cent of his Pensionable Earnings provided that the total amount payable by the Member in respect of his other periodical contributions does not exceed 13 per cent of his current Pensionable Earnings.

Such additional contributions will be payable from such a date as the Trustee may specify following the date of the exercise of the option, and shall continue until (whichever first occurs) the Member's Pensionable Service ends or the Trustee is notified that his nomination has ceased to be valid.

An option under this paragraph 4.8 may be exercised at any time.

The Member may at any time make a further option to increase his rate of contributions; but, subject to the provisions of paragraph 4.9, he may not opt to reduce it.

#### **4.9 Reduction in rate of contributions**

- 4.9 A Member may opt to reduce the rate of contributions payable under paragraphs 4.7 and 4.8 where either:

- (a) the Member increased his rate of contributions when he ceased to pay contributions under Rule 2 because he had accrued 40 years' Pensionable Service and then subsequently resumed payment of contributions under Rule 2; or
- (b) the Member is permitted by the Trustee to make additional contributions in accordance with paragraph 1.5.

- 4.10 Where a Member has made a nomination under paragraph 4.1, any lump sum payable to the Member under Rule 3, 4 or 5 on his benefits coming into payment shall be reduced by 2/80ths of Pensionable Final Earnings for each year of Pensionable Service during which the Member did not pay contributions under paragraph 4.7.

### **5 SPOUSE'S PENSION - MARRIAGE BETWEEN BENEFITS COMING INTO PAYMENT AND DEATH**

Where a BNFL Transferring Member either marries or acquires an Adult Dependant either:

- (a) after the date of his benefits coming into payment under Rule 3, 4 or 5; or

- (b) after the date of termination of his Pensionable Service where the Member is entitled to receive a preserved pension and lump sum under Rule 6,

then, for the purposes of calculating any pension payable to his Spouse or Adult Dependant upon his death under Rule 9.2 or 9.4 the BNFL Transferring Member's Pensionable Service shall be deemed to have commenced on 5 April 1978, or date of joining a Former Scheme if later, in the case of male BNFL Transferring Members or 5 April 1988 or date of joining a Former Scheme if later, in the case of female BNFL Transferring Members and the BNFL Transferring Member's rate of pension before his death shall be recalculated accordingly.

## **6 ELECTIONS**

A Member may at any time before the earliest of one month before:

- (a) the date on which payment of the Member's benefits from the Scheme is to commence;
- (b) the date on which the Member's benefits are bought out or otherwise transferred outside the Scheme; and
- (c) the Member's 75th birthday,

make an election in a form and manner satisfactory to the Trustee to be subject to the limits on benefits applicable to a Class A Member.

## **SCHEDULE 4**

### **NEW JOINERS BENEFIT STRUCTURE**

#### **1 ELIGIBILITY**

- 1.1 Any Employee who is not an Energy Act Member or a Member entitled to accrue benefits under the GPS Benefit Structure or the Nirex Benefit Structure shall be entitled to join the Scheme and to accrue benefits under this Schedule.
- 1.2 A person who:
- (a) immediately before the Effective Date was a member of the GPS entitled to benefits calculated by reference to the rules of the GPS set out at Schedule B to the GPS Definitive Trust Deed ("**DC Rules**"); and
  - (b) with effect on and from the Effective Date had his accrued rights to benefits under the GPS calculated by reference to the DC Rules transferred to a GPS Section,
- and any person entitled to benefits in respect of such a person, shall be entitled to benefits set out in this Schedule.
- 1.3 Any person eligible for Active Membership under this Schedule shall become an Active Member under this Schedule with effect from the Commencement Date, or if later, the date on which he first becomes eligible for Active Membership.

#### **2 CONTRIBUTIONS BY ACTIVE MEMBERS**

- 2.1 Each Active Member shall pay to the relevant Section contributions at such rate as he shall determine and notify in writing to the Trustee upon his joining the Scheme, being not less than 3% of his Pensionable Pay. If an Active Member does not notify the Trustee within fourteen days of joining the Scheme of the rate at which he wishes to pay contributions he shall pay contributions at the rate of 3% of his Pensionable Pay.
- 2.2 An Active Member may give one month's written notice to the Trustee and his Employer that he wishes to change the rate at which he makes contributions, being not less than 3% of his Pensionable Pay. The Trustee may deduct from the Member's Account any charges incurred by a Section as a consequence of a second or subsequent change in any period of twelve months. The Trustee shall have power to determine that changes may generally only take place on a particular date.
- 2.3 An Active Member's contributions shall be collected from him by his Employer by deduction from his salary or by such other method as the Trustee may determine and shall be paid to the Trustee (or as the Trustee directs) by the Employer at such intervals as may be required under the Schedule of Contributions in force.

#### **3 RETIREMENT AT OR AFTER NORMAL PENSION AGE**

- 3.1 On leaving Active Membership at or after Normal Pension Age, a Member shall be paid a pension for the remainder of his life equal to the amount (as determined by the Trustee) that can be secured on his behalf by the Trustee from his Member's Account (after taking



into account, as appropriate, any pension provided under Rule 7.2 and any lump sum payment provided under Rule 7.1 or Rule 9).

- 3.2 The Trustee shall, if the Member so elects pursuant to Rule 3.3, secure the pension payable from the Member's Account pursuant to Rule 3.1 to provide:
- (a) increases in payment to the extent consistent with the pension being an Authorised Payment;
  - (b) a guarantee as to the minimum period of payment consistent with the pension being an Authorised Payment; and/or
  - (c) such other protection as the Trustee may permit which is consistent with the pension being an Authorised Payment.
- 3.3 The Member shall select and advise the Trustee in writing of the form of pension and/or other options available under the preceding provisions of this Rule 3, in accordance with any procedures specified for this purpose by the Trustee. Where the Member does not so advise the Trustee the Member's Account shall be used to provide benefits as decided by the Trustee.

#### **4 DEFERRED RETIREMENT**

- 4.1 On or before leaving Active Membership in accordance with Rule 3, a Member may elect to defer bringing his pension into payment until a date which is later than his Normal Pension Age. Such an election shall be made in writing to the Trustee and shall, where required by the Trustee, specify the date on which the Member wishes his pension to commence. Any such election may be varied or withdrawn at any time by the Member giving further notice in writing to the Trustee.
- 4.2 Where a Member elects to defer his pension in accordance with this Rule 4, he shall become a Deferred Pensioner entitled to benefits in accordance with Rule 6.2. If the Member dies before his pension comes into payment, benefits shall be payable from the Scheme on the basis that the Member died as a Deferred Pensioner.

#### **5 EARLY RETIREMENT**

An Active Member who leaves Service prior to Normal Pension Age (but after attaining Minimum Pension Age) and who is not in receipt of PHI may elect by notice in writing to the Trustee to be paid benefits as provided in Rule 3.

#### **6 LEAVING ACTIVE MEMBERSHIP**

- 6.1 An Active Member who ceases to be an Active Member without being entitled to an immediate benefit under Rules 3 or 5 shall be entitled to benefits under this Rule.
- 6.2 If a Member has completed more than two years of Qualifying Service or a transfer payment has been received in respect of him from a personal pension scheme, he shall have his Member's Account maintained in the Scheme and he shall be entitled to benefits calculated in accordance with Rule 3 paid at Normal Pension Age or (at his option) any other date so long as it is after Minimum Pension Age.

- 6.3 A Member entitled to benefits under Rule 6.2 which have not become payable may instead opt for the payment of a transfer value under Rule 9 of the General Rules.
- 6.4 Where an Active Member became a Deferred Pensioner at least one year before Normal Pension Age his Member's Account shall be increased in accordance with the revaluation requirements of the 1993 Act using the money purchase method specified in paragraph 5 of Schedule 3 to the 1993 Act.
- 6.5 A Member who has completed less than two years of Qualifying Service and in respect of whom no transfer payment has been received from a personal pension scheme may opt for the payment of a transfer value under Rule 9 of the General Rules. If he does not do so within a reasonable period of time (to be determined by the Trustee), he shall be entitled to a refund of such part of his Member's Account as represents his contributions made under Rule 2 or to any other scheme or arrangement in respect of which a transfer has been received by the Trustee less the certified amount of any contributions equivalent premium payable by the Trustee under the 1993 Act and any tax which the Trustee is liable to account for in respect of the payment .

## **7 OPTIONS ON RETIREMENT**

- 7.1 An Active Member or Deferred Pensioner may elect by notice in writing to the Trustee before payment of his pension commences to receive all or part of his Member's Account as a cash lump sum payable at the time the pension becomes payable. The maximum cash lump sum such a Member may elect to receive shall be decided by the Trustee, with the agreement of the Lead Company save in respect of the GPS Sections, where such Agreement shall not be required, but in every case shall not exceed the maximum which can be paid to the Member without it being an Unauthorised Payment.
- 7.2 An Active Member or Deferred Pensioner may elect by notice in writing to the Trustee before payment of his pension commences to use part of his Member's Account to provide pension(s) for one or more of his Dependants. The part of the Member's Account surrendered shall be the amount required by the Trustee to secure the pension(s) of the amount selected by the Member. The maximum amount of any pension which may be provided by means of such an election is the maximum which can be paid without it being an Unauthorised Payment. The pension shall be payable on the Member's death (or, if applicable, on the expiry of any guaranteed period for which his pension is payable).
- 7.3 An election made under Rule 7.2 shall be void if, before the payment of the Member's pension commences,:
- (a) the Dependant dies;
  - (b) where the election is in favour of a Spouse, the marriage or civil partnership is dissolved or a decree of judicial separation is granted unless written confirmation that the election is to continue is given by the Member; or
  - (c) the Member withdraws his election with the consent of the Trustee.

## **8 BENEFITS ON DEATH IN SERVICE OR IN DEFERMENT**

- 8.1 On the death of an Active Member:

- (a) a lump sum death benefit shall be payable of an amount equal to:
    - (i) in respect of GPS Members, 3 times the Member's Pensionable Pay; and
    - (ii) in respect of all other Members, 4 times the Member's Pensionable Pay; and
  - (b) the Trustee shall apply the Member's Account to provide one or more of the following benefits as it decides:
    - (i) a lump sum death benefit;
    - (ii) a pension for one or more Dependants.
- 8.2 On the death of a Deferred Pensioner, the Trustee shall apply the Member's Account to provide one or more of the following benefits as it decides:
- (a) a lump sum death benefit; and
  - (b) a pension for one or more Dependants.
- 8.3 Payment of any part of a lump sum death benefit that is insured shall be subject to:
- (a) any special conditions or restrictions from time to time agreed by the Lead Company (or, in respect of a GPS Member, agreed between the Section Lead Employer and the Lead Company) and communicated to the Member;
  - (b) any restrictions or conditions under the relevant contract of insurance unless and to the extent that the Trustee decides otherwise; and
  - (c) receipt by the Trustee of the relevant amount from the insurance company.
- 8.4 Lump sums payable under this Rule 8 shall be held on the Discretionary Trusts.
- 8.5 The Trustee shall set out such procedures as it thinks fit for the selection of recipients of pensions under Rule 8.1 and 8.2. Such procedures may include permitting Members to nominate in writing those individuals which they would like to receive such pensions and the proportion of the Member's Account to be used for that purpose. The Trustee shall not be bound to follow any such nomination.

## **9 LUMP SUM AT TRUSTEE'S DISCRETION**

- 9.1 At the Trustee's discretion a lump sum may be paid to:
- (a) a Member in lieu of all benefits payable (including those payable on the death) if the payment would constitute a Trivial Commutation Lump Sum;
  - (b) a Dependant, in lieu of his benefits if the payment would constitute a Trivial Commutation Lump Sum Death Benefit; and
  - (c) a Member, in lieu of his pension, if the Member is suffering from Serious Ill Health.

## **10 TEMPORARY ABSENCE**

- 10.1 If an Active Member is absent from work due to ill-health and in receipt of PHI he shall continue to be an Active Member until the earlier of the date on which:
- (a) he ceases to receive PHI; or
  - (b) he ceases to be an Active Member under Rule 5.5 of the General Rules.
- 10.2 If an Active Member is absent from work by reason of contractual leave (other than that to which Rule 10.1 above or Rules 6.4 to 6.7 of the General Rules apply) he shall continue to be an Active Member until he ceases to be an Active Member under Rule 5.5 of the General Rules.
- 10.3 During a period of temporary absence under Rules 10.1 and 10.2:
- (a) the Employer's contributions for a Member to whom Rule 10.1 applies shall be based on the Pensionable Pay that was in force immediately prior to the temporary absence;
  - (b) the Employer's contributions for a Member to whom Rule 10.2 applies shall be based on the Pensionable Pay that was in force immediately prior to the temporary absence;
  - (c) the Member's contributions shall be based on the Member's statutory or contractual pay received during the period of a temporary absence;
  - (d) where no Member contributions are payable or where a reduced contribution has been paid the Member may with the consent of the Employer on his return to work make up his contributions to the amount that would have been payable had the Member not been temporarily absent; and
  - (e) if the Member dies during the period of temporary absence he shall be entitled to lump sum benefits under Rule 8.1. The lump sum pursuant to Rule 8.1(a) shall be calculated using the Pensionable Pay that was in force immediately prior to the temporary absence.
- 10.4 Subject to Rules 6.4 to 6.7 of the General Rules and the earlier provisions of this Rule 10, the Active Membership of a Member who is absent from Service shall be suspended during the period of such absence and such a Member shall not accrue any benefits under a Section during such period of absence nor shall he pay contributions. Periods of Active Membership either side of such suspension shall be aggregated for the purpose of calculating benefits.

## **11 REJOINING THE SCHEME**

An Employee who does not become an Active Member under this Schedule when first eligible to do so, or an Employee who elects to withdraw from Active Membership under this Schedule while remaining in Service shall be entitled to elect to become an Active Member again on one occasion. On any subsequent occasions, such an election may only be made with the consent of the Trustee and the Employer and subject to such conditions as they may impose.

## **12 PROVISION OF BENEFITS**

- 12.1 Subject to any arrangements made to transfer the benefits for and in respect of a Member pursuant to Rules 9 or 11 of the General Rules, the Trustee shall secure them pursuant to Rule 12.2 unless the Lead Company (or in respect of the GPS Sections, the Section Lead Employer) consents to them being paid from the Section pursuant to Rule 13 of the General Rules on such terms as the Trustee thinks fit.
- 12.2 Where benefits are to be secured under this Rule 12.2, the Trustee shall purchase or provide in the name of the Member or the Dependant or in the name of a trustee (including the Trustee) an Approved Policy with an insurance company authorised for this purpose in accordance with the Financial Services and Markets Act 2000. The Approved Policy shall provide benefits in place of the benefits for and in respect of the Member or Dependant under the Scheme. Once secured in accordance with this Rule 12.2, the Member or Dependant and all others claiming under him shall have no further interest in the Scheme in respect of such benefits and the Trustee shall be discharged (to the extent, if any, that it is not discharged under section 81 of the 1993 Act) from any obligations to provide the benefits under the Scheme.
- 12.3 If the Trustee intends to pay a pension in a form which would qualify as a Finance Act Scheme Pension it must first give the Member or Dependant (as appropriate) the opportunity to require it instead to be secured in a form which would qualify as a Finance Act Annuity.

## **SCHEDULE 5**

### **ADDITIONAL BENEFITS (DEFINED BENEFIT) RULES**

- 1.1 With the consent of the Lead Company, an Active Member who is an Energy Act CPS Member may elect to purchase in accordance with this Schedule 5 all or any of the following:
- (a) additional years of Qualifying and Reckonable Service;
  - (b) additional years of qualification for particular benefits;
  - (c) additional benefits of other kinds, including but not limited to spouse and other family benefits and protection against reduction in pensionable earnings on re-employment; and
  - (d) if the Member is accruing to benefits under the CPS Benefit Structure or the CPS 2 Benefit Structure, a pension for an Incapacitated Child in accordance with Rule 1.8.
- 1.2 Subject to Rule 1.8, the Active Member shall contribute to the Scheme in respect of the Additional Benefits at the rate determined by the Lead Company on the advice of the Actuary and notified to the Member at the time the option to purchase Additional Benefits is exercised. Such contributions may be by lump sum payments or by periodic contributions, as determined by the Lead Company.
- 1.3 Subject to Rule 1.8, the Additional Benefits payable in respect of the contributions made under Rule 1.2 shall be as determined by the Lead Company and notified to the Member and the Trustee at the time the option to purchase Additional Benefits is exercised.
- 1.4 An Active Member may terminate the payment of contributions to purchase Additional Benefits on written notice to the Trustee in which case the Additional Benefits may be adjusted in such manner as the Trustee on the advice of the Actuary may determine.
- 1.5 If a Member either leaves Active Membership before having fully contributed in respect of the Additional Benefits, the Member may make additional payments on leaving Active Membership or, alternatively, the Additional Benefits may be adjusted in such manner as the Trustee on the advice of the Actuary may determine.
- 1.6 If a Member who has been paying contributions to purchase Additional Benefits for a particular purpose leaves Active Membership in circumstances such that no value will be available in respect of contributions paid under Rule 1.2, the Trustee may make a refund of such contributions if it is satisfied that the terms on which the contributions were made require such a refund.
- 1.7 If the Trustee is satisfied that a Member's circumstances have changed in an unforeseen manner since he started paying contributions under Rule 1.2 so that to continue paying such contributions would involve the Active Member in substantial financial hardship, the Trustee may agree that the contributions due under Rule 1.2 or the Additional Benefits shall be adjusted in such manner as the Trustee, on the advice of the Actuary, thinks fit.

- 1.8 In addition to the previous provisions of the Schedule, the following shall apply in respect of any pension for an Incapacitated Child which a Member elects to purchase under Rule 1.1:
- (a) the pension for the Incapacitated Child shall be an annual pension equal to 1/80th of the Member's Pensionable Final Earnings multiplied by  $\frac{1}{2}$  of the Member's Reckonable Service;
  - (b) the Member may elect for the pension to be paid to any person who is an Incapacitated Child;
  - (c) the election shall be cancelled if the Incapacitated Child ceases to be an Incapacitated Child before the Member's death; and
  - (d) the pension shall begin on the later of the Member's death or the date on which the Incapacitated Child reaches age 17 and shall be payable for the life of the Incapacitated Child.
- 1.9 A Member who is entitled to a pension under this Schedule may, before his benefits come into payment, exchange part of the pension for a lump sum equal to the maximum which can be paid as an Authorised Payment calculated as set out in this Rule 1.9. For the purpose of determining that maximum under this Rule 1.9, only the Member's benefits under this Schedule, the CPS Benefit Structure and the CPS 2 Benefit Structure shall be taken into account. The amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee. The exchange may not be withdrawn once the Member's benefits have come into payment.
- 1.10 For the avoidance of doubt, no GPS Member is entitled to elect to purchase additional benefits in accordance with this Schedule. To the extent that any Former BNFL Member or Transferring BNFL Member is entitled to purchase additional benefits, such purchase will be governed by the provisions of Appendix 1 to the GPS Benefit Structure.

## **SCHEDULE 6**

### **ADDITIONAL BENEFITS (DEFINED CONTRIBUTION) RULES**

- 1.1 The Trustee shall make available a defined contribution arrangement for the receipt of additional voluntary contributions paid by Active Members (but excluding Active Members who are New Joiners other than GPS New Joiners). Any such contributions shall be allocated to the relevant Member's AVC Account but shall not be permitted to the extent that the payment would prejudice the status of the Scheme as a Registered Pension Scheme or give rise to an Unauthorised Payment.
- 1.2 Where a Member draws his pension under any Main Benefit Structure his AVC Account shall be applied to provide such benefits as the Trustee may decide, taking into account any wishes of the Member but subject, where applicable, to the agreement of the Lead Company as required under Rule 1.7. Benefits may include additional pension, lump sum payments, additional dependant benefits and guarantees.
- 1.3 The benefits payable in respect of a Member's AVC Account shall be secured by the purchase of annuities or other instruments from an insurance company or the payment of cash sums.
- 1.4 Save in respect of GPS Members, where a Member dies, his AVC Account shall be applied on the Discretionary Trusts.
- 1.5 Where a Member receives a refund of the ordinary contributions he has paid under a Main Benefit Structure on leaving Active Membership:
  - (a) in respect of GPS Members only, an amount equal to the contributions paid by him standing to his credit in his AVC Account shall be refunded to him less any tax which may be payable; and
  - (b) in respect of all other Members, his AVC Account shall be refunded to him less any tax which may be payable.
- 1.6 The Trustee shall hold assets referable to Members' AVC Accounts separately identifiable from the remainder of the Fund.
- 1.7 The maximum lump sum which a Member may receive under Rule 1.2 shall be decided by the Trustee, with the agreement of the Lead Company (save in respect of GPS Members where such agreement shall not be required), but shall not exceed the maximum which can be paid as an Authorised Payment. For the purpose of determining that maximum under this Rule 1.7, only the Member's benefits under this Schedule and the Shift Pay Pension Plan Rules (where appropriate) shall be taken into account.
- 1.8 A GPS Member may, by giving notice in writing with the requisite details to the Lead Company at any time, require the Lead Company to transfer or cause to be transferred the whole, but not part, of his AVC Account to another Registered Pension Scheme or to an insurance company by a transfer that is treated as a recognised transfer within the terms of section 169 of the Finance Act even if his other benefits under the Scheme are not being transferred, or are being transferred to a different scheme. Once such a transfer has occurred, the Lead Company shall be discharged from any obligation to



provide benefits to or in respect of which the transfer related to the Member under the Scheme.

1.9 In respect of GPS Members only:

- (a) the Employer of an Active Member may, from time to time, agree with the Member to make additional contributions to the relevant GPS Section in respect of the Member. Such contributions may include contributions in consideration of a monthly reduction in car allowance, an annual waiver of bonus or waiver of severance payment by the Member;
- (b) based on the contributions received by the Trustee under this Rule 1.9 the Trustee shall provide additional money purchase benefits to those Members concerned on such terms as are agreed between the Member and the Trustee. That part of the relevant Section Fund which is represented by or derived from contributions made under this Rule 1.9 shall be kept separate from the other assets of the relevant Section Fund, but shall not form part of the Member's AVC Account; and
- (c) the amounts of the additional benefits provided by a Section under Rule 1.9(b) shall be determined by the Trustee (after consulting the Actuary or the insurance company or other organisation with which they may be secured) on a basis which is reasonable, having regard to the amount of the contributions and the value of the benefits shall be equivalent on a money purchase basis to the assets attributable to the contributions.

1.10 The provisions of this Schedule other than Rule 1.6, shall not apply to Nirex Members and Rule 11 of the Nirex Benefit Structure shall apply instead.

## **SCHEDULE 7**

### **SHIFT PAY PENSION PLAN RULES**

- 1.1 Subject to Rule 1.2 any Active Member who has Pensionable Shift Pay other than a Member entitled to benefits under the New Joiners Benefit Structure shall pay contributions under these Shift Pay Pension Plan Rules unless:
- (a) the Member, being an Energy Act CPS Member, made a valid election during his service under the CPS to treat Pensionable Shift Pay as part of his Pensionable Earnings; and
  - (b) the Member, being a Former BNFL Member who was employed by British Nuclear Fuels plc on or before 31 March 1991 who elected at that time not to join the UKAEA Shift Pay Plan and to have his Pensionable Shift Pay treated as part of his Pensionable Earnings.
- 1.2 Any Member to whom the provisions of:
- (a) Rule 1.1(a) apply, may, on notice in writing to the Trustee elect to cease to have his Pensionable Shift Pay treated as part of his Pensionable Earnings. Such notice shall take effect in respect of Active Membership after the date of its receipt by the Trustee; and
  - (b) Rule 1.1(b) apply may agree with the Lead Company to cease to have his Pensionable Shift Pay treated as part of his Pensionable Earnings, with effect from the date agreed.
- 1.3 Members required to pay contributions under Rule 1.1 shall pay 5% of their Pensionable Shift Pay or such higher percentage of Pensionable Shift Pay (in increments of 2.5% and subject to a maximum of 100%) as the Member may decide. Such Members may adjust the percentage of Pensionable Shift Pay payable although, where a Member makes more than one adjustment in any twelve month period, the Trustee may deduct from the Member's Shift Pay Pension Plan Account any charges incurred by the Scheme as a consequence of the second or subsequent adjustment. In respect of GPS DB Members, any election to make such an adjustment shall be made in writing and sent to the Employer for onward transmission to the Trustee.
- 1.4 The Employer shall, in respect of a Member required to pay contributions under Rule 1.1, pay 6% of the Member's Pensionable Shift Pay or, if higher, the same percentage of Pensionable Shift Pay as is paid by the Employer as a percentage of Pensionable Earnings under Clause 28.1 (subject to Rule 1.14).
- 1.5 Where:
- (a) at any time an Employer has contributed under Rule 1.4 at a percentage rate greater than that being contributed under Clause 28.1 (subject to Rule 1.14); and
  - (b) subsequently, the Employer's percentage rate of contribution under Clause 28.1 (subject to Rule 1.14) has increased to exceed 6% of the Member's Pensionable Shift Pay,

the Employer may contribute in respect of Pensionable Shift Pay under Rule 1.4 above at a rate lower than that specified by that rule (but not less than 6%) for such period as the Lead Company (or, in respect of the GPS Sections, the Section Lead Employer with the consent of the Lead Company) shall determine, on the advice of the Actuary, so that the overall average rate of contributions for all employees under Clause 28.1 (subject to Rule 1.14) and Rule 1.4 are as similar as possible.

- 1.6 In respect of each Member, contributions paid under Rules 1.1 and 1.4 shall be allocated to the Member's Shift Pay Pension Plan Account.
- 1.7 Where a Member draws his pension under any Main Benefit Structure, his Shift Pay Pension Plan Account shall be applied to provide such benefits as the Member and the Trustee may agree, subject where applicable, to the agreement of the Lead Company as required under Rule 1.13. Benefits may include additional pension, lump sum payments, additional dependant benefits, and guarantees. In the event that the Member fails to make a valid choice, the maximum cash lump sum which can be provided under Rule 1.13 shall be paid together with a level annual pension in respect of the remainder of the Shift Pay Pension Plan Account.
- 1.8 The benefits payable in respect of a Member's Shift Pay Pension Plan Account shall be secured by the purchase of annuities or other instruments from an insurance company or the payment of cash sums. With the consent of the Lead Company, the Trustee may secure such benefits within the Scheme.
- 1.9 Where a Member dies in Service, there shall be payable under the Discretionary Trusts a lump sum death benefit which is equal to the greater of:
  - (a) the amount then available within his Shift Pay Pension Plan Account; and
  - (b) save in respect of a GPS DB Member, 2 times the annual rate of the Member's Pensionable Shift Pay at the date of the Member's death (or, if the Member has been in receipt of Pensionable Shift Pay for less than 12 consecutive months, 2 times the actual Pensionable Shift Pay received by the Member).
- 1.10 Where a Member dies having left Service but before his benefits have come into payment in accordance with Rule 1.7, there shall be payable under the Discretionary Trusts a lump sum death benefit which is equal to the amount then available within his Shift Pay Pension Plan Account.
- 1.11 Any part of the lump sum death benefit payable under Rule 1.9 or Rule 1.10 which cannot be applied in respect of a Member due to the application of the Scheme Limits Rules shall, subject to such rules and at the discretion of the Trustee, be used to purchase or otherwise provide a pension for one or more of the Member's Dependants as the Trustee determines.
- 1.12 Where a Member receives a refund of the ordinary contributions he has paid under a Main Benefit Structure on leaving Active Membership:
  - (a) in the case of a GPS Member, an amount equal to the greater of:
    - (i) that part of the Member's Shift Pay Pension Plan Account which represents the contributions paid by him together with the investment return thereon; and

(ii) the value of the contributions paid by him,

but in either case no more than the overall value of the Shift Pay Pension Plan Account; and

(b) in any other case, his own contributions to the Shift Pay Pension Plan Account together with the investment return on that account,

but less any tax which may be payable shall be refunded to him.

1.13 The maximum lump sum which a Member may receive under Rule 1.7 shall be decided by the Trustee, with the agreement of the Lead Company, but shall not exceed the maximum which can be paid as an Authorised Payment. For the purpose of determining that maximum under this Rule 1.13, only the Member's benefits under this Schedule and the Additional Benefits (Defined Contribution) Rules (where appropriate) shall be taken into account.

1.14 In respect of Active Members of the Springfields Fuels 2 Section only, all references in this Schedule to the Employer's rate of contributions under Clause 28.1 shall exclude contributions under that clause which relate to the Final Salary Link Lump Sum and the Final Salary Link Pension.

## **SCHEDULE 8**

### **NIREX BENEFIT STRUCTURE**

#### **1 ELIGIBILITY**

1.1 No Employees shall be entitled to accrue benefits under this Schedule without the consent of the Lead Company.

1.2 The Trustee may with the Lead Company's consent or, if the conditions described in Rule 1.3 below are satisfied, shall if so instructed by the Lead Company:

(a) admit to Membership a person in employment with an Employer (whether or not he is an Eligible Employee); or

(b) permit a person to remain a Member,

upon such special terms (if any) as the Trustee or, if the relevant conditions described in Rule 1.3 below are satisfied, the Lead Company may decide. These terms must not be such as would prejudice the status of the Scheme as a Registered Pension Scheme.

1.3 The conditions referred to in Rule 1.2 are:

(a) in relation to Rule 1.2(b), the special terms are, in the Trustee's opinion, at least equal in value to the ordinary terms of Membership applicable to that Member as set out in the Rules; and

(b) in relation to Rule 1.2(a) and (b), the Lead Company has undertaken to pay into the Section Fund the amount (if any) required by the Trustee (on the advice of the Actuary) in connection with that instruction.

1.4 A person who:

(a) immediately before the Effective Date was a deferred pensioner or pensioner for the purposes of the NPS, or was receiving a spouse's, child's or dependant's pension from the NPS at that date; and

(b) with effect on and from the Effective Date had his accrued rights to benefits under the NPS transferred to the Nirex Section,

and any person entitled to benefits in respect of such a person, shall be entitled to the benefits set out in this Schedule. In addition anyone admitted under Rule 1.2, or remaining a Member on special terms under that Rule, and any person entitled to benefits in respect of such a person, shall be entitled to such benefits as are determined in accordance with Rule 1.2.

#### **2 MEMBER CONTRIBUTIONS**

Subject to Rule 1.2, no contributions shall be payable by Members.

### 3 BENEFITS AT NORMAL PENSION AGE

- 3.1 A Deferred Pensioner shall be entitled to benefits under this Schedule in accordance with this Rule 3.
- 3.2 A Member shall be entitled to a pension beginning at Normal Pension Age which shall be 1/60th of the Member's Final Pensionable Salary multiplied by the number of years and days of his Pensionable Service increased as necessary pursuant to Rule 10.2 and revalued in accordance with Rule 6.2 provided that:
- (a) each day shall be calculated as 1/365th of a year, but in any leap year, 29 February shall not be counted;
  - (b) if a Member's Pensionable Service includes a period credited to him as a result of a transfer into the NPS before the Effective Date, or into the Nirex Section, and such period has been credited in years and months of Pensionable Service, in so far as the Member's pension relates to this credited period it will be calculated on the basis of years and months of Pensionable Service rather than days; and
  - (c) any Member's pension calculated before 1 August 2001 was calculated on the basis of his years of Pensionable Service rather than days (odd months counting as 1/12th of a year each).
- 3.3 In respect of the pension payable under Rule 3.2 the Member shall have the following options:
- (a) to have the pension begin before Normal Pension Age subject to the conditions set out in Rule 3.4;
  - (b) to exchange part of his pension for a cash sum pursuant to Rule 4.1;
  - (c) to surrender part of his own pension to provide for a pension payable to a Dependant after his death pursuant to Rule 4.2;
  - (d) the statutory right under the 1993 Act (if he fulfils the conditions) to require the Trustee to use the cash equivalent of his benefits in one or more of the ways permitted under (or in the regulations made under) that Act.
- 3.4 The option at Rule 3.3(a) is subject to the following:
- (a) it cannot be exercised before Minimum Pension Age or earlier retirement from employment on account of ill-health or disablement;
  - (b) the Lead Company reserves the right to refuse to allow a Member to exercise the option at any time;
  - (c) the amount of the pension will be reduced by such amount as the Trustee, subject to the Lead Company's consent, decides (having taken the advice of the Actuary), to take account of the fact that it will be paid over a longer period. In so deciding the Trustee must be reasonably satisfied that:
    - (i) the value of the reduced pension equals or exceeds what would have been the value of the pension if it had begun at Normal Pension Age; and

- (ii) if the Member left Service under this Schedule within 10 years of Normal Pension Age the reduction does not exceed 4 per cent compound of the initial annual amount of the pension (revalued in accordance with Rule 6.2 up to the date it begins) for each year by which the beginning of the pension is earlier than Normal Pension Age (odd months or part of a month counting as 1/12th of a year).

- 3.5 If the Member's pension payable under this Rule 3 is limited by operation of the Scheme Limits Rules, the Trustee may (after consulting the Actuary) determine a sum equal to the value of the amount by which the Member's pension exceeds the amount it would have been but for the operation of the Scheme Limits Rules. The Trustee may (subject to the status of the Scheme as a Registered Pension Scheme not being prejudiced, but otherwise in their absolute discretion) apply all or so much of such sum as they may decide in the provision of such other benefits which can be provided to or the Member without being Unauthorised Payments.
- 3.6 The benefits payable under this Rule 3 shall be payable in accordance with Rule 13 of the General Rules.

#### **4 OPTIONS ON RETIREMENT**

- 4.1 A Deferred Pensioner who is entitled to a pension under this Schedule may commute all or any part of it so that he receives instead a cash lump sum subject to the following:
- (a) the Member shall effect such commutation by written notice to the Trustee, given before the first instalment of his pension is to be paid;
  - (b) a Member may require the Trustee to commute so much of his pension as he wishes up to a maximum cash lump sum of 3/80ths of his Final Pensionable Salary multiplied by the number of years of his Pensionable Service (odd calendar months counting as 1/12th of a year each);
  - (c) if a Member so requests the Trustee may (but shall not be bound to) commute all or any part of his pension which is not commuted under (b) above;
  - (d) the amount of the lump sum shall be equivalent to the value of:
    - (i) the whole (or the part to be commuted) of the Member's pension; and
    - (ii) (the whole (or part to be commuted) of any benefit prospectively payable on his death which will cease to be payable after commutation.

This value will be calculated by reference to such tables (confirmed by the Actuary to be reasonable) as the Trustee may adopt from time to time;
  - (e) the cash lump sum must not exceed the amount specified in paragraph 2 of Schedule 29 to the Finance Act (as amended where appropriate by Schedule 36 to the Finance Act) and must comply with the conditions set out in Schedule 29 as amended by Schedule 36 to the Finance Act; and
  - (f) the lump sum shall not include any GMP.

- 4.2 A Member may, by written notice to and with the consent of the Trustee (who may withhold its consent without giving any reason), surrender part of his pension to provide a pension payable to one or more Dependants (in which event he may specify the allocation to be made between or amongst them). The amount of the Dependant's pension shall be determined by the Trustees (acting on the advice of the Actuary) and shall payable in accordance with the following:
- (a) the Member may only exercise his option under this Rule before his pension becomes payable. He may, at any time before then, cancel any surrender under this Rule by giving written notice to that effect to the Trustee;
  - (b) the Dependant's pension shall begin on the Member's death whilst receiving the reduced pension;
  - (c) if:
    - (i) the Member or the Dependant dies; or
    - (ii) the Dependant ceases to be either the Spouse of or financially dependent on the Member
 before the Member's pension begins any surrender under this Rule shall be cancelled;
  - (d) if a Dependant pre-deceases a Pensioner there shall not be any increase in the amount of pension payable to the Pensioner;
  - (e) the pension remaining after surrender must not be less than the amount required by the Contracting Out Rules;
  - (f) the total pension of the Dependant under this Rule and any other Rule in this Schedule shall not exceed the pension remaining after surrender.
- 4.3 The exercise of an option under this Rule shall not affect the amount of any pension or allowance under Rule 5.

## **5 BENEFITS ON DEATH**

- 5.1 On the death of a Deferred Pensioner:
- (a) the Trustee shall hold on the Discretionary Trusts a sum equal to the Deferred Pensioner's contributions (excluding any additional voluntary contributions which the Trustee determines to have been applied in the provision of life cover) which were paid to the NPS; and
  - (b) his Surviving Spouse shall be entitled to a pension, beginning on the day following his death, equal to 2/3rds of the amount of pension which the Deferred Pensioner would have been entitled to receive at Normal Pension Age (assuming no pension increases after the date of his death) provided that the Surviving Spouse's pension shall be reduced if she was 11 or more years younger than the Deferred Pensioner by 1/40th for each complete year over 10 of the difference in ages.



5.2 On the death of a Pensioner:

- (a) if he dies within 5 years from the date his pension began under the Scheme or the NPS if earlier, the Trustees shall hold on the Discretionary Trusts a sum (if any) equal to the sum of the further instalments of the Pensioner's pension which would have been payable if he had lived until the expiration of 5 years after his pension began and his pension had not increased from its amount at his actual death provided that the terms of Rule 5.3 shall apply; and
- (b) his Surviving Spouse shall be entitled to a pension, beginning on the first day of the calendar month next following his death, equal to 2/3rds of the Annual Equivalent of the last instalment of the Pensioner's pension (as it would have been but for any commutation under Rule 4.1 or surrender under Rule 4.2 or the corresponding rules of the NPS Definitive Trust Deed) before his death provided that the Surviving Spouse's pension shall be reduced if she was 11 or more years younger than the Pensioner by 1/40th for each complete year over 10 of the difference in ages.

5.3 A Member may elect in writing to the Trustee, before his or her pension starts, to have any cash sum payable upon his or her death after commencement of his or her pension treated as a pension protection lump sum death benefit (for the purposes of the Finance Act). The Trustee shall deduct from the lump sum any tax for which they may be liable to account to the Revenue under section 206 of the Finance Act. If no such election is made then the cash sum paid upon his or her death will be paid as a defined benefits lump death benefit (for the purposes of the Finance Act).

## 6 INCREASES

- 6.1 Subject to the other provisions of this Rule, all pensions and allowances in course of payment shall be increased on 31st March each year by the Prescribed Rate. Where a pension includes a GMP then payable an amount equal to that GMP shall be deducted from the pension for the purpose only of calculating the increase under this Rule 6.1.
- 6.2 The prospective pension of each Deferred Pensioner (to the extent that it exceeds the GMP) will increase in respect of the period between the date of leaving Pensionable Service and Normal Pension Age. Such increases shall be made in accordance with the requirements of the 1993 Act and shall be the lesser of 5% and the percentage increase in the general level of prices in Great Britain as specified by the Secretary of State pursuant to the 1993 Act.
- 6.3 In addition to the increases pursuant to Rules 6.1 and 6.2 above, the Lead Company shall review jointly with the Trustee, at such times as they may agree, all categories of benefits under this Schedule whether in payment or in deferment. The Lead Company may (with the consent of the Trustee, but not so as to prejudice the status of the Scheme as a Registered Pension Scheme) increase all or any of those benefits payable or prospectively payable or give effect to the review in any other way.
- 6.4 Independently of the above provisions GMPs shall be increased in accordance with the Contracting Out Rules.

## **7 SERIOUS ILL HEALTH COMMUTATION**

- 7.1 The Trustee may, on the commencement of any pension payable to a Member (if no part of it has previously been commuted) if the Member is in an exceptional state of Serious Ill-Health, commute so much of it and of any benefit (not being a pension or allowance) prospectively payable on his death as is not so commuted under Rule 4.1. Every such commutation shall be effected by the payment to the person entitled or prospectively entitled to the pension of such sum as the Trustee determines to be appropriate. This commutation will be calculated by reference to such tables (confirmed by the Actuary to be reasonable) as the Trustee may adopt from time to time.
- 7.2 No commutation of a pension under this Rule shall affect the entitlement to or the amount of any pension or allowance payable under Rule 5 following the Member's death.

## **8 TRIVIAL PENSIONS**

- 8.1 Where a Member's benefits can be paid as a Trivial Commutation Lump Sum, the Trustee may (without his consent) commute his benefits for a lump sum. The amount of the lump sum will be calculated in the manner set out in Rule 4.1(d).
- 8.2 Where some or all of the benefits payable on the death of a Member can be paid as a Trivial Commutation Lump Sum Death Benefit, the Trustee may commute the relevant benefits for a lump sum. The amount of the lump sum will be what the Trustee determines to be equivalent to the pension or allowance otherwise payable, using such tables as the Actuary has confirmed to be reasonable as the Trustee may adopt from time to time.

## **9 PART TIME SERVICE**

- 9.1 Subject to Rule 9.2, for the purpose of calculating benefits due under this Schedule to a Member who had been employed by his employer when an active member of the NPS for less than 37 hours per week (or such other number of hours as the Lead Company may from time to time determine):
- (a) Pensionable Salary in relation to any period shall be the basic salary (excluding bonuses and fluctuating emoluments) that would have been received from his Employer for that period if he had been employed on a full time basis in the same position for the same period; and
  - (b) Pensionable Service shall be as defined in Schedule 12, except that each day of Pensionable Service shall count only as that fraction of a day arrived at by dividing the number of hours worked in that day by the number of hours that he would have worked if he had been employed on a full time basis in the same position for the same day.

- 9.2 Any calculation of Pensionable Service under Rule 9.1 before 1 August 2001 was based on "calendar months" rather than "days".

## **10 ADJUSTMENT OF PENSION**

- 10.1 A Member may, if his pension begins before State Pension Age, request the Trustee to vary the amount of his pension, with a greater amount being paid until State Pension Age and a smaller amount thereafter (to the intent that his total income from the Scheme and

the State scheme should remain approximately constant throughout his retirement). If it agrees to this request the Trustee must be satisfied (having taken the advice of the Actuary) that the actuarial value of the re-arranged pension does not exceed the actuarial value of the pension before re-arrangement.

- 10.2 Every person who was a member of the NPS on 31 March 2000 had his benefits increased with effect from that date on the following basis:
- (a) the pension in payment to each person who was a pensioner member of the NPS on 31 March 2000 was increased by 5 per cent of the annual amount of that pension at that date;
  - (b) the accrued rights to pension payable at a future date, in respect of each person who was an active member or deferred pensioner of the NPS on 31 March 2000, were increased by 5 per cent of the value of those rights at that date; and
  - (c) the increases in Rules 10.2(a) and (b) above are taken into account in calculating pension benefits payable for and in respect of Members under Rules 3, 4, 5, 7 and 8 (and the corresponding rules under the NPS Definitive Trust Deed).

## **11 ADDITIONAL VOLUNTARY CONTRIBUTIONS**

- 11.1 Any additional voluntary contributions paid by a Member to the NPS and transferred to the Scheme pursuant to the NPS Merger Deed shall be allocated to the relevant Member's AVC Account.
- 11.2 The Member shall give the Trustee written notice as to what form of additional benefits he wishes the AVC Account to be applied to provide from the options made available by the Trustee from time to time. The Trustee shall comply with that notice unless and to the extent that to do so might prejudice the status of the Scheme as a Registered Pension Scheme or result in the payment of an Unauthorised Payment.
- 11.3 Without limiting the generality of Rule 11.2 and notwithstanding anything that would otherwise be contrary to the Trust Deed and Rules, the Trustee and the Lead Company may agree to offer Members the options of annuity purchase deferral and/or drawdown in relation to their AVC Accounts. The Trustee and the Lead Company may from time to time agree which Members or categories of Members will be able to apply for these options, and the terms on which these options will be offered.

## **12 CIVIL PARTNERS**

- 12.1 Following the death of a Member on or after 5 December 2005, if the Member does not leave a spouse who is entitled to benefits under the Scheme, but instead leaves a surviving civil partner (who the Member has entered into a civil partnership with under the Civil Partnership Act 2004):
- (a) any benefits under the Scheme that would have been payable to a spouse of the Member in respect of any rights to:
    - (i) GMP, having transferred such rights into the Scheme; and/or
    - (ii) a reference scheme pension for the purposes of the 1993 Act, having transferred such rights into the Scheme; and

- (b) any benefits under the Scheme that would have been payable to the Member's spouse, in addition to those under (a) above, in respect of the Member's Pensionable Service on and from 5 December 2005 (and/or in respect of rights transferred into the Scheme relating to benefits accrued on and from this date),

shall be payable to the Member's surviving civil partner as if he or she were the member's spouse for the purposes of the Trust Deed and the Rules.

## **SCHEDULE 9**

### **PENSION SHARING ON DIVORCE OR DISSOLUTION RULES**

#### **1 EFFECT OF PENSION SHARING ORDER**

The provisions of this Schedule shall apply to all Members when a Pension Sharing Order takes effect in relation to the Scheme or where a transfer payment in respect of Pension Credit Rights is made to the Scheme. The Trustee shall give effect to the Pension Sharing Order and shall calculate a Pension Debit in respect of the relevant Member in accordance with this Schedule and the 1999 Act.

#### **2 SUPPLY OF INFORMATION**

The Trustee shall comply with any requirement to supply information pursuant to the 1999 Act.

#### **3 CHARGES**

The Trustee may, subject to complying with any relevant regulations pursuant to the 1999 Act, impose such charges as it thinks fit in relation to pension sharing or an earmarking order and shall have all such powers as are available to it under the 1999 Act.

#### **4 VALUATION AND CALCULATION OF PENSION CREDIT**

4.1 The Trustee shall issue a notice of implementation under the 1999 Act and shall notify the Member and the Ex-Spouse of the Valuation Day.

4.2 The Trustee shall:

- (a) carry out a valuation of the benefits of a Member that are subject to a Pension Sharing Order; and
- (b) calculate the Pension Credit in accordance with the 1999 Act and the Pension Sharing (Valuation) Regulations 2000,

as at the Valuation Day.

#### **5 REDUCTION IN MEMBER'S BENEFITS**

Where a Member's benefits from the Scheme, or any part of them, are subject to a Pension Debit, the benefits payable from the Scheme to or in respect of that Member shall be reduced as provided for in section 31 of the 1999 Act and, if applicable, the 1993 Act.

#### **6 METHOD OF DISCHARGING PENSION CREDITS**

6.1 The Trustee shall discharge its liability for Pension Credits for and in respect of an Ex-Spouse by paying the Pension Credit to a Qualifying Arrangement with the consent of the Ex-Spouse or, where such consent is not obtained, by either:

- (a) paying the Pension Credit to a Qualifying Arrangement without the consent of the Ex-Spouse; or
- (b) conferring rights or benefits under the Scheme in accordance with the relevant provisions of the 1999 Act (the "Internal Transfer Option").

6.2 For purposes of this Rule 6, the Ex-Spouse's consent is to be obtained and the payment is to be made in accordance with the relevant provisions of the 1999 Act.

6.3 Except where the Internal Transfer Option is implemented, once a payment has been made in accordance with this Rule 6, the Trustee shall be discharged from any further liability to and in respect of the Ex-Spouse in relation to the Pension Credit.

## **7 LIMITATION OF RIGHTS**

7.1 No person with a Pension Credit shall have any right or interest under the Scheme except in accordance with and to the extent specified in this schedule or legislation. For the avoidance of doubt such a person:

- (a) is excluded from the ambit of any provision of the Scheme which provides for:
  - (i) the augmentation of benefits or improvement of the terms on which benefits are payable;
  - (ii) discretionary pension increases; or
  - (iii) granting new or additional benefits,whether the Scheme is continuing or winding up; and
- (b) who is a Pension Credit Member of a GPS Section shall be treated as a Member for the purposes of:
  - (i) the definition of Dependant
  - (ii) Clauses 24 and 31.5 (save in respect of any augmentation of benefits out of surplus referred to in that Clause);
  - (iii) Rules 8, 11.1, 11.2, 12, 13, 14, 19.2, 22 and 23 of the General Rules
  - (iv) The provisions of Rules 1 and 5 of this Schedule.

7.2 The provisions of Rule 7.1 above shall not operate in respect of any other capacity in which the person may have rights or interests under the Scheme.

## **8 DEATH BEFORE DISCHARGE**

8.1 Where an Ex-Spouse dies after a Pension Sharing Order has been made but before the Trustee has discharged its liability in respect of the Pension Credit, the Trustee shall discharge its liability in respect of the Pension Credit by retaining the value of the Pension Credit in the Scheme in accordance with the provisions of regulation 6(4) of the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000.

8.2 In relation to Nirex Members only, in addition to the option provided in Rule 8.1 above, the Trustee may decide (instead of, or as well as):

- (a) to pay a lump sum death benefit equal to 25% of the amount which would have comprised the Ex-Spouse's Pension Credit under the discretionary trusts rules of the Scheme, as though the Ex-Spouse were a Member; and/or
- (b) to apply part, or all, of 75% of the Ex-Spouse's Pension Credit in the provision of a pension for a Dependant (defined for this purpose as being any person who was at the date of death financially dependant on the Ex-Spouse) of the Ex-Spouse.

## **9 INTERNAL TRANSFER OPTION**

9.1 Where the Trustee's liability in respect of the Pension Credit is to be discharged by means of an Internal Transfer Option, the Ex-Spouse shall be entitled to the Pension Credit Rights set out in Rule 10 below. The value of such rights shall be calculated in such manner as the Trustee shall decide, subject to:

- (a) any special terms that the Trustee may decide; and
- (b) any requirements of the 1999 Act and the Scheme Limits Rules (if applicable).

9.2 The Trustee shall determine from time to time the Pension Credit Rights to be provided on the implementation of the Internal Transfer Option.

9.3 Any pension provided to an Ex-Spouse under Rule 9.2 shall be paid in monthly instalments, in advance, or at such other frequency as may be determined the Trustee (not exceeding annually). The Trustee shall determine the dates on which the instalments are to be paid, and whether the first and final payments shall be with or without proportion. The Trustee shall pay such pensions in any manner which it shall determine although pensions shall normally be paid in pounds sterling. If any pension is for any reason to be paid in a currency other than pounds sterling, the amount in pounds sterling shall be converted (at the expense of the Ex-Spouse) to another currency at the rate of exchange which the Trustee may from time to time obtain.

## **10 MEANS OF PROVIDING PENSION CREDIT BENEFITS**

10.1 Subject to Rule 10.4, Pension Credit Benefits may at the discretion of the Trustee be provided either by:

- (a) making payments directly from the Fund; or
- (b) securing them by a transaction to which section 19 of the 1993 Act applies (a "buy out" with one or more insurance policies or contracts).

10.2 In securing the Pension Credit Benefit by means of a buy out pursuant to Rule 11(b), the Trustee must act in accordance with the Buy-Out Provisions. The Trustee shall only make such a buy-out with the consent of the person entitled to the Pension Credit Benefit except in the circumstances permitted by the Buy-Out Provisions, where that person has died or the Scheme is being wound up or in such other circumstances that may from time to time be permitted.

- 10.3 In respect of a buy-out pursuant to Rule 11(b), once the Pension Credit Benefit is secured in accordance with that Rule the Trustee shall be discharged from any further liability to and in respect of the Ex-Spouse in relation to his Pension Credit Benefit.
- 10.4 In relation to GPS Members only, at the point the pension becomes payable, the Ex-Spouse Participant may request the Trustee to arrange for the purchase of an annuity from an Insurance Company of his or her choice.

## **11 ALTERNATIVES TO PENSION CREDIT BENEFIT**

Where required by regulations, the Trustee must be reasonably satisfied in respect of any alternatives to Pension Credit Benefits permitted by section 101D(2)(b) of the 1993 Act that are provided under the Scheme, that either:

- (a) the total value of the benefits in the case of early or deferred retirement;
- (b) the payment made to an insurer in the case of bought-out benefits; or
- (c) the amount allocated to provide money purchase benefits,

as the case may be is at least equal to the value required by paragraph 11 of the Pension Sharing (Pension Credit Benefit) Regulations 2000.

## **12 BUY OUT OF PENSION CREDIT BENEFIT**

The Trustee may decide to provide different benefits as an alternative to Pension Credit Benefits to be secured by a transaction to which section 19 of the 1993 Act applies in accordance with the relevant provisions of Rule 10 above.

## **13 TRANSFERS OUT AT THE DISCRETION OF THE TRUSTEE**

- 13.1 Subject to the requirements of the 1999 Act and the 1993 Act, the Trustee may arrange for all or any Pension Credit Rights to be transferred to another pension scheme or arrangement upon such terms as are agreed between the Trustee and the trustees or administrator of the receiving scheme.
- 13.2 Any such arrangement must be made with the consent of the person entitled to the Pension Credit Rights being transferred except in the circumstances permitted by the 1993 Act.
- 13.3 The transfer is to be made in accordance with any requirements of the Revenue and the 1993 Act which apply to it. No such transfer shall be made if it would:
- (a) offend against the law of perpetuities;
  - (b) constitute an Unauthorised Payment; or
  - (c) breach the provisions of the 1993 Act.
- 13.4 Once a transfer has been made in accordance with this Rule 13, all rights under the Scheme relating to or derived from the Pension Credit Rights in issue shall be extinguished and the Ex-Spouse Participant and all those claiming through him shall have no interest in the Scheme.



## 14 TRANSFERS OUT ON REQUEST

14.1 Subject to Rule 14.3, the Trustee shall comply with any request by an Ex-Spouse to apply the cash equivalent of their Pension Credit Rights under the Scheme to:

- (a) make a transfer value payment to an occupational pension scheme or personal pension which is eligible for this purpose;
- (b) purchase an annuity policy or contract; or
- (c) subscribe to such other pension arrangement as may be prescribed for this purpose,

which is made in a transfer notice pursuant to section 101F of the 1993 Act (the **"Transfer Notice"**).

14.2 The cash equivalent of the Pension Credit Rights is to be determined by the Trustee (in consultation with the Actuary), in accordance with the 1993 Act.

14.3 Unless the Trustee decides otherwise, it shall not comply with any Transfer Notice if:

- (a) the Ex-Spouse Participant does not have power to make the Transfer Notice;
- (b) in the circumstances permitted by section 101G(3) of the 1993 Act if the Ex-Spouse Participant is also entitled to benefits under the Scheme arising from his own Membership in respect of which a request to transfer has not been made pursuant to the 1993 Act; or
- (c) the transfer would be an Unauthorised Payment.

14.4 Where an Ex-Spouse Participant is entitled to other benefits under the Scheme arising from his own Membership, the Trustee may decide not to comply with any request to transfer out those benefits made pursuant to:

- (a) the rules of the relevant Benefit Structure; or
- (b) the 1993 Act,

unless the Ex-Spouse Participant also makes a request to transfer out his Pension Credit Benefit pursuant to Rule 14.1 above. In the case of a statutory transfer, the Trustee may only decline to make the transfer in the circumstances permitted by the 1993 Act.

14.5 Where the Trustee makes a transfer payment in respect of an Ex-Spouse Participant, it must confirm to the receiving scheme or arrangement that the transfer consists wholly or partly of Pension Credit Rights for the benefit of an Ex-Spouse Participant.

14.6 Once a transfer has been effected or an annuity policy or contract has been purchased all rights under the Scheme relating to or derived from the Ex-Spouse Participant shall be extinguished. Accordingly, the Ex-Spouse Participant and all others claiming under him shall have no further interest in the Scheme. The transfer or purchase is to be made in accordance with any requirements of the 1993 Act which apply to it.

## 15 TRANSFERS IN

- 15.1 Where the Trustee accepts a transfer payment for an individual who is already a Member or is already an Ex-Spouse Participant and are informed by the transferor that the transfer value consists wholly or partly of Pension Credit Rights in the former scheme or arrangement, the Member or Ex-Spouse Participant (as the case may be) shall be credited with such additional rights under the Scheme as the Trustee may determine (after taking Actuarial Advice).
- 15.2 The Trustee must separately identify the transfer payment relating to the Pension Credit Rights or the part of the transfer payment relating to the Pension Credit Rights from other funds held for the benefit of the Member or Ex-Spouse Participant. The individual shall then acquire the status of an Ex-Spouse Participant in relation to his transferred-in Pension Credit Benefits. Such Pension Credit Benefits shall not count towards any limit on benefits for that Member if a New Joiner.
- 15.3 Any such transfer and the credit of additional rights shall be made in accordance with the relevant provisions of the 1999 Act.

## 16 WINDING UP

- 16.1 If, on a winding up of the Scheme pursuant to Clause 30 or a winding up of the relevant Section pursuant to Clause 31, there are Pension Credit Rights under the Scheme the treatment of the liabilities for the Pension Credit Rights shall be in accordance with the requirements of section 38 of the 1999 Act and this Rule 16.
- 16.2 If all or any benefits due from the Scheme in respect of Pension Credit Rights have not been secured after the application of section 38 of the 1999 Act and the 1995 Act (the **"unsecured benefits"**), subject to Rule 16.3 below the unsecured benefits are to be accorded on winding up the same treatment:
- (a) if they have come into payment as the rights of a Pensioner; and
  - (b) if they have not come into payment as the rights of a Deferred Pensioner.

In addition, in respect of an Ex-Spouse Participant in the Nirex Section whose Pension Credit Benefits (or part of them) are derived from AVCs, such benefits will be treated in the same way as Members' benefits derived from AVCs on the winding-up of the Scheme or Nirex Section.

- 16.3 The unsecured benefits shall be excluded from any augmentation, improvement or increase applied to benefits pursuant to Rule 7 above.

## 17 FORFEITURE

Rule 19 of the General Rules shall also apply to any Pension Credit Rights. In relation to Nirex Members only, where the rights to a Pension Credit Benefit are forfeited upon the bankruptcy of the Ex-Spouse Participant, the benefits may be paid to any individuals or individual as specified by the Trustee in its absolute discretion.

## **18 PENSION DEBIT MEMBERS OTHER THAN NEW JOINERS**

In the Rules, the benefits for a Pension Debit Member (except New Joiners) are additionally subject to the requirements set out in Part 5 of the Scheme Limits Rules and to the requirements of social security legislation, including the treatment of safeguarded rights for the purposes of the 1993 Act.

## **19 SEPARATION OF BENEFITS**

Where any individual is entitled to Pension Credit Benefits under the Scheme in addition to other benefits pursuant to the Scheme such Pension Credit Benefits shall (or, in respect of GPS Members only and if the Trustee so provides, may) be kept separate from the other Scheme benefits of the individual concerned.

## **20 INTERNAL DISPUTE RESOLUTION PROCEDURES**

If Ex-Spouse Participants are not prescribed persons for the purposes of section 50(1) of the 1995 Act, the Trustee shall nevertheless treat them as if they are such persons and shall accordingly allow them access to the Scheme's internal dispute resolution procedure established in accordance with section 50 of the 1995 Act and the regulations made under it.

## **21 STATUTORY COMPLIANCE**

- 21.1 For the avoidance of doubt the Trustee shall have all such powers and discretion that it considers are appropriate to give effect to a Pension Sharing Order.
- 21.2 To the extent these Pensions Sharing on Divorce Rules and Part 5 of the Scheme Limits Rules do not reflect the statutory requirements and, in respect of any Member other than a New Joiner or any Ex-Spouse of a New Joiner, any requirements of the Revenue (on the basis that the Revenue's requirements as at 5 April 2006 continue to apply) in relation to Pension Debits and Pension Credits they shall stand amended accordingly.

## **22 ASSIGNMENT**

- 22.1 The following provisions shall apply to GPS Members only:
  - (a) The rights to a Pension Credit Benefit under the Scheme shall not be absolute, but shall be subject to Rule 18 of the General Rules.
  - (b) Rule 18 of the General Rules is amended to permit the assignment of part or all of the Member's pension benefits or rights to benefits under the scheme to his or her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order or the assignment of part or all of the Ex-Spouse Participant's benefits or rights to benefits under the scheme to his or her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order.
- 22.2 In respect of Nirex Members only, Rule 18 of the General Rules is amended to permit:
  - (a) the assignment of part or all of the Member's benefits or rights to benefits under the Scheme to his/her Ex-Spouse; or

- (b) the assignment of part or all of any Ex-Spouse Participant's benefits or rights to benefits under the Scheme to his/her Ex-Spouse.

## SCHEDULE 10

### SCHEME LIMITS RULES

#### Part 1

In respect of a Nirex Member, the maximum appropriate to a Member's contributions and any benefit is the greatest of:

- (i) the maximum amount specified in this Schedule in relation to those contributions or that benefit; and
- (ii) the minimum amount thereof which is consistent with the preservation requirements as defined in section 69 of the 1993 Act.

Provided that where a transfer payment from another scheme has been received in respect of a Nirex Member, the maximum shall be increased by such amount as shall not prejudice the status of the Scheme as a Registered Pension Scheme.

#### 1 DEFINITIONS

The definitions set out in Schedule 12 shall apply to this Schedule.

#### 2 CONTRIBUTIONS

- 2.1 Subject to Rule 2.3, the total contributions paid by the Member in a year of assessment to this and any Relevant Scheme providing benefits by virtue of Service shall not exceed 15% of his Remuneration for that year in respect of that Service unless, in respect of a Nirex Member only, the provisions of Regulation 3 of the Retirement Benefit Schemes (Tax Relief on Contributions) (Disapplication of Earnings Cap) Regulations 1990 (Statutory Instrument 1990/586) would have applied to that Member if it were in force.
- 2.2 Subject to Rule 2.3, where a Member has more than one pensionable employment; and
- (a) he would not be subject to the provisions of Regulation 3 Statutory Instrument 1990 No. 586 if it were in force in respect of any of these employments the Member is additionally subject to a maximum aggregate contribution to this and any Relevant Scheme of 15% of the Permitted Maximum; or
  - (b) the provisions of Regulation 3 Statutory Instrument 1990 No. 586, if it were in force, would not apply to all such employments the Member may pay 15% of his Remuneration in respect of the employments to which the provisions of that Regulation would apply but in respect of other employments may only contribute, if at all, the amount representing the difference between 15% of the Permitted Maximum and the contributions paid in respect of the employments to which the provisions of Regulation 3 Statutory Instrument 1990 No. 586 would apply.
- 2.3 In calculating the total contributions paid by an Energy Act CPS Member or a GPS DB Member, any contributions paid under the Additional Benefit (Defined Contributions) Rules or the Shift Pay Pension Plan Rules shall be ignored.

### 3 CLASS A MEMBER: SCHEME LIMITS

3.1 Notwithstanding anything to the contrary in the Scheme provisions:

- (a) any term used in the Scheme as a measure of the annual earnings of a Class A Member for the purpose of calculating benefits is to be interpreted as though those earnings are no greater than the Permitted Maximum. The benefits so calculated may be augmented up to the maximum limits in (b) below; and
- (b) the benefits payable to a Class A Member or his Dependants or other beneficiaries in respect of him shall not when aggregated with all benefits of a like nature provided under all Relevant Schemes providing benefits in respect of Service exceed the limits set out below.

3.2 The Member's Aggregate Retirement Benefit shall not exceed:

- (a) on retirement at any time after attaining Minimum Pension Age except before Normal Pension Age on grounds of Ill Health a pension of:
  - (i) 1/60th of Final Remuneration for each year of Service (not exceeding 45 years) or such greater amount as would not have prejudiced Approval; or
  - (ii) in respect of GPS Members only:
    - (A) where the pension is payable at Normal Pension Age, the Member's Maximum Pension;
    - (B) where the pension is payable before or after Normal Pension Age, the greater of:
      - (I) 1/60<sup>th</sup> of Final Remuneration for each year of Service with incomplete years counting proportionately (subject to a maximum of 40 years); and
      - (II) 1/30<sup>th</sup> of Final Remuneration for each year of Service with incomplete years counting proportionately subject to a maximum of 2/3rds of Final Remuneration less any Retained Benefits;
  - (iii) in respect of Nirex Members only, 1/60<sup>th</sup> of Final Remuneration for each year of Service (not exceeding 40 years) or, if greater, the lesser of:
    - (A) 1/30<sup>th</sup> of Final Remuneration for each year of Service (not exceeding 20 years); and
    - (B) 2/3rds of Final Remuneration minus the pension value of all Retained Benefits;
- (b) on retirement at any time before Normal Pension Age on grounds of Ill Health a pension of the amount:

- (i) which could have been provided at Normal Pension Age in accordance with Rule 3.2(a)(i) above, Final Remuneration being computed as at the actual date of retirement; or
  - (ii) in respect of GPS Members only, not exceeding the GPS Member's Maximum Pension calculated on Final Remuneration at the date of benefits becoming payable and the period of Prospective Service; or
  - (iii) in respect of Nirex Members only, calculated in accordance with Rule 3.2(a)(iii) above on the basis of the number of years which would have counted as Service had the Nirex Member remained in the employer's service to Normal Pension Age; and
- (c) except as provided in (i) and (ii) below, on leaving Pensionable Service a pension of 1/60th of Final Remuneration for each year of that service (not exceeding 45 years) or such greater amount as would not have prejudiced Approval. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with contracting-out requirements is also allowable.
- (i) in respect of GPS Members only:
    - (A) if the GPS Member remains in Service, the pension shall not exceed the greater of:
      - (I) the GPS Member's Maximum Pension calculated on Final Remuneration at the date of benefits coming into payment or of leaving Pensionable Service and on the period of Prospective Service, multiplied by the GPS Member's actual period of Employment (subject to a maximum of 40 years) and divided by the period of Prospective Service (subject to a maximum of 40 years); and
      - (II) 1/60th of the Member's Final Remuneration for each year of Employment with incomplete years counting proportionately (subject to a maximum of 40 years);
    - (B) if the GPS Member leaves Service, a pension in the amount calculated in accordance with Rule 3.2(a)(ii) above;
    - (C) the amount calculated under (A) or (B) above shall, if the GPS Member does not receive his pension immediately upon leaving Service, be increased up to the date when payment begins by 5% per annum compound or, if greater, by reference to the proportionate increase in the Index between the date of leaving Pensionable Service and the date when payment begins;
  - (ii) in respect of Nirex Members only leaving Pensionable Service before Normal Pension Age:
    - (A) if the Nirex Member remains in Service, a deferred pension of that proportion of the amount calculated in accordance with Rule

3.2(b)(iii) above that the number (not exceeding 40) of years of Service completed before leaving Pensionable Service bears to the potential number (not exceeding 40) of years of service had the Member remained in Service to Normal Pension Age.

On subsequently leaving Service the Member's benefits may be augmented to provide benefits in respect of total Service with the Employer, but where this occurs any benefits arising from a personal pension scheme (other than, minimum contribution only schemes) taken out subsequent to leaving pensionable service in respect of the current employment, should be treated as a benefit arising from an Associated Scheme rather than a Retained Benefit;

- (B) if the Nirex Member leaves Service, a deferred pension of the amount calculated in accordance with Rule 3.2(a)(iii) above.

The amount so computed may be increased by 5% for each year, or, if more beneficial, in proportion to any increase in the Index between the termination of Pensionable Service and the date on which the pension commences. Any further increase necessary to comply with preservation or contracting-out requirements of Social Security legislation is also allowable.

- (d) In respect of Nirex Members only, benefits for a Class A Member are further restricted to ensure that his total pension benefit from the Scheme and from any Associated Scheme or Connected Scheme in respect of Service does not exceed 1/30th of the Permitted Maximum for each year of Service, subject to a maximum of 20/30ths. For the purpose of this limit:
- (i) no period is to be counted more than once;
  - (ii) benefits derived from a transfer-in from a scheme which is neither an Associated Scheme nor a Connected Scheme are to be disregarded;
  - (iii) any period of service which has been included in Service as a result of discretionary aggregation is to be excluded unless such service relates to employment which gave rise to benefits under a Connected Scheme or unless such service relates to service in an Associated Employment.

3.3 In respect of GPS Members only, the amount of lump sum commutation payment including the value of all benefits payable when the Member's benefits come into payment other than benefits payable in pension form and not commuted shall not exceed the greater of 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) and 9/4 times the initial annual rate of actual pension, including pension secured by additional voluntary contributions and free standing additional voluntary contributions paid during the period of membership of the Scheme, before commutation or any allocation to Dependant's benefits, subject to a maximum of 1 ½ times the Member's Final Remuneration, less Retained Benefits.

3.4 Except as provided for in (c) and (d) below, the lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the



commencement of his pension shall not when aggregated with all like benefits under Associated Schemes exceed the greater of:

- (a) £5,000; and
- (b) four times Final Remuneration but excluding proviso (i) of that definition less:
  - (i) any lump sum (other than a refund of his own contributions and any interest thereon) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers; and
  - (ii) any lump sum life assurance benefit payable on the death of the Member under a retirement annuity contract, trust scheme or personal pension scheme which would have been capable of being approved under Chapter III Part XIV or Chapter IV Part XIV of the 1988 Act had those provisions remained in force, as the case may be;

if the aggregate of such lump sums exceeds £1,000.

- (c) In respect of GPS Members only, the lump sum death benefit payable upon the death of a Member in Employment or upon the death before Normal Pension Age of a Member who left Employment with an entitlement to a deferred pension shall not exceed the greater of:
  - (i) £5,000; and
  - (ii) four times the greatest of:
    - (A) the Final Remuneration of the deceased Member at the Relevant Date calculated as though the definition of Remuneration did not exclude any amount in respect of which tax is chargeable under Schedule E, which arises from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares, where the shares or the interest or right which gives rise to the liability to tax was acquired by the Member on or after 17 March 1987; and
    - (B) the annual rate of the basic Remuneration of the deceased Member from the Employers (excluding any fees and remuneration in respect of which the Member is assessable to tax under Case I or II of Schedule D or to which the Member is not beneficially entitled at the Relevant Date), plus the average annual amount of the Member's fluctuating Remuneration (if any) from the Employers for the period of three years immediately prior to the Relevant Date, or for the period (if shorter) for which the basis of the Member's Remuneration included fluctuating Remuneration, or the Permitted Maximum, if less; and
    - (C) the total Remuneration of the deceased Member (excluding any fees and remuneration in respect of which the Member is assessable to tax under Case I or II of Schedule D or to which the Member is not beneficially entitled from the Employers) for any period of one year, ending not more than three years prior to the

Relevant Date increased, if such period ended not less than one year prior to the Relevant Date, in proportion to any increase in the Index from the end of such period up to the Relevant Date or the Permitted Maximum, if less;

**plus**, a refund of the Member's own contributions to the Scheme (if any) with compound interest;

**less**, where the aggregate of such sums exceeds £1,000:

- (D) all lump sums payable on the death of the Member under all Registered Pension Schemes of previous employers and under all FSAVCS relating to previous employments (except refunds of the contributions of the Member plus interest); and
  - (E) all lump sum life assurance benefits payable on the death of the Member under any pension annuity contracts or trust schemes approved under section 621 of the 1988 Act; and
  - (F) all lump sums payable on the death of the Member under personal pension schemes approved under section 631 of the 1988 Act (except sums representing refunds of premiums or contributions plus interest).
- (d) In respect of Nirex Members only, the lump sum benefit (exclusive of any refund of the Member's own contributions (excluding any which the Trustee determines to have been applied in the provision of life cover) and any interest thereon) payable on the death of a Member while in Service or (having left Pensionable Service with a deferred pension) before the commencement of his or her pension shall not, when aggregated with all like benefits under Associated Schemes, exceed the greater of:
- (i) £5,000; and
  - (ii) 4 times the greater of:-
    - (A) Final Remuneration;
    - (B) the annual rate of the Member's Remuneration at the date of death

less the amount of any Retained Lump Sum Death Benefits.

3.5 Except as provided in (e) and (f) below, any pension for a Dependant when aggregated with the pensions other than those provided by surrender of the Member's own pension payable to that Dependant under all Associated Schemes shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit:

- (a) being paid to the Member at the date of his death (including any pension increases paid under the Rules);
- (b) being a deferred benefit payable to the Member at any time after attaining age 50;

- (c) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Pension Age at the rate of pay in force immediately before his death; or
- (d) prospectively payable to the Member who dies in Service after Normal Pension Age on the basis that he had retired on the day before he died;

or such greater amount as would not have prejudiced Approval.

If pensions are payable to more than one Dependant of a Member the aggregate of all Dependents' pensions payable in respect of him under this and all Associated Schemes shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (a), (b), (c) or (d) above or such greater sum as will not prejudice Approval.

- (e) In respect of GPS Members only, the following limits will apply:
  - (i) On the death of a Member in Employment before Normal Pension Age the pension:
    - (A) for the Spouse or one Dependant of the Member, shall not exceed two-thirds of the pension (including the pension equivalent of any lump sum pension benefit), which could have been payable to the Member had his benefits come into payment with no entitlement to Retained Benefits, on the date of death on grounds of Ill Health; and
    - (B) for the Spouse and one or more Dependents, or there being no Spouse for two or more Dependents of the Member (each pension being within the limit in (A) above), shall not in aggregate exceed the full amount of the pension (including the pension equivalent of any lump sum pension benefit) which could have been payable to the Member had his benefits come into payment with no entitlement to Retained Benefits on the date of death, on grounds of Ill Health
  - (ii) On the death of a Member whilst in receipt of pension, the pension:
    - (A) for the Spouse or one Dependant of the Member, shall not exceed two-thirds of the pension which could have been payable to the Member had the Member had no Retained Benefits immediately prior to the Member's death (including the pension equivalent of any lump sum pension benefit and any increases which could have been made to the pension after his benefits came into payment);
    - (B) for the Spouse and one or more Dependents, or there being no Spouse, for two or more Dependents of the Member (each pension being within the limit in (A) above), shall not in aggregate exceed the full amount of the pension which could have been payable to the Member, had the Member had no Retained Benefits (including the pension equivalent of any lump sum pension benefit and any increases which could have been made to the pension after his benefits came into payment).

- (iii) On the death of a Member in Employment after Normal Pension Age, the limits set out in (i) above apply.
- (iv) On the death of a Member whilst prospectively entitled to a deferred pension the pension:
  - (A) for the Spouse or one Dependant of the Member shall not exceed two-thirds of the Maximum Pension (including the pension equivalent of any lump sum pension benefit) which could have been paid to the Member under Rule 3.2(c)(i) above; and
  - (B) for the Spouse and one or more Dependents, or there being no Spouse, for two or more Dependents of the Member, (each pension being within the limit in (i) above), shall not in aggregate exceed the full amount of the pension (including the pension equivalent of any lump sum pension benefit) which could have been paid to the Member under Rule 3.2(a)(ii) above.

The amount calculated in accordance with (i), (ii), (iii) or (iv) above, as appropriate, shall be increased by 3% per annum compound or, if greater, by reference to the proportionate increase in the Index since the date of the Member's death.

- (f) In respect of Nirex Members only, any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to 2/3rds of the appropriate maximum Aggregate Retirement Benefit payable to the Member immediately before his death under Rule 3.2 above (if the Member dies in Service the appropriate maximum will be that applicable to retirement on grounds of Ill Health), ignoring any restriction for the Member's Retained Benefits but taking into account the amount of any Retained Dependant's Death Benefits, as increased in accordance with Rule 3.6, below (if appropriate).

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of him under this and all Associated Schemes must not exceed the full amount of the appropriate maximum Aggregate Retirement Benefit for the Member.

3.6 Except as otherwise provided in the preceding provisions of this Rule 3, the maximum amount of a pension ascertained in accordance with this Rule 3 less any pension which has been commuted for a lump sum or surrendered to provide a Dependant's pension may be increased in proportion to the increase in the Index which has occurred since the pension commenced to be paid or, in relation to GPS Members and Nirex Members only, by 3% per annum compound if greater.

3.7 The preceding provisions of this Rule 3 shall be modified in their application to a Member who is or has been a Special Director or, except in relation to GPS Members and Nirex Members, a Controlling Director as follows:

- (a) the amount of the maximum Aggregate Retirement Benefit in Rule 3.2 and, where applicable, of the maximum lump sum commutation payment in Rule 3.3 shall be reduced where necessary so as not to be such that it would have

prejudiced Approval by taking account of any corresponding benefits under a retirement annuity contract, trust scheme or personal pension scheme which would have been capable of being approved under Chapter III Part XIV or Chapter IV Part XIV of the 1988 Act had those provisions remained in force, as the case may be;

- (b) in respect of GPS Members only, in addition to Rule 3.7(a) above, if a GPS Member who is a Special Director remains in Employment after Normal Pension Age, the Member's pension shall be calculated as if the earlier of the actual date the Member's benefits come into payment and the Member's 70th birthday were the Member's Normal Pension Age, so as not to treat as Employment after Normal Pension Age any Employment before the Member reaches the age of 70.

3.8 In relation to GPS Members who are Class A Members, the following additional provisions apply:

- (a) Where a Class A Member is a Member of the Scheme by virtue of two or more Associated Employments the aggregate pension, including the pension equivalent of lump sum benefits, payable by the Scheme in respect of Employment in any of the Associated Employments, shall not exceed the Associated Relevant Amount.
- (b) Where in relation to a Class A Member the Scheme is a Connected Scheme with one or more other Registered Pension Schemes, the pension, including the pension equivalent of lump sum benefits, payable by the Scheme when aggregated with any amount payable by way of pension under the other connected scheme or schemes, shall not exceed the Connected Relevant Amount.
- (c) Where a Class A Member is a Special Director, the definition of Service for the purposes of this Schedule may not be interpreted as including a period of service for an employer who is associated with the Employer by virtue of a permanent community of interest, rather than because one employer is controlled by the other or both are controlled by a third party. Where both such employers are participating in the Scheme, separate calculations of maximum benefits are required in respect of the separate periods of Service. Control has the meaning in section 840 of the 1988 Act or, in the case of a close company, section 416 of the 1988 Act.
- (d) In the case of Class A Members who remain in Service after Normal Pension Age no benefits shall be paid, except to the extent required by the provisions relating to contracting-out in and under the 1993 Act, before the earliest of the Member's 75th birthday or the Member's benefits coming into payment or the Member's leaving Service.
- (e) In the case of Class A Members, benefits must commence no later than the Member's 75th birthday.

## **4 CLASS B OR C MEMBER: SCHEME LIMITS**

- 4.1 Notwithstanding anything to the contrary in the Scheme provisions the benefits payable to a Class B or a Class C Member or to his Dependents or other beneficiaries in respect of him shall not when aggregated with all benefits of a like nature provided under all

Relevant Schemes providing benefits in respect of Service exceed the limits set out below.

4.2 The Member's Aggregate Retirement Benefit shall not exceed:

(a) on retirement at Normal Pension Age:

- (i) a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 45 years) or such greater amount as would not have prejudiced Approval;
- (ii) in relation to GPS Members only, the Member's Maximum Pension;
- (iii) in relation to Nirex Members only, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or, if greater, the lesser of:

(A)

- (I) for a Class B Member 1/30th of Final Remuneration for each year of Service (not exceeding 20 years);
- (II) for a Class C Member the fraction of Final Remuneration ascertained from the following table

Years of Service	Appropriate Fraction
6	8/60
7	16/60
8	24/60
9	32/60
10 or more	40/60

and

- (B) 2/3rds of Final Remuneration minus the pension value of all Retained Benefits; and

(b) on retirement after Normal Pension Age:

- (i) a pension of the greatest of:
  - (A) the amount calculated in accordance with Rule 4.2(a) above on the basis that the actual date of retirement was the Member's Normal Pension Age; and
  - (B) the amount which could have been provided at Normal Pension Age in accordance with Rule 4.2(a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period;

Final Remuneration being computed in respect of (A) above as at the actual date of retirement but subject always to Rule 4.7 below.

(ii) in respect of GPS Members only, the pension shall not exceed the greater of:

- (A) the Maximum Pension based on Employment and Final Remuneration at the date of benefits coming into payment plus, if the total period of actual Employment is greater than 40 years, 1/60th of Final Remuneration for each year of Employment after the later of Normal Pension Age and the completion of 40 years subject to a maximum of 45/60ths of the Member's Final Remuneration; and
- (B) the Maximum Pension calculated on the basis that the Member's benefits came into payment at the Member's Normal Pension Age and increased by the greater of:
  - (I) an actuarial increase to take account of the period the pension is deferred; and
  - (II) a factor equal to the proportionate increase in the Index since the Normal Pension Age;

(iii) in relation to Nirex Members only, a pension of the greatest of:

- (A) the greater of the amounts in Rule 4.2(a)(iii) above on the basis that the actual date of retirement was the Member's Normal Pension Age;
- (B) the amount which could have been provided at Normal Pension Age in accordance with Rule 4.2(a)(iii) above, increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period; and
- (C) where the Nirex Member's total Service with his employer has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Pension Age (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Pension Age, with an overall maximum of 45 reckonable years.

Final Remuneration shall be computed in respect of (A) and (C) above as at the actual date of retirement.

(c) except as provided in (i) and (ii) below, on retirement before Normal Pension Age or on leaving Pensionable Service before Normal Pension Age a pension of 1/60th of Final Remuneration for each year of that service (not exceeding 45 years) or of such greater amount as will not prejudice Approval. Where the Member leaves Pensionable Service with a deferred pension, the amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with contracting-out requirements is also allowable.

(i) In relation to GPS Members only:

- (A) on retirement before Normal Pension Age on the grounds of Ill Health the pension shall not exceed the Member's Maximum Pension calculated on Final Remuneration at the date of benefits becoming payable and the period of Prospective Service;
  - (B) on retirement before Normal Pension Age otherwise than on the grounds of Ill Health or on leaving Pensionable Service before Normal Pension Age with a deferred pension, the pension shall not exceed the greater of:
    - (I) the Member's Maximum Pension calculated on Final Remuneration at the date of benefits coming into payment or of leaving Pensionable Service and on the period of Prospective Service, multiplied by the Member's actual period of Employment (subject to a maximum of 40 years) and divided by the period of Prospective Service (subject to a maximum of 40 years); and
    - (II) 1/60th of the Member's Final Remuneration for each year of Employment with incomplete years counting proportionately (subject to a maximum of 40 years);
  - (C) the amount calculated under (A) and (B) above shall, if the GPS Member does not receive his pension immediately upon leaving Pensionable Service, be increased up to the date when payment begins by 5% per annum compound or, if greater, by reference to the proportionate increase in the Index between the date of leaving Pensionable Service and the date when payment begins.
- (ii) In relation to Nirex Members only:
- (A) on retirement on the grounds of Ill Health before Normal Pension Age, an immediate pension of the amount calculated in accordance with Rule 4.2(a)(iii) above on the basis that Service is taken as the potential number of years of Service had the Member remained in Service to Normal Pension Age;
  - (B) on retirement before Normal Pension Age otherwise than on the grounds of Ill Health or on leaving Pensionable Service before Normal Pension Age with a deferred pension, the pension shall not exceed the greater of:
    - (I) 1/60th of Final Remuneration for each year of Service (not exceeding 40 years); and
    - (II) that proportion of the amount calculated in accordance with (A) above that the number (not exceeding 40) of years of Service completed before leaving Service bears to the potential number (not exceeding 40) of years of Service had the Member remained in Service to Normal Pension Age.



The amount of the deferred pension so computed under Rule 4.2(c)(ii) may be increased by 5% for each year or, if more beneficial, in proportion to any increase in the Index, between the cessation of Pensionable Service and the date on which the pension commences. Any further increase necessary to comply with the preservation or contracting-out requirements of Social Security legislation is also allowable.

- 4.3 In respect of GPS Members only, the amount of lump sum commutation payment including the value of all benefits payable when the Member's benefits come into payment other than benefits payable in pension form and not commuted shall not exceed the greater of 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) and:
- (a) if the Member's benefits come into payment at Normal Pension Age the Maximum Pension Lump Sum for Class B Members and Class C Members; or
  - (b) if the Member's benefits come into payment early or the Member leaves Pensionable Service before Normal Pension Age the Maximum Pension Lump Sum for Class B Members and Class C Members calculated on Final Remuneration at the Relevant Date multiplied by the Member's actual period of Service and divided by the period of Prospective Service; or
  - (c) if the Member's benefits come into payment late the greater of:
    - (i) the Maximum Pension Lump Sum for Class B Members and Class C Members increased by the greater of an actuarial increase to take account of the period the pension is deferred and a factor equal to the proportionate increase in the Index since the Normal Pension Age; and
    - (ii) 3/80ths of the Member's Final Remuneration for each year of Service (subject to a maximum of 40 years prior to Normal Pension Age and 45 years in total).
- 4.4 Except as provided for in (c) and (d) below, the lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the commencement of his pension shall not when aggregated with all like benefits under Associated Schemes exceed the greater of:
- (a) £5,000; and
  - (b) four times Final Remuneration but excluding proviso (i) of that definition less:
    - (i) any lump sum (other than a refund of his own contributions and any interest thereon) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers; and
    - (ii) any lump sum life assurance benefit payable on the death of the Member under a retirement annuity contract, trust scheme or personal pension scheme which would have been capable of being approved under

Chapter III Part XIV or Chapter IV Part XIV of the 1988 Act had those provisions remained in force, as the case may be;

if the aggregate of such lump sums exceeds £1,000.

- (c) In relation to GPS Members only, the lump sum death benefit payable upon the death of a Member in Employment or upon the death before Normal Pension Date of a Member who left Employment with an entitlement to a deferred pension shall not exceed the greater of:

- (i) £5,000; and
- (ii) four times the greatest of:
  - (A) the Final Remuneration of the deceased Member at the Relevant Date calculated as though the definition of Remuneration did not exclude any amount in respect of which tax is chargeable under Schedule E, which arises from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares, where the shares or the interest or right which gives rise to the liability to tax was acquired by the Member on or after 17 March 1987; and
  - (B) the annual rate of the basic Remuneration of the deceased Member from the Employers (excluding any fees and remuneration in respect of which the Member is assessable to tax under Case I or II of Schedule D or to which the Member is not beneficially entitled at the Relevant Date), plus the average annual amount of the Member's fluctuating Remuneration (if any) from the Employers for the period of three years immediately prior to the Relevant Date, or for the period (if shorter) for which the basis of the Member's Remuneration included fluctuating Remuneration; and
  - (C) the total Remuneration of the deceased Member (excluding any fees and remuneration in respect of which the Member is assessable to tax under Case I or II of Schedule D or to which the Member is not beneficially entitled from the Employers) for any period of one year, ending not more than three years prior to the Relevant Date increased, if such period ended not less than one year prior to the Relevant Date, in proportion to any increase in the Index from the end of such period up to the Relevant Date;

**plus**, a refund of the Member's own contributions to the Scheme (if any) with compound interest;

**less**, where the aggregate of such sums exceeds £1,000:

- (D) all lump sums payable on the death of the Member under all Registered Pension Schemes of previous employers and under all FSAVCS relating to previous employments (except refunds of the contributions of the Member plus interest); and

- (E) all lump sum life assurance benefits payable on the death of the Member under any pension annuity contracts or trust schemes approved under section 621 of the 1988 Act; and
  - (F) all lump sums payable on the death of the Member under Personal Pension Schemes approved under section 631 of the 1988 Act (except sums representing refunds of premiums or contributions plus interest).
- (d) In relation to Nirex Members only, the lump sum benefit (exclusive of any refund of the Member's own contributions (excluding any which the Trustees determine to have been applied in the provision of life cover) and any interest thereon) payable on the death of a Member while in Service or (having left Pensionable Service with a deferred pension) before the commencement of his pension shall not, when aggregated with all like benefits under Associated Schemes, exceed the greater of:-
- (i) £5,000; and
  - (ii) 4 times the greater of:-
    - (A) Final Remuneration;
    - (B) the annual rate of the Member's Remuneration at the date of death

less the amount of any Retained Lump Sum Death Benefits.

4.5 Except as provided in (e) and (f) below, any pension for a Dependant when aggregated with the pensions other than those provided by surrender of the Member's own pension payable to that Dependant under all Associated Schemes shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit:

- (a) being paid to the Member at the date of his death (including any pension increases paid under the Rules);
- (b) being a deferred benefit payable to the Member at Normal Pension Age;
- (c) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Pension Age at the rate of pay in force immediately before his death; or
- (d) prospectively payable to the Member who dies in Service after Normal Pension Age on the basis that he had retired on the day before he died;

or such greater amount as would not have prejudiced Approval.

If pensions are payable to more than one Dependant of a Member the aggregate of all Dependents' pensions payable in respect of him under this and all Associated Schemes shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (a), (b), (c) or (d) above or such greater amount as would not have prejudiced Approval.

- (e) In relation to GPS Members only, the following limits will apply:
  - (i) On the death of a Member in Employment before Normal Pension Age the pension:
    - (A) for the Spouse or one Dependant of the Member, shall not exceed two-thirds of the pension (including the pension equivalent of any lump sum pension benefit), which could have been payable to the Member had his benefits come into payment with no entitlement to Retained Benefits, on the date of death on grounds of Ill Health; and
    - (B) for the Spouse and one or more Dependents, or there being no Spouse for two or more Dependents of the Member (each pension being within the limit in (A) above), shall not in aggregate exceed the full amount of the pension (including the pension equivalent of any lump sum pension benefit) which could have been payable to the Member had his benefits come into payment with no entitlement to Retained Benefits on the date of death, on grounds of Ill Health.
  - (ii) On the death of a Member whilst in receipt of pension, the pension:
    - (A) for the Spouse or one Dependant of the Member, shall not exceed two-thirds of the pension which could have been payable to the Member had the Member had no Retained Benefits immediately prior to the Member's death (including the pension equivalent of any lump sum pension benefit and any increases which could have been made to the pension after his benefits came into payment);
    - (B) for the Spouse and one or more Dependents, or there being no Spouse, for two or more Dependents of the Member (each pension being within the limit in (A) above), shall not in aggregate exceed the full amount of the pension which could have been payable to the Member, had the Member had no Retained Benefits (including the pension equivalent of any lump sum pension benefit and any increases which could have been made to the pension after his benefits came into payment).
  - (iii) On the death of a Member in Employment after Normal Pension Age, the limits set out in (i) above apply or the limits set out in (ii) may apply instead if higher than those in (i).

- (iv) On the death of a Member whilst prospectively entitled to a deferred pension the pension:
  - (A) for the Spouse or one Dependant of the Member shall not exceed two-thirds of the maximum pension (including the pension equivalent of any lump sum pension benefit) which could have been paid to the Member under Rule 4.2(c)(i)(B) above; and
  - (B) for the Spouse and one or more Dependents, or there being no Spouse, for two or more Dependents of the Member, (each pension being within the limit in (A) above), shall not in aggregate exceed the full amount of the pension (including the pension equivalent of any lump sum pension benefit) which could have been paid to the Member under Rule 4.2(c)(i)(B) above.

The amount calculated in accordance with (i), (ii), (iii) and (iv) above, as appropriate, shall be increased by 3% per annum compound or, if greater, by reference to the proportionate increase in the Index since the date of the Member's death.

- (f) In respect of Nirex Members only, any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to 2/3rds of the appropriate maximum Aggregate Retirement Benefit payable to the Member immediately before his death under Rule 4.2 above (if the Member dies in Service the appropriate maximum will be that applicable to retirement on grounds of Ill Health), ignoring any restriction for the Member's Retained Benefits but taking into account the amount of any Retained Dependant's Death Benefits, as increased in accordance with Rule 4.6, below (if appropriate).

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of him or her under this and all Associated Schemes must not exceed the full amount of the appropriate maximum Aggregate Retirement Benefit for the Member.

- 4.6 Except as otherwise provided in the preceding provisions of this Rule 4, the maximum amount of a pension ascertained in accordance with this Rule 4 less any pension which has been commuted for a lump sum or surrendered to provide a Dependant's pension may be increased in proportion to the increase in the Index which has occurred since the pension commenced to be paid or, in relation to GPS Members and Nirex Members only, by 3% per annum compound if greater.
- 4.7 Except in relation to GPS Members and Nirex Members, if a Member elects under the Rules to take any part of his benefits under this Scheme in advance of actual retirement the limits set out in Rule 4.2 and, where applicable, Rule 4.3 above shall apply as if he had retired at the date of the election as aforesaid no account being taken of subsequent Service save that the maximum amount of any uncommuted pension not commencing immediately may be increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

4.8 The preceding provisions of this Rule shall be modified in their application to a Member who is or has been a Special Director or, except in relation to GPS Members and Nirex Members, a Controlling Director as follows:

- (a) the amount of the maximum Aggregate Retirement Benefit in Rule 4.2 and, where applicable, Rule 4.3 shall be reduced where necessary so as not to be such that it would have prejudiced Approval by taking account of any corresponding benefits under a retirement annuity contract, trust scheme or personal pension scheme which would have been capable of being approved under Chapter III Part XIV or Chapter IV Part XIV of the 1988 Act had those provisions remained in force, as the case may be; and
- (b) in relation to a Member who is a Special Director at his Normal Pension Age as follows:
  - (i) where retirement takes place after Normal Pension Age but not later than the Member's 70th birthday the Member's pension shall be calculated as if the earlier of the actual date the Member's benefits come into payment and the Member's 70<sup>th</sup> birthday were the Member Normal Pension Age, so as not to treat as Service after Normal Pension Age any Service before the Member reaches the age of 70; and
  - (ii) where Rule 4.7 applies to him the rate of the actuarial increase referred to therein in relation to any period of deferment prior to his attaining the age of 70 shall not exceed the percentage increase in the Index during that period.

## **5 SPECIAL CONDITIONS**

### **5.1 Augmentation of Benefits: All Members**

Except in relation to GPS Members, where in addition to being a member of this Scheme the Member is also a member of a scheme which would have been capable of approval under Chapter III Part XIV or Chapter IV Part XIV of the 1988 Act had those provisions remained in force (the voluntary scheme) which provides additional benefits to supplement those provided by this Scheme and to which no contributions are made by any employer of his the provisions of the paragraph that follows shall apply in relation to any augmentation of the benefits provided for him by this Scheme after he has ceased to participate in it.

Any provisions in this Scheme imposing a limit on the amount of a benefit provided for the Member shall have effect (notwithstanding anything in them to the contrary) as if they provided for the limit to be reduced by the amount of any like benefit provided for the Member by the voluntary scheme.

### **5.2 Payment of Benefits: Class A Member**

The Scheme provisions shall have effect (notwithstanding anything in them to the contrary) as if they provided that no part of a Member's retirement benefit shall be paid in advance of actual retirement or leaving service except to the extent necessary to comply with contracting-out requirements. In addition, in relation to Nirex Members only, the Scheme provisions shall have effect (notwithstanding anything in them to the contrary) as if they provided:

- (a) that the Member's retirement benefit shall be paid no later than the date on which he or she attains age 75;
- (b) that pension and lump sum benefits must be taken simultaneously; and
- (c) that the earliest age at which immediate benefits may be taken having left Service on other than Ill Health grounds is the Minimum Pension Age.

### **5.3 Continued life cover: GPS Members and Nirex Members**

In relation to GPS Members and Nirex Members only, any provision in the Scheme to provide a lump sum benefit on the death of a Member after the Member's pension benefits come into payment (other than a payment under a guarantee of pension provision) shall be restricted in respect of a Class A Member who joined the Scheme on or after 1 October 1991, to exclude any provision other than in respect of the Member's death occurring before the Normal Pension Age and after a Member's benefits come into payment on grounds of Ill Health. The amount of the benefit shall not exceed the amount payable had the Member died immediately before the Member's benefits came into payment, increased in proportion to any increase in the Index between the date of the Member's benefits coming into payment and the date of the Member's death.

### **5.4 Pension Guarantees**

In relation to GPS Members and Nirex Members only, any provision in the Scheme for a pension to be guaranteed for a minimum period by reference to the value of the Member's contributions is hereby disapplied. A pension may not be guaranteed for a minimum period exceeding 10 years.

### **5.5 Valuation of lump sum benefits for limits purposes: GPS Members**

In respect of GPS Members only, in calculating the pension equivalent of a benefit not in pension form of a Class A Member, the pension equivalent of the Member's pension benefits payable in any form other than non-commutable pension under the Scheme and any other Registered Pension Scheme with which the Scheme is a Connected Scheme, is one twelfth of its total cash value.

## **6 ELECTIONS**

- 6.1 A Class B Member may give written notice (in such form as the Trustee may prescribe) to the Trustee that he is to be treated as a Class A Member and he shall then be deemed to be a Class A Member.
- 6.2 A Class C Member may give written notice (in such form as the Trustee may prescribe) to the Trustee that he is to be treated as a Class A Member and he shall then be deemed to be a Class A Member.
- 6.3 Any election must be made before the earliest of the date on which:
  - (a) the Member's benefits under the Scheme start to be paid;
  - (b) the Member leaves Service; and
  - (c) the Member leaves the Scheme.

6.4 In relation to Nirex Members only, any election in accordance with Rules 6.1 to 6.3 above requires the consent of the Trustee and the Lead Company.

6.5 The provisions of this Rule 6 do not apply to GPS Members.

## **7 CONTROLLING DIRECTORS**

Save in relation to Nirex Members, notwithstanding any other provisions of the Rules, if a Class B or Class C Member who is a Controlling Director (or, in respect of a GPS Member, a Special Director) remains in service after age 75, any lump sum benefit payable on his death in Service shall not be held on the trusts set out in Clause 24 but shall rather be paid to his Spouse and, if there is no, surviving Spouse, to his legal personal representatives.

## **8 TRANSFERS**

8.1 In relation to GPS Members and Nirex Members only, the following provisions shall apply:

- (a) The benefits arising on retirement from a transfer value shall not be capable of commutation nor shall they be paid in lump sum form if the transfer is accompanied by a certificate from the administrator of the transferring scheme to the effect that the transfer value is not to be used to provide benefits in lump sum form.
- (b) For Class B or Class C Members pension benefits on retirement arising from a transfer value (other than from another scheme of the Employer or an Associated Employer) may be commuted only if and to the extent that a certificate has been obtained from the administrator of the transferring scheme showing the maximum lump sum payable from the transfer value. The amount so certified may be increased in proportion to any increase in the Index since the date the transfer payment was received.
- (c) When on or after a transfer having been made to another occupational pension scheme the administrator requests such a certificate as is referred to in b. above, the Trustee shall calculate as at the date of transfer and supply the receiving scheme with a certificate of the maximum lump sum payable on retirement from the transfer value.
- (d) When making a transfer to an approved personal pension scheme the Trustee shall provide a certificate of the maximum lump sum payable on retirement from the transfer value if the transferring Member -
  - (i) was aged 45 or more at the time that the transfer payment was made; or
  - (ii) has at any time within the 10 years preceding the date on which the right to the cash equivalent being transferred arose, been, in respect of any employment to which the transfer payment or any part of it relates, either
    - (A) a Special Director; or



- (B) in receipt of annual remuneration in excess of the Permitted Maximum for the year of assessment in which the date of transfer falls; or
- (iii) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is 45 or less.

## Part 2

### 9 EX-SPOUSE PARTICIPANT

9.1 The requirements relating to an Ex-Spouse Participant's benefits are as follows.

- (a) Subject to the Pension Sharing on Divorce Rules a pension can be paid:
  - (i) at any time between Minimum Pension Age and attaining 75 (commencement of the pension cannot be deferred beyond his 75th birthday);
  - (ii) earlier on grounds of Ill Health where the Ex-Spouse Participant is simultaneously taking early payment of benefits on the grounds of Ill Health arising from his own Membership of the Scheme; and
  - (iii) immediately if the Ex-Spouse Participant is aged 75 or over at the date the Pension Sharing Order is implemented.
- (b) A pension not yet in payment may be fully commuted at any age on the grounds of ill health which is such as to give rise to a life expectancy of less than one year from the date on which commutation of the Pension Credit Benefit is applied for.
- (c) There is no limit on the amount of the pension payable to an Ex-Spouse Participant. Such a pension should not be commuted, surrendered or assigned except in accordance with the Pension Sharing on Divorce Rules and these Scheme Limits Rules. Such a pension must be payable for life unless it is fully commuted under the terms of the Pension Sharing on Divorce Rules and these Scheme Limits Rules and, in respect of GPS Members and Nirex Members, may be guaranteed.
- (d) No lump sum may be paid to the Ex-Spouse Participant where the Member or former Member (who was formerly married to the Ex-Spouse Participant) has already received a Lump Sum Retirement Benefit from the Scheme before the date of the implementation by the Scheme of the Pension Sharing Order, agreement or equivalent provision.
- (e) No lump sum may be paid to the Ex-Spouse Participant where all of the Pension Credit Rights under the Scheme have been transferred into the Scheme with a lump sum nil certificate.
- (f) The lump sum (other than a Trivial Commutation Lump Sum) payable to an Ex-Spouse Participant in respect of Pension Credit Rights is limited to a maximum of 2.25 x the initial annual pension (or in relation to GPS Members only, 3 x the

initial annual pension). For this purpose, the initial annual pension should be calculated on the following bases:

- (i) if the pension payable for the year changes, the initial pension payable should be taken;
  - (ii) it should be assumed that the Ex-Spouse Participant will survive for a year; and
  - (iii) the effect of commutation should be ignored.
- (g) Where the Ex-Spouse Participant dies before his benefits come into payment the requirements are as follows:
- (i) the lump sum (other than a Trivial Commutation Lump Sum) (payable pursuant to the Discretionary Trusts) is limited to 25% of what would have been the cash equivalent of the Pension Credit Rights at the Ex-Spouse Participant's date of death. The balance of the said cash equivalent may be used to provide a non-commutable pension to a Dependant of the Ex-Spouse Participant; and
  - (ii) the amount of pension payable to a Dependant of the Ex-Spouse Participant is limited to a maximum of 2/3rds of the amount of the pension that could have been paid to the Ex-Spouse Participant at the date of death had the whole of the cash equivalent of the Pension Credit Rights been used to purchase an annuity at an available market rate. For the purpose of determining the pension which could have been paid to the Ex-Spouse Participant, it should be assumed that he/she had reached Minimum Pension Age at the date of death, where he/she died at an earlier age. Where more than one pension is to be paid the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Ex-Spouse Participant.
- (h) Where the Ex-Spouse Participant dies after pension has come into payment, the requirements are as follows:
- (i) the amount of pension payable to a Dependant of the Ex-Spouse Participant is limited to a maximum of 2/3rds of the initial annual pension which was paid to the Ex-Spouse Participant as increased by any rise in the Index since the commencement of the Ex-Spouse Participant's pension. Where more than one pension is to be paid the total of all the pensions cannot exceed the amount of the initial annual pension which was paid to the Ex-Spouse Participant, as increased by any rise in the Index since the commencement of the Ex-Spouse Participant's pension. For these purposes initial annual pension should be calculated on the same bases as set out in (f) above; and
  - (ii) where the Ex-Spouse Participant selected a guarantee not exceeding 5 years and the guarantee period has not expired, the remaining balance of the pension instalments can be paid as a lump sum. This lump sum can be paid to any person at the discretion of the Trustee. Where the Ex-Spouse Participant selected a guarantee exceeding 5 years and the guarantee period has not expired, the remaining balance of the pension

instalments must be paid in pension form to an individual or individuals at the discretion of the Trustee. Any payment to be made at the discretion of the Trustee is to be paid pursuant to the Discretionary Trusts.

- (i) Full commutation of Pension Credit Rights which can be paid as a Trivial Commutation Lump Sum or on the grounds of serious ill health is permitted. Where the Ex-Spouse Participant is also entitled to benefits under this Scheme arising from his own Membership of the Scheme, for the purposes of determining whether a Trivial Commutation Lump Sum can be paid, Pension Credit Rights must be included and must be simultaneously commuted.
- (j) Where an Ex-Spouse Participant surrenders his/her pension (in relation to GPS Members only, with the Trustee's consent) to provide an additional pension for a Dependant, the amount of pension surrendered must not exceed the reduced pension that the Ex-Spouse Participant retains. The option of the Ex-Spouse to surrender his pension does not apply where the pension is paid in the form of income drawdown.
- (k) For the purposes of this Rule 9.1, any references in the definitions of Child, Dependant or Spouse to "the Member" shall be construed as references to "the Ex-Spouse Participant".

## **10 PENSION DEBIT MEMBER**

Notwithstanding any other provisions of the Rules and these Scheme Limits Rules, the benefits for a Pension Debit Member are additionally subject to the following limits, subject to compliance with contracting-out legislation:

- (a) the pension shall not exceed the Aggregate Retirement Benefit less the Negative Deferred Pension in the Scheme and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Member, the Negative Deferred Pension in any Connected Scheme; and
- (b) on the death of the Pension Debit Member, any subsequent pension paid shall be limited in accordance with the Scheme Limits Rules as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Member, the Negative Deferred Pension in any Connected Scheme. Where more than one pension is to be paid the total of all the pensions cannot exceed the maximum amount that could have been paid if only one such pension had been granted.

## **11 DEATH BEFORE DISCHARGE OF PENSION CREDIT**

The following limits apply where an Ex-Spouse dies after a Pension Sharing Order has been made but before the Trustee has discharged its liability in respect of the Pension Credit:

- (a) the total lump sum death benefit payable is limited to 25% of what would have been the cash equivalent of the fund which would have provided the Pension Credit Rights for the Ex-Spouse; and

- (b) the amount of pension payable on the death of an Ex-Spouse is limited to a maximum of 2/3rds of the amount of the pension that could have been paid to the Ex-Spouse at the date of death if the whole of what would have been the cash equivalent of the fund which would have provided the Pension Credit Rights had been used to purchase an annuity at an available market rate. Where more than one pension is to be paid the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Ex-Spouse.

## **12 PAYMENT OF PENSIONS ON DEATH**

- 12.1 Any pension payable on the death of an Ex-Spouse must be payable for life, except a pension payable to a child must cease on the attainment of age 18 or if later on the cessation of full time education (provided that, save in relation to GPS Members and Nirex Members, the pension shall cease no later than the child's 23rd birthday).
- 12.2 Any pension payable on the death of an Ex-Spouse may be fully commuted for a lump sum on the grounds of triviality at the time such a pension becomes payable.

## **13 TRANSFERS**

- 13.1 The Trustee must give full details of the Pension Debit to the receiving scheme or arrangement where so required if the fund underlying the benefits for a Pension Debit Member is transferred to another Registered Pension Scheme.
- 13.2 Where the Trustee accepts a transfer payment in respect of a Member and is informed by the transferor of the details of a Pension Debit relating to the transfer payment, the Trustee must take account of the Pension Debit, if appropriate, in the calculation of any limit on the benefits for that Member.

## **SCHEDULE 11**

### **CONTRACTING OUT RULES**

#### **PART I - APPLICATION OF SCHEDULE**

- 1 In respect of transferred service before 6 April 1997, the Scheme is a Contracted Out Scheme by virtue of providing guaranteed minimum pensions under section 8 of the 1993 Act. In respect of transferred and accruing service after that date, the Scheme is intended to be an occupational pension scheme which is contracted-out by virtue of satisfying section 9(2B) of the 1993 Act. The Scheme shall be administered so as to comply with all applicable requirements to enable it to be so contacted-out for all periods in respect of which there is in force a contracting-out certificate issued in accordance with Chapter I of Part III of the 1993 Act applying to employments contracted-out by reference to the Scheme.
- 2 The provisions of this Schedule override any of the other provisions of the Scheme with which they are inconsistent.
- 3 Part II of this Schedule applies in relation to periods of contacted-out employment (as in sections 8(1)(a)(i) and 8(1)(b) of the 1993 Act) prior to 6 April 1997 and Part III of this Schedule applies in relation to periods of contracted-out employment (as aforesaid) after 5 April 1997.
- 4 The provisions of the Scheme shall not be altered in a manner which is prohibited by section 37(1) of the 1993 Act if and to the extent that that section is in force and applies to the Scheme at the relevant time.
- 5 Notwithstanding anything to the contrary in these Rules, on the death of a Member the surviving Civil Partner of that Member shall be entitled to receive a pension from the Scheme in accordance with the relevant requirements of the 1993 Act.

#### **PART II- PRE-APRIL 1997 CONTRACTED-OUT RIGHTS**

##### **1 DEFINITIONS**

The definitions set out in Schedule 12 shall apply to this Schedule.

##### **2 OVERRIDING EFFECT OF THESE RULES**

This Part II of the Contracting Out Rules shall only apply for so long as anyone has a GMP or a prospective right to receive a GMP under the Scheme which subjects the Scheme (or part of it) to the continuing supervision of the Secretary of State. It overrides any inconsistent provisions elsewhere in the Trust Deed and Rules.

##### **3 ALTERATIONS TO THESE RULES**

Subject to the provisions of section 37 of the 1993 Act if and to the extent that that section is in force and applies to the Scheme at the relevant time the persons or bodies having the power of alteration in relation to the rest of the Scheme may at any time in writing make any alteration to these Rules.

## **4 ENTITLEMENT TO GMP**

### **4.1 Guaranteed Minimum**

This Rule 4 applies to a Member, Widow or Widower where the Member has a guaranteed minimum in relation to the pension provided for the Member under the Scheme in accordance with section 14 of the 1993 Act.

### **4.2 Member's GMP**

The Member shall be entitled to a pension for life paid at a rate equivalent to a weekly rate of not less than that guaranteed minimum. The pension shall be paid from GMP Age but commencement of the pension may be postponed for any period during which the Member remains in employment after GMP Age:

- (1) if the employment is employment to which the Scheme relates and the postponement is not for more than 5 years after GMP Age; or
- (2) if the Member consents to the postponement.

### **4.3 Widow's GMP**

Where the Member is a man and dies at any time leaving a Widow, she shall be entitled, subject to Rule 4.4 below, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half that guaranteed minimum.

### **4.4 Payment of Widow's GMP**

The pension shall be paid for life to any Widow save that in respect of any GPS Member it shall cease if the Widow remarries before her 60<sup>th</sup> birthday.

### **4.5 Widower's GMP**

Where the Member is a woman and dies at any time on or after 6 April 1989 leaving a Widower, he shall be entitled, subject to Rule 4.6 below, to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of the guaranteed minimum which is attributable to earnings for the tax year 1988/1989 and subsequent tax years up to and including the tax year 1996-97.

### **4.6 Payment of Widower's GMP**

The pension shall be paid for life to any Widower save that in respect of any GPS Member it shall cease if the Widower remarries before his 65<sup>th</sup> birthday.

### **4.7 Offsetting pension against GMP**

Any pension payable to the Member, Widow or Widower under any other provision of the Scheme may be offset against the pension entitlement under this Rule 4 except to the extent that:

- (a) any part of the pension is an equivalent pension benefit within the meaning of the National Insurance Act 1965; or

- (b) any part of the pension is an increase, calculated in accordance with Schedule 3 of the 1993 Act and added to the amount that would be payable but for Chapter II of Part IV of the 1993 Act or regulations made under it; or
- (c) offsetting would contravene the anti-franking legislation (see Rule 7 below); or
- (d) offsetting would contravene Regulation 55 of the Occupational Pension Schemes (Contracting-out) Regulations 1996.

## **5 REVALUATION OF GMP**

### **5.1 Revaluation before GMP Age**

Where a Member ceased to be in Contracted-Out Employment before GMP Age, the Member's GMP at GMP Age or at the Member's earlier death shall be calculated by increasing the accrued rights to GMP at cessation of Contracted-out Employment under one of the options (a), (b) or (where available) (c) below.

#### **(a) Section 148 Revaluation**

The increase shall be by the percentage by which earnings factors for the tax year 1996-97 or the earlier tax year in which Contracted-out Employment ceased are increased by the last order under section 21 of the Social Security Pensions Act 1975 or section 148 of the Social Security Administration Act 1992 to come into force before the tax year in which the Member reaches GMP Age (or dies, if earlier).

#### **(b) Fixed Rate Revaluation**

The increase shall be by such rate as regulations made under section 16(3) of the 1993 Act specify as being relevant at the date of cessation of Contracted-out Employment, for each relevant tax year (as defined in section 14 of the 1993 Act) after the tax year containing that date up to and including the last tax year before the Member reaches GMP Age (or dies if earlier).

#### **(c) Limited Revaluation**

This option is only available in respect of GPS Members and Nirex Members who ceased to be in Contracted-out Employment on or before 5 April 1997.

The increase will be by the lesser of:

- (i) 5 per cent. (5%) compound for each tax year after that in which Contracted-out Employment ceases up to and including the last complete tax year before the Member reaches GMP Age (or dies, if earlier); and
- (ii) The percentage by which earnings factors for the tax year in which Contracted-out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the tax year in which the Member reaches GMP Age.

The Trustee must pay a limited revaluation premium in respect of the Member to the Secretary of State.

In respect of GPS Members, option (b) applies until the Lead Company decides that another shall apply and so notifies the Trustee. Subject to this, the Trustee and the Lead Company (or, in respect of Nirex Members only, the Lead Company) shall decide which of the options (a), (b) or (where available) (c) applies to the Scheme. They (or, in respect of Nirex Members only, it) may at any time decide that the other method shall be used, instead of the method currently being used, for all Members ceasing to be in Contracted-out Employment after a specified date. The Lead Company shall notify the Secretary of State whenever the method of revaluation is changed in respect of Nirex Members.

## 5.2 Transfers in

Where a transfer payment is received in respect of a Member from another scheme (the **"transferring scheme"**) which includes accrued rights of the Member to a GMP the earnings factors used in calculating that GMP shall normally be revalued using Section 148 Revaluation. The Trustee (or, in respect of Nirex Members only, the Lead Company) may, however, decide, if the provisions of the transferring scheme so allow, to use Fixed Rate Revaluation (or, in respect of GPS Members and Nirex Members, to use Limited Revaluation) from the date on which the Member ceased to be in contracted-out employment by reference to the transferring scheme until the Member attains GMP Age (or dies, if earlier) but (in relation to the GPS Sections and the Nirex Section only):

- (a) Limited Revaluation may not be used as regards any part of the GMP being transferred which arose from contracted-out employment in relation to a previous scheme and which the transferring scheme is already revaluing by Fixed Rate Revaluation (or vice versa);
- (b) the Trustee (or, in respect of Nirex Members, the Lead Company) may not make that decision if, on becoming a Member, the Member's contracted-out employment in relation to a previous scheme is treated as continuing for the purpose of the 1993 Act;
- (c) in relation to the GPS Section only, Limited Revaluation may only be used where the Member ceased to be in contracted-out employment by reference to the transferring scheme before 6 April 1997 and a limited revaluation premium was paid under the transferring scheme; and
- (d) in relation to the Nirex Section only, where Limited Revaluation is to be used, the Trustee shall have the power to pay out of the transfer payment in respect of that Member any limited revaluation premium as a result of the Member ceasing to be in contracted-out employment by reference to the transferring scheme.

Where the Scheme accepts the proceeds of, or the assignment of, an insurance policy which consists of, or includes, accrued rights to GMP, the Trustee (or, in respect of the Nirex Section, the Lead Company) may use either Section 148 Revaluation or the method of revaluation that was in use under the policy (and (a) above applies).

## 5.3 Transfers out

Where a Member's accrued rights to GMP are transferred to another contracted-out salary related scheme (or, in respect of a GPS Section, a contracted-out salary related section of a contracted-out mixed benefit scheme), the Trustee (or, in respect of the Nirex Section, the Lead Company) may agree with the administrator of that scheme that the Member's GMP shall, instead of being revalued using the method currently being



adopted under Rule 5.1 above, be revalued using another method which would be permitted if that scheme contained a rule in the same terms as Rule 5.2 above.

## **6 INCREASE OF GMP**

### **6.1 Increase after GMP Age**

If the commencement of any Member's GMP is postponed for any period after GMP Age, that GMP shall be increased to the extent, if any, specified in section 15 of the 1993 Act.

### **6.2 Increase after GMP Age or Member's death**

Any GMP to which a Member, Widow or Widower is entitled under Rule 4 above shall, insofar as it is attributable to earnings in the tax years from and including 1988/1989, be increased in accordance with the requirements of section 109 of the 1993 Act.

## **7 ANTI-FRANKING**

Except as provided in sections 87-92 and 110 of the 1993 Act, no part of a Member's, Widow's or Widower's pension under the Scheme may be used to frank an increase in the Member's, Widow's or Widower's GMP under Rule 5 or Rule 6 above.

## **8 TRANSFERS INTO THE SCHEME**

### **8.1 Acceptance of transfers**

The Trustee may accept:

- (a) a transfer payment in respect of the Member's accrued rights to GMPs under a contracted out salary related scheme, a Section 53 salary related scheme or a policy of insurance or an annuity contract of the type described in section 19 of the 1993 Act as long as the Scheme remains a contracted-out salary related scheme;
- (b) a transfer of the liability for the payment of GMPs to, or in respect of, any person who has become entitled to them;

Transfers may be accepted only as provided in the appropriate regulations.

### **8.2 Effect of transfers**

Where a transfer is accepted under Rule 8.1(a) above, the Member's accrued rights to GMPs under the Scheme shall be increased accordingly.

## **9 TRANSFERS OUT OF THE SCHEME**

### **9.1 Conditions for transfer of GMPs**

A transfer payment made out of the Scheme may include a Member's accrued rights to GMPs or the liability for the payment of GMPs to, or in respect of, any person who has become entitled to them only if the following conditions are fulfilled (or, in respect of GPS Members or Nirex Members, the transfer complies with the relevant requirements of the 1993 Act and the Contracting-out (Transfer and Transfer Payment) Regulations 1996).

These conditions depend on the type of scheme, policy or contract to which the transfer is being made.

**(a) All schemes and arrangements**

The Member must consent to the transfer unless regulations otherwise allow and, in particular, unless:

- (i) it is a connected employer transfer as defined in the Contracting-out (Transfer and Transfer Payment) Regulations 1996. The transfer must be made in accordance with the appropriate regulations which may involve an actuarial certificate;
- (ii) it is to allow benefits to be bought out where the Member has less than 5 years' Qualifying Service, or to allow the Trustee to buy out the benefits of the Widow or Widower of such a Member.

**(b) Contracted-out salary related schemes and section 19 insurance policies or annuity contracts**

The receiving scheme, policy or contract must provide the Member and the Member's Widow or Widower with GMPs equal to their accrued GMPs under the Scheme up to the date of transfer, together with revaluation until the Member reaches GMP Age (or dies, if earlier). In the case of GMPs already in payment, the receiving scheme must provide for the pensions to commence from the date from which liability for payment has been assumed by it, and for the conditions of payment relating to its own GMPs to apply equally to such pensions.

**(c) All occupational pension schemes (except overseas schemes covered by (e))**

Unless regulations otherwise allow, the Member must be employed by an employer which is a contributor to the receiving scheme or the Member must previously have been a Member of the receiving scheme.

**(d) Personal pension schemes and occupational pension schemes which are not contracted-out salary related schemes**

That part of the transfer payment which relates to the Member's accrued rights to GMPs must be of an amount at least equal to the cash equivalent of those accrued rights, as calculated and verified in a manner consistent with regulations made under section 97 of the 1993 Act, and the Member must have provided consent in writing and the written acknowledgment prescribed in Regulation 5 of the Contracting-out (Transfer and Transfer Payment) Regulations 1996.

**(e) Overseas occupational pension schemes not covered by (b) or (d) above**

The transfer must be in accordance with Regulation 6 of the Contracting-out (Transfer and Transfer Payment) Regulations 1996.

## 9.2 Effect of such transfers

Where the Member's accrued rights to GMPs or liability for GMPs already in payment are transferred in accordance with Rule 9.1 above, the Member and the Member's Widow or Widower shall cease to have any entitlement to a GMP under the Scheme. If the transfer does not relate to the whole of the Member's rights to benefits under the Scheme, the Member's remaining benefits under the Scheme may be reduced to allow for the fact that the Member's GMP rights have been transferred.

## 10 TRANSFER PREMIUMS

10.1 In respect of the GPS Sections only where:

- (a) a transfer premium was paid under legislation in force prior to 6 April 1997; or
- (b) where the Scheme is being wound up and paragraph 5(3B) of Appendix 2 of the Pension Schemes Act 1993 applies and the conditions in paragraph 3 of regulation 49 (Insolvent schemes) of the Occupational Pension Schemes (Contracting-out) Regulations 1996 (SI 1996/1172) are satisfied,

the Member's accrued rights to GMPs under the Scheme are extinguished.

## 11 COMMUTATION OF GMP

11.1 In respect of GPS Members:

- (a) the Member's GMP may be commuted if the condition in Rule 11.2 is satisfied and all the Member's other benefits under the Scheme are being commuted, and:
  - (i) the benefits have become payable; or
  - (ii) the Scheme is being wound-up.
- (b) The Widow's or Widower's GMP may be commuted if the condition in Rule 11.2 are satisfied and all the Widow's or Widower's other benefits under the Scheme are being commuted and:
  - (i) the benefits have become payable; or
  - (ii) the Member's benefits are being commuted on grounds of triviality.
- (c) If the Member is a member of more than one retirement benefits scheme relating to the same employment, the requirements of this Rule must be satisfied by all of the schemes.

11.2 In every other case, and as the condition referred to in Rule 11.1 above, the Member's GMP and the Widow's or Widower's GMP may be commuted where this is permitted by section 21 of the 1993 Act and the Occupational Pension Schemes (Contracting-out Regulations) 1996 made thereunder. In respect of Nirex Members, the commutation rate will be in accordance with the commutation tables provided by the Actuary.

**12 WINDING-UP THE FUND****12.1 Priorities on winding-up**

If the Scheme winds-up for any reason, the assets must be applied to provide benefits in accordance with the provisions of the Scheme applicable on a winding-up, but subject to the provisions of section 73 of the 1995 Act if and to the extent that that section and those regulations are in force and apply to the Scheme at the relevant time.

**13 SCHEME CEASES TO BE A CONTRACTED-OUT SALARY RELATED SCHEME**

If the Scheme ceases to be a contracted-out salary related scheme, the Trustee must seek the approval of HM Revenue & Customs to any proposed arrangement for securing GMPs and, in relation to the Nirex Section, for securing accrued rights to pensions attributable to Contracted-out Employment after 5 April 1997.

**14 SUSPENSION OF GMP**

14.1 Payment of a GMP may be suspended during any period when the person receiving the GMP is unable to act (by reason of mental disorder or otherwise) but the amount of the GMP must either be paid or applied for the maintenance of the recipient or his dependants, or paid to the recipient when that recipient is again able to act, or paid to the recipient's estate after that recipient's death.

14.2 In relation to GPS Members only, payment of a GMP may also be suspended during any period when:

- (a) the recipient of the GMP is in prison or detained in legal custody but the amount of the GMP must then be paid or applied for the maintenance of such one or more of the recipient's dependants as the Trustee shall determine; or
- (b) the Member is receiving the GMP but is then re-employed in an employment to which the Scheme relates. The GMP must then be increased under Rule 6.1 above during suspension.

**15 FORFEITURE OF GMP**

15.1 Any instalment of a GMP may be forfeited if it is not paid within six years of the date on which the instalment became due and the Trustee does not know the whereabouts of the recipient.

15.2 In relation to GPS Members only, a GMP may be forfeited if the person entitled to the GMP has been convicted of one or more offences under the Official Secrets Act 1911 to 1989, for which the recipient has been sentenced to a term or consecutive terms of imprisonment totalling at least 10 years, or of an offence of treason.

**16 CONTRIBUTIONS EQUIVALENT PREMIUMS**

16.1 The Trustee may elect to pay a contributions equivalent premium in accordance with and subject to the conditions of sections 55 to 57 of the 1993 Act. In respect of Nirex Members only, except where permitted by legalisation, a contributions equivalent premium shall not be paid where the Member's accrued rights includes right transferred from a personal pension.

- 16.2 In accordance with section 60 of the 1993 Act, payment of the contributions equivalent premium extinguishes the Member's accrued rights to GMPs under the Scheme.
- 16.3 The premium shall not be payable if:
- (a) in respect of Nirex Members and GPS Members only, its amount is less than £17 (or such greater amount as is specified in regulations made under the 1993 Act);
  - (b) in respect of Nirex Members only, the Member's accrued rights to GMPs are transferred to another scheme, policy or contract;
  - (c) in respect of Nirex Members only, the Member has become entitled to an immediate or a deferred pension under the Scheme on ceasing to be in Contracted-out Employment.

## **17 CIVIL PARTNERS**

Where a Member who has formed a civil partnership dies, the surviving civil partner shall be entitled to receive a GMP from the Scheme in accordance with the relevant requirements of the 1993 Act.

## **PART III - POST-APRIL 1997 CONTRACTED-OUT RIGHTS**

- 1 The Scheme shall be administered so as to comply with all applicable requirements, including those relating to Section 9(2B) rights, to enable it to be contracted-out for all periods after 5 April 1997 in respect of which there is in force a contracting-out certificate issued in accordance with Chapter I of Part III of the 1993 Act applying to employments contracted-out by reference to the Scheme.
- 2 The Trustee may at any time pay a contributions equivalent premium in respect of any person entitled to Section 9(2B) rights under the Scheme in accordance with Part VI of the Occupational Pension Schemes (Contracting-out) Regulations 1996 and may make such other arrangements for the restoration of State scheme rights in accordance with that part as the Trustee decides.

## SCHEDULE 12

### GENERAL DEFINITIONS

**"Active Member"** means an Employee who has been admitted to membership of the Scheme and has not ceased to be an Active Member under Rule 5.5 of the General Rules. **"Active Membership"** has a corresponding meaning.

**"Actuary"** in relation to functions conferred by the 1995 Act or the 2004 Act on the **"scheme actuary"** means the actuary for the time being appointed by the Trustee under Clause 22.1 and, in relation to other functions, means such actuary or any other actuary as may be appointed or consulted for the purpose by the Trustee, whether under Clause 22.4 of the Trust Deed or otherwise.

**"Additional Benefits"** means the benefits which a Member elects to purchase under Rule 1.1 of the Additional Benefits (Defined Benefit) Rules.

**"Additional Benefits (Defined Benefit) Rules"** means the rules set out in Schedule 5.

**"Additional Benefits (Defined Contribution) Rules"** means the rules set out in Schedule 6.

**"Adoption Leave"** means the period during which an Active Member who is absent from active Service due to the adoption of a child or children has the right to return to active Service under Chapter 1A Part VIII of the Employment Rights Act 1996.

**"Adult Dependant"** means:

- (a) in respect of a GPS Member, any natural person aged 18 or over at the date of the Member's death who in the opinion of the Trustee is (or was at the date of the Member's death) wholly or partially financially dependent on the Member; and
- (b) in any other case, a person, other than a Member's child, who is over the age of 18 and is financially dependent on or interdependent with the Member (or was at the date of the Member's death).

**"Aggregate Retirement Benefit"** means the aggregate of:

- (a) the Member's pension under this Scheme and any Associated Scheme; and
- (b) the pension equivalent of the Member's Lump Sum Retirement Benefit.

In calculating the amount of the Aggregate Retirement Benefit of a Class A Member who is a Nirex Member and whose Relevant Date is after August 1991, the pension equivalent of the Member's Lump Sum Retirement Benefit is one twelfth of its total cash value.

**"Annual Equivalent"** means, in relation to a weekly amount, 52 times that amount and, in relation to a monthly amount, 12 times that amount.

**"Approval"** means approval by the Revenue as an exempt approved occupational pension scheme for the purpose of Chapter I Part XIV of the 1988 Act as at 5 April 2006.

**"Approved Policy"** means a policy of insurance or annuity contract, the purchase of which would not be an Unauthorised Payment.

**"Associated Employers"** means, in relation to 2 or more employers, that one controls the others, or all are controlled by a third party. Control has the meaning in section 840 of the 1988 Act, or in the case of a close company, section 146 of the 1988 Act.

**"Associated Employment"** means two or more concurrent employments held by the Member which are associated i.e. where:

- (a) there is a period during which the Member has held all of them;
- (b) the period counts under the Scheme in the case of all of them as a period in respect of which benefits are payable; and
- (c) during the period all employers in question are Associated Employers.

**"Associated Relevant Amount"** means:

$$\frac{A \times \text{the Permitted Maximum}}{30}$$

Where A is the period of Employment in years with incomplete years counting proportionately) subject to a maximum of 20 but so that no period shall count more than once.

**"Associated Scheme"** means either (a) or (b) below as appropriate:

- (a) in respect of a Class A Member (other than a Nirex Member) any Relevant Scheme which is a Connected Scheme or which provides benefits in respect of Service; and
- (b) in respect of a Class B or C Member (and a Nirex Member who is a Class A Member) any Relevant Scheme providing benefits in respect of Service.

**"Auditor"** in relation to the functions conferred by the 1995 Act on the **"auditor"** means the auditor for the time being appointed by the Trustee under Clause 22.2 and, in relation to other functions, means such auditor or any other auditor as may be appointed or consulted for the purpose by the Trustee, whether under Clause 22.4 or otherwise.

**"Authorised Payment"** has the same meaning as authorised member payment in section 164 of the Finance Act.

**"AVC Account"** means in respect of any Member such amount as the Trustee decides represents the aggregate of:

- (a) the contributions paid under the Additional Benefits (Defined Contribution) Rules;
- (b) that part of any transfer value paid to the Trustee which represents relevant additional voluntary contributions paid by him under previous schemes; plus
- (c) any interest, income gains or losses arising on the amounts under (a) or (b); less
- (d) in respect of:

- (i) any Members other than New Joiners of the GPS Sections, any investment expenses or charges allocated under Clause 15.3; and
- (ii) New Joiners of the GPS Sections, any investment expenses unless the relevant Section Lead Employer determines otherwise.

**"Beneficiaries"** means:

- (a) in respect of an Energy Act CPS Member or New Joiner, such one or more persons as the Trustee considers would be appropriate recipients of all or part of the lump sum benefits payable on a Member's death chosen from:
  - (i) the Member's Spouse, parents and children, the Member's Spouse's parents and the ancestors, spouses or Civil Partners and descendants of all of these persons;
  - (ii) any former Spouse of the Member and anyone whom the Trustee considers the Member was helping to maintain at any time before his death;
  - (iii) any person or body nominated in writing by the Member to the Trustee as an appropriate recipient; and
  - (iv) the Member's legal personal representatives or anyone entitled under the Member's will or intestacy;
- (b) in respect of a GPS DB Member, such one or more persons as the Trustee considers would be appropriate recipients of all or part of the lump sum benefits payable on a Member's death chosen from:
  - (i) the Member's Spouse or cohabitee;
  - (ii) the children, (including a child of the deceased conceived before the Member's death but born within one year of the death), parents and grandparents of the Member and of the Member's Spouse or cohabitee;
  - (iii) the issue of any such individuals;
  - (iv) a child of a brother or sister of the Member;
  - (v) a Member's brother or sister;
  - (vi) the Spouses of any individuals in (ii), (iii), (iv) or (v) and their issue;
  - (vii) the Member's Dependants;
  - (viii) any individual or body of persons (whether or not natural persons) nominated by the Member by notice in writing addressed to and received by the Trustee during the Member's lifetime to receive the whole or any part of a lump sum death benefit; and
  - (ix) the Member's legal personal representatives; and



- (c) in respect of a Nirex Member such one or more persons as the Trustee considers would be appropriate recipients of all or part of the lump sum benefits payable on a Member's death chosen from:
  - (i) the Member's Spouse, the parents, grandparents and descendants of the Member and his Spouse, the brothers and sisters (whether of the whole-blood or half-blood), and uncles and aunts (being brothers or sisters of the whole-blood or half-blood of a parent) of the Member and his spouse, the descendants of such brothers sisters uncles and aunts, the spouse of any of the above-mentioned parents descendants brothers sisters uncles and aunts (but so that for the purpose of this definition a stepchild or legitimated or adopted child of a Member or of a descendant of a Member or any descendant of any such stepchild or legitimated or adopted child shall be deemed to be a descendant of such Member);
  - (ii) any person, charity, club, society or body corporate notified to the Trustee in writing by the Member as a possible recipient of a benefit arising on his death; and
  - (iii) any other persons who in the opinion of the Trustee are or have been financially dependent on the Member or his Spouse or for whom in their opinion the Member might have been expected to provide;
  - (iv) the persons entitled under his will to any interest in his estate; and
  - (v) the Member's legal personal representatives to be added to and applied as if it was his residuary estate.

**"Benefit Structure"** means one of the benefit structures set out in Schedules 2 to 8.

**"BNFL Transferring Member"** means a Former BNFL Member who consented in writing to a transfer of assets made for him from any of the Former Schemes to the GPS and in relation to whom the principal company in relation to the GPS at the time had consented to a transfer of assets being received by the GPS in relation to him from any of the Former Schemes

**"Buy Out Provisions"** means the relevant provisions of Chapter I of Part IVA of the 1993 Act and the Pension Sharing (Pension Credit Benefit) Regulations 2000 which apply to the buying out of Pension Credit Benefits by means of an insurance policy or contract.

**"Case I or II of Schedule E"** means Case I or II of Schedule E of the 1988 Act for tax years before and including 2002/2003 or Chapters 4 and 5 of Part 2 of the 2003 Act (but not sections 22 or 26 of the 2003 Act) for tax years following that.

**"Child"** means:

- (a) in respect of an Energy Act CPS Member, the Member's child (including a child conceived but not born before the Member's death) and including any legally adopted children, step-children and illegitimate children. Child shall also include a child of a dead brother, sister or child of the Member and a child of the Member's Spouse. Child shall further include the brother or sister of the Member. In each case, a Child must:
  - (i) be under 17 years of age or in continuous full time education or vocational training and, in any case, under 23 years of age;

- (ii) be dependent on the Member at the time of his death;
- (iii) have been a Child at the time when the Member's Active Membership ended;
- (iv) not be married, have a Civil Partner or be cohabiting at the time of the Member's death; and
- (v) fall within the definition of a dependant for the purposes of Schedule 28 to the Finance Act.

The Lead Company may determine that any other person shall be treated as a Child for the purpose of this definition, provided that the requirements of (i), (ii), (iv) and (v) above are met;

(b) in respect of a GPS Member:

- (i) a child of the Member or of the Member's Spouse including a child of the Member conceived before the Member's death but born within one year afterwards;
- (ii) a niece, nephew or grandchild of the Member, being the child of the Member's brother, sister or child; or
- (iii) a brother or sister of the Member,

and is

- (A) under the age of 18 or in full-time education or vocational training; or
- (B) (in relation to a Member who dies on or after 1 January 2003) physically or mentally incapacitated to the extent of being incapable of earning an income from any trade, employment or profession; and
- (C) in the case of persons in category (ii) or (iii), is (or was at the date of the Member's death) wholly or partially financially dependent on the Member.

For the purposes of this definition "child" includes legally adopted, illegitimate and step-children and "brother" and "sister" include half-brothers and half-sisters; and

(c) in respect of a New Joiner, the Member's child (including a child conceived but not born before the Member's death) and including any legally adopted children, step-children and illegitimate children. In each case, a Child must:

- (i) be either:
  - (A) under 18 years of age or receiving full time education or vocational training and, in any case, under 23 years of age; or
  - (B) someone who, in the opinion of the Trustee, was dependent on the Member because of physical or mental impairment at the date of the Member's death; and
- (ii) fall within the definition of a dependant for the purposes of Schedule 28 to the Finance Act.

The Lead Company may determine that any other person shall be a Child for the purpose of this definition, provided that the requirement of (ii) above is met.

**"Civil Partner"** is defined in section 1 of the Civil Partnerships Act 2004.

**"Class A Member"** means any Member who joined the Existing Schemes or the Scheme on or after 1 June 1989 and who is not a Class B Member or a Class C Member (whether by virtue of the First Transitional Regulations or the Second Transitional Regulations or otherwise) and any Class B Member or Class C Member who has elected to be deemed to have become a Class A Member under Rule 6 of Schedule 10.

**"Class B Member"** means any Member who joined the Existing Schemes or the Scheme on or after 17 March 1987 and before 1 June 1989 and who is not a Class C Member (whether by virtue of the First Transitional Regulations or otherwise) or who is deemed to have so joined by virtue of the Second Transitional Regulations or whom the Revenue would otherwise have allowed to be treated as a Class B Member before 6 April 2006.

**"Class C Member"** means any Member who joined the Existing Schemes or the Scheme before 17 March 1987 or who is deemed to have so joined by virtue of the First Transitional Regulations or whom the Revenue would otherwise have allowed to be treated as a Class C Member before 6 April 2006.

For the purposes of the above three definitions, a Former BNFL Member shall be treated as having become a Member of the Scheme on the date the Former BNFL Member first became a member of one of the Former Schemes.

**"Commencement Date"** means 1 October 2006.

**"Company"** means any body corporate, any non departmental public body, any statutory authority or agency, any partnership, limited partnership, and any sole trader.

**"Connected Relevant Amount"** means

$$\frac{B \times \text{Permitted Maximum}}{30}$$

Where B is the period of Service in years (with incomplete years counting proportionately) subject to a maximum of 20 which counts for the purposes of any of the following:

- (a) the Scheme;
- (b) the other Registered Pension Scheme or Schemes with which the Scheme is connected in relation to the Member;

at the time when the benefits become payable but so that no period shall count more than once.

**"Connected Scheme"** means any Relevant Scheme which is connected with the Scheme in relation to the Member i.e. if:

- (a) there is a period during which the Member has been the employee of two Associated Employers;

- (b) that period counts under both schemes as a period in respect of which benefits are payable; and
- (c) the period counts under one scheme for service with one employer and under the other for service with the other employer.

For purposes of this definition, employers are associated if one is controlled by the other or both are controlled by a third party. Control has the meaning in section 840 of the 1988 Act or in the case of a close company section 416 of the 1988 Act.

**"Contracted-out Employment"** means a Member's contracted-out employment by reference to the Scheme (as referred to in sections 8(1)(a)(i) and 8(1)(b) of the 1993 Act) or a former scheme from which he has transferred in rights or benefits.

**"Contracting Out Rules"** means the rules set out in Schedule 11.

**"Controlling Director"** means a director of an Employer who was prior to 6 April 1973 a controlling director (as defined in section 624(3) of the 1988 Act) of that Employer.

**"CPS"** means the Combined Pension Scheme of the United Kingdom Atomic Energy Authority ("UKAEA"), as established by the UKAEA under paragraph 7(2)(b) of the First Schedule to the Atomic Energy Authority Act 1954, as amended.

**"CPS Benefit Structure"** means the Benefit Structure set out in Schedule 2.

**"CPS Reckonable Service"** means:

- (a) in relation to the CPS Benefit Structure, a Member's reckonable service in the CPS immediately before that member became a Member; and
- (b) in relation to the CPS 2 Benefit Structure, a Member's reckonable service in the CPS immediately before that member became a Member and his Reckonable Service in the CPS Benefit Structure immediately before that member became a Member under the CPS 2 Benefit Structure.

**"CPS 2 Benefit Structure"** means the Benefit Structure set out in Schedule 2A.

**"Deed of Participation"** means a deed by which a Company is admitted to participation in the Scheme and thereby becomes an Employer and which conforms with the requirements of Clause 8.3.

**"Deferred Pensioner"** means a person who was formerly an Active Member and who is now entitled to benefits under the leaving service rule in whichever of the Benefit Structures is relevant and a person who transferred to the Scheme pursuant to the Merger Deeds having ceased to be an active member of either the NPS or the GPS and who is entitled to a pension under the Scheme which has not yet begun.

**"Dependant"** means:

- (a) in respect of an Energy Act CPS Member, a person who is, in the Trustee's opinion, financially dependent on or interdependent with the Member;

- (b) in respect of a GPS Member, the Spouse, Widow, Widower, surviving Civil Partner or Child of the Member, any Adult Dependant and any child who, at the discretion of the Trustee, is treated as a Child for the purposes of Rule 16.2 of the GPS Benefit Structure;
- (c) in respect of a New Joiner:
  - (i) a person who was married to, or a Civil Partner of, the Member at the date of the Member's death;
  - (ii) a person who was married to, or a Civil Partner of, the Member at the date when the Member first became entitled to a pension under the Scheme;
  - (iii) a Child; and
  - (iv) a person who, at the date of the Member's death:
    - (A) was financially dependent on the Member; or
    - (B) had a mutually dependent financial relationship with the Member; or
    - (C) was dependent on the Member because of physical or mental impairment; and
- (c) in respect of a Nirex Member, the Spouse or a person who is financially dependent on the Member or, in respect of the Scheme Limits Rules only, the Spouse or any other person who was at the date of the Member's death dependent on the Member for the provision of all or any of the ordinary necessities of life.

**"Discretionary Trusts"** mean the provisions which are set out in Clause 24.

**"Early Provision of Benefits"** means, in respect of a GPS DB Member, cessation of Service by reason of dismissal before Normal Pension Age on grounds of redundancy, on structural grounds or on grounds of limited efficiency, provided that:

- (i) Service of a Member shall be deemed not to have ceased on grounds of redundancy unless that Member is then entitled to a redundancy payment under Part XI of the Employment Rights Act 1996 as a result; and
- (ii) A certificate given by the Employer shall be conclusive evidence of the reason for or grounds of termination of the Member's employment.

**"Effective Date"** means 1 April 2012.

**"Eligible Employee"** mean an Employee who has attained his 18<sup>th</sup> birthday and not his 59<sup>th</sup> birthday.

**"Employee"** means any employee or director of any of the Employers, excluding any such employee or director whose emoluments from the Employers are comprised wholly of non-pensionable earnings, or any person excluded by virtue of the Deed of Participation by which his Employer participates in the Scheme. A person who is not UK tax-resident shall only be an Employee if acceptable to the Lead Company.

**"Employer"** means a Company which has executed a Deed of Participation and participates in the Scheme under Clause 8.1, or in relation to the Nirex Section, the Lead Company. In relation to any Member, **"Employer"** means the Employer in whose employment that person is or last was or was at the time in question. Where an Employer no longer participates in the relevant Section, the Lead Company shall be the Employer for the purposes of giving and withholding consent etc. except it shall incur no liability to contribute to the Scheme or in relation to the apportionment of any debt due under section 75 of the 1995 Act unless it has specifically agreed to do so.

**"Employer Debt Regulations"** means Occupational Pension Schemes (Employer Debt) Regulations 2005.

**"Employment-Cessation Event"** has the same meaning as it has for the purposes of the Employer Debt Regulations.

**"Energy Act CPS Member"** means a person who was an active member or a Potential Member of the CPS immediately before becoming eligible to be an Active Member of the Scheme and who became eligible to be an Active Member of the Scheme consequent on the transfer of his employment under a nuclear transfer scheme or transfer arrangements made under the Energy Act 2004 or any other transaction designated for this purpose by the Lead Company.

A person shall cease to be an Energy Act CPS Member if he ceases to be in Service following the time when he first became eligible to be an Active Member by virtue of his status as an Energy Act CPS Member. A person shall also cease to be an Energy Act CPS Member if, after having become eligible to be an Active Member under the CPS 2 Benefit Structure, he leaves Service with the Employer in respect of whose employment he is eligible to be an Active Member of the CPS 2 Benefit Structure.

**"Energy Act Member"** means an Energy Act CPS Member or an Energy Act Nuclear Scheme Member as appropriate.

**"Energy Act Nuclear Scheme Member"** means a person who was an active member or a Potential Member of an Existing Scheme other than the CPS immediately before becoming an Active Member of the Scheme and who became eligible to be an Active Member of the Scheme consequent on the transfer of his employment under a nuclear transfer scheme or transfer arrangements made under the Energy Act 2004 or any other transaction designated for this purpose by the Lead Company.

**"Energy Act Nuclear Scheme Transferee"** means an Energy Act Nuclear Scheme Member who transferred his accrued benefits from the relevant Existing Scheme to the Scheme consequent on an invitation to do so extended to him at the time he first became either an Active Member of the Scheme.

**"Ex-Spouse"** means an individual to whom a Pension Credit has been or is to be allocated following a Pension Sharing Order, agreement or equivalent provision.

**"Ex-Spouse Participant"** means an Ex-Spouse who participates in the Scheme either:

- (a) solely for the provision of a Pension Credit Benefit; or
- (b) for the wholly separate provision of a Pension Credit Benefit where benefits accrue or have accrued to that individual under the Scheme for any other reason.

**"Existing Scheme"** means any of the CPS, the MPS or any other nuclear pension scheme (as defined in Schedule 8 to the Energy Act 2004).

**"Exit Agreement"** means a legally enforceable agreement between an Employer and the Trustee (although other persons may also be a party) made in accordance with the requirements relating to exit arrangements (e.g. withdrawal arrangements or apportionment arrangements) under the Occupational Pension Schemes (Employer Debt) Regulations 2005 or which is intended to have similar effect to that of such arrangements.

**"Final Pensionable Salary"** means, in respect of a Nirex Member, the higher of the following:

- (a) his Pensionable Salary for the 12 Months immediately before leaving Pensionable Service; and
- (b) the highest average basic salary (excluding bonuses and fluctuating emoluments) for any three consecutive 12 calendar month periods in the ten years preceding the date the Member left Pensionable Service, each 12 calendar month period being revalued in accordance with the Retail Prices Index for each year up to that date.

In this definition "Retail Prices Index" for any month means the Government's Index of Retail Prices for that month where this is known. Where the Retail Prices Index for that month has not yet been published, the most recent available Retail Prices Index shall be used. Where such an adjustment is necessary and where index figures for dates a given number of months before that month are required, then the Retail Prices Index applicable to the month the same given number of months before the most recent month for which the Retail Prices Index is available shall be used.

**"Final Remuneration"** means as follows:

1.1 In respect of a GPS Member:

- (a) the highest in monetary value for any one of the five years preceding the Relevant Date of the aggregate of:
  - (i) basic Remuneration for the year in question (the **basic salary year**); and
  - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic salary year, of any fluctuating Remuneration, provided that fluctuating Remuneration of a year other than the basic salary year may be increased in proportion to any increase in the Index, from the last day of that year up to the last day of the basic salary year; and
- (b) the yearly average of the total Remuneration for any three or more consecutive years ending not earlier than 10 years before the Relevant Date;

Provided that:

- (i) in relation to:
  - (A) a Special Director, in the case of a Class A Member; or
  - (B) a Special Director or any other Member whose Remuneration in any subsequent year to 5 April 1987 used for the purpose of calculating benefits has exceeded £100,000 or such other sum as

may be prescribed in an order made by the Treasury, in the case of any other Member,

- (a) above of this definition shall not apply save in Rules 3.4(c), 3.5(e), 4.4(c) and 4.5(e) of the Scheme Limits Rules and Final Remuneration shall (subject to (ii) and (iii) below) be the amount ascertained in (b) above of this definition;
- (ii) in respect of Class B Members, for the purpose of the calculation of the maximum lump sum commutation payment in accordance with Rule 4.3 of the Scheme Limits Rules, Final Remuneration shall not in any event exceed £100,000 or such other sum as may be determined by the Trustee and the Lead Company together in their absolute discretion from time to time;
- (iii) in the case of Class A Members, Final Remuneration shall not exceed the Permitted Maximum;
- (iv) where a Member receives Remuneration which is substantially reduced due to Ill Health for more than 10 years before the Relevant Date, the Member's Final Remuneration shall (if it would yield a higher figure) be calculated by reference to the date immediately preceding that on which the Member's Remuneration was first reduced due to incapacity, rather than by reference to the Relevant Date; and
- (v) Remuneration for any year, except the last before the Relevant Date, shall be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date but this proviso (v) shall not apply to the calculation of the maximum lump sum permissible under Rules 3.3 and 4.3 of the Scheme Limits Rules (as appropriate), unless the Member's pension is similarly increased beyond the maximum amount which could have been paid under Rules 3.2 and 4.2 of the Scheme Limits Rules (as appropriate) but for this proviso (v) and then only to the same proportionate extent.

1.2 In respect of a Nirex Member, the greater of:

- (a) the highest remuneration from his Employer which is assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any one of the 5 years preceding the Relevant Date being the aggregate of:
  - (i) the basic pay for the year in question; and
  - (ii) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any fluctuating emoluments. Provided that fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year; and
- (b) the yearly average of the total emoluments from his Employer which are assessable to income tax under Case I or II of Schedule E and upon which tax



liability has been determined for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date;

provided that:

- (i) for the purposes of (a)(ii) and (b) above remuneration that is received after the Relevant Date and is assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined will be treated as a fluctuating emolument (providing it was earned or qualified for prior to the Relevant Date). In these circumstances the yearly average of 3 or more consecutive years must not begin later than the commencement of the basic pay year;
- (ii) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares (except where the shares or rights were acquired or granted before 17th March 1987) or anything in respect of which tax is chargeable by virtue of section 148 of the 1988 Act;
- (iii) in relation to a Special Director, Final Remuneration shall be the amount ascertained in accordance with b. above and a. above shall not apply;
- (iv) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date;
- (v) the total amount of any profit related pay (whether relieved from income tax or not) may be classed as pensionable remuneration and treated as a fluctuating emolument;
- (vi) an early retirement pension in payment from the Employer may not be included in Final Remuneration;
- (vii) in relation to a Member in receipt of a much reduced remuneration by reason of incapacity (i.e. under a sick pay or permanent health insurance scheme) for more than 10 years up to the Relevant Date, Final Remuneration under (a) or (b) above may be computed with the Final Remuneration calculated at the cessation of normal pay and increased in accordance with the Index;
- (viii) in relation only to a Class A Member, Final Remuneration shall not exceed the Permitted Maximum;
- (ix) in relation only to a Class B or C Member whose remuneration in any year subsequent to 5th April 1987 used for the purpose of calculating benefits has exceeded £100,000 (or such other sum as was or as may be specified in an order made by the Treasury), Final Remuneration shall be the amount ascertained in accordance with (b) above and a. above shall not apply unless the Member chooses to adopt £100,000 or, on retiring before 6th April 1991, the remuneration assessed to tax under Case I or II

of Schedule E for the year of assessment 1986/7, as his or her Final Remuneration.

Notes to "Final Remuneration":

- (i) For the purposes of providing immediate benefits at the Relevant Date it will be permitted to calculate Final Remuneration on the appropriate basis above using remuneration assessable to tax under Case I or II of Schedule E and upon which tax liability has not been determined. On determination of this liability Final Remuneration must be recalculated. Should this result in a lower Final Remuneration then benefits in payment should be reduced (if necessary to ensure compliance with the limits that applied to an exempt approved pension scheme as at 5 April 2006 (or such earlier date as the benefits were calculated). Where Final Remuneration is greater the Trustees may augment the benefits in payment. Such augmentation, however, must take the form of a non-commutable pension.
- (ii) Where immediate benefits are not being provided or where a transfer payment is to be made in respect of accrued benefits then Final Remuneration may only be calculated using remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.
- (iii) Final Remuneration for a Member who works abroad in an overseas branch of a United Kingdom company and who belongs to the United Kingdom Employer's pension scheme, may be calculated using the remuneration paid to him or her even though this has not been subjected to income tax under Case I or II of Schedule E in the United Kingdom.
- (iv) Where a Member has become temporarily absent through secondment to another employer in the United Kingdom, Final Remuneration may include remuneration paid by the Employer to whom he has been seconded providing the remuneration has been assessed to income tax under Case I or II of Schedule E and falls within the definition above.
- (v) Final Remuneration for a Member temporarily seconded abroad by a United Kingdom resident employer to work for a non resident employer may be calculated using a notional salary based on the equivalent United Kingdom rate of remuneration for the job.
- (vi) Where a Member retires during a period of unpaid absence, Final Remuneration may be determined under (a) or (b) above by calculating it as at cessation of paid employment with his or her Employer and increasing it in accordance with the Index.
- (vii) If a Member leaves Pensionable Service during or shortly after a period of paid Maternity Leave, the provisions of Inland Revenue Pensions Update No. 110 may apply.

1.3 In all other cases:

A. In relation to a Class A Member the greater of:

- (a) the highest remuneration for any one of the five years preceding the Relevant Date being the aggregate of:
  - (i) the basic pay for the year in question; and
  - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year of any fluctuating emoluments provided that fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year; and
- (b) the yearly average of the total emoluments for any three or more consecutive years ending not earlier than ten years before the Relevant Date;

provided that

- (i) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of s 148 of the 1988 Act except where the shares or rights etc had been acquired before 17 March 1987;
- (ii) in relation to a Special Director Final Remuneration shall (subject to proviso (iv) below) be the amount ascertained in accordance with (b) above and (a) above shall not apply;
- (iii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date the Member's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date; and
- (iv) Final Remuneration and the annual rate of the Member's remuneration for the purpose of the calculation of the maximum benefits in accordance with Rules 3.4(a) and (b) and 3.5(c) of the Scheme Limits Rules for a Class A Member shall not exceed the Permitted Maximum.

B. In relation to a Class B Member the greater of:

- (a) the highest remuneration for any one of the five years preceding the Relevant Date being the aggregate of:
  - (i) the basic pay for the year in question; and
  - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year of any fluctuating emoluments provided that fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year; and
- (b) the yearly average of the total emoluments for any three or more consecutive years ending not earlier than ten years before the Relevant Date;

provided that

- (i) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the 1988 Act except where the shares or rights etc had been acquired before 17 March 1987;
- (ii) in relation to a Special Director or any other Member whose remuneration in any year subsequent to 5 April 1987 used for the purpose of calculating benefits has exceeded £100,000 or such other sum as may have been prescribed in an order made by the Treasury Final Remuneration shall (subject to proviso (iv) below) be the amount ascertained in accordance with (b) above and (a) above shall not apply;
- (iii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date the Member's remuneration (as calculated in (a) above) or total emoluments (for the purpose of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of the year up to the Relevant Date.

C. In relation to a Class C Member:

1. Where the Relevant Date is on or before 16 March 1987 the greater of:

- (a) the highest remuneration for any one of the five years preceding the Relevant Date being the aggregate of:
  - (i) the basic pay for the year in question; and
  - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year of any fluctuating emoluments provided that fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year; and
- (b) the yearly average of the total emoluments for any three or more consecutive years ending not earlier than ten years before the Relevant Date;

provided that

- (i) in relation to a Special Director Final Remuneration shall be the amount ascertained in accordance with (b) above and (a) above shall not apply; and
- (ii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date the Member's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date.

2. Where the Relevant Date is on or after 17 March 1987 the greater of:
- (a) the higher remuneration for any one of the five years preceding the Relevant Date being the aggregate of:
    - (i) the basic pay for the year in question; and
    - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year of any fluctuating emoluments provided that any fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year; and
  - (b) the yearly average of the total emoluments for any three or more consecutive years ending not earlier than ten years before the Relevant Date;

provided that

- (i) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the 1988 Act except where the shares or rights etc had been acquired before 17 March 1987;
- (ii) in relation to a Special Director or any other Member whose remuneration in any year subsequent to 5 April 1987 used for the purpose of calculating benefits have exceeded £100,000 or such other sum as may have been prescribed in an order made by the Treasury Final Remuneration shall be the amount ascertained in accordance with (b) above and (a) above shall not apply; and
- (iii) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date the Member's remuneration (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date;

In relation to Class A, B and C Members, Final Remuneration shall include any amount deducted from remuneration or fluctuating emoluments in respect of the purchase of partnership shares under a share incentive plan.

**"Final Salary Link Lump Sum"** means an amount equal to three times the Final Salary Link Pension.

**"Final Salary Link Pension"** means, subject to a minimum value of zero, the sum of:

(a)

$$A \times E \times \left\{ \frac{(D/C)}{(E \times F)} - 1 \right\}$$

and

(b)

$$B \times E \times F \times \left\{ \frac{(D/C)}{(E \times F)} - 1 \right\}$$

Where:

A is:

for the purposes of Rules 3.1, 5.1, 6.1 and 7.2 of the CPS 2 Benefit Structure, the Member's deferred pension from the CPS calculated as at 31 March 2010; and

for the purposes of Rules 10.1(b)(ii), 10.2(b)(ii) and 10.3(b) of the CPS 2 Benefit Structure, the Spouse's pension from the CPS calculated as if the Member had died on 1 April 2010;

B is:

for the purposes of Rules 3.1, 5.1, 6.1 and 7.2 of the CPS 2 Benefit Structure, the Member's deferred pension from the CPS Benefit Structure calculated as at 31 March 2010; and

for the purposes of Rules 10.1(b)(ii), 10.2(b)(ii) and 10.3(b) of the CPS 2 Benefit Structure, the Spouse's pension from the CPS Benefit Structure calculated as if the Member had died on 1 April 2010 immediately after becoming a Deferred Pensioner of that Benefit Structure;

C is the Member's Pensionable Final Earnings under the CPS Benefit Structure calculated immediately before the Effective Date;

D is the Member's Pensionable Final Earnings under the CPS 2 Benefit Structure;

E is an inflation adjustment of not less than 1 calculated by the Actuary to be the compound increase in pensions payable under the CPS Benefit Structure (if no such pensions are in payment, this increase shall be calculated as if there were such pensions in payment) over the period from 1 April 2011 to the 1 April prior to the Member's Relevant Date;

F is an allowance calculated by the Actuary for inflation, calculated by taking the increase in the Index between:

- (i) the September immediately before the last annual revaluation of the Member's deferred pension; and
- (ii) the latest month before the benefits relating to the Member from the CPS Benefit Structure come into payment for which the Index is available,

inclusive and subject to a maximum period of 12 months. That increase in the Index shall then be multiplied by  $\frac{G}{H}$ ;

G is the number of months between the last annual revaluation of the Member's deferred pension under the CPS Benefit Structure and the date on which benefits relating to the Member from that benefit structure come into payment; and

H is the number of months over which the increase in the Index was calculated for the purposes of F above.

**"Finance Act"** means the Finance Act 2004 and any regulations made from time to time under it.

**"Finance Act Annuity"** means a lifetime annuity as described in paragraph 3 of Schedule 28 to the Finance Act or a dependant's annuity as described in paragraph 17 of that schedule.

**"Finance Act Scheme Pension"** means a scheme pension as described in paragraph 2 of Schedule 28 to the Finance Act or a dependant's annuity as described in paragraph 16 of that schedule.

**"First Transitional Regulations"** means the Occupational Pension Schemes (Transitional Provisions) Regulations 1988.

**"Fixed Rate Revaluation"** means the method of revaluing a GMP before GMP Age described in Rule 5.1(b) of Schedule 11.

**"Former BNFL Member"** means a GPS DB Member who immediately prior to entry into membership of the GPS was employed by British Nuclear Fuels plc and was a member, or was eligible to be a member, of any of the Former Schemes and was in pensionable service for the purpose of that Former Scheme and who subsequently on the date of transfer into the GPS, or such later date as specified by the then principal company of the GPS with the consent of the Trustee, became an employee of an Employer and a member of the GPS.

**"Former Schemes"** means, in respect of a GPS Member only:

- (a) the Principal Non-Industrial Superannuation Scheme and the Industrial Superannuation Scheme, being pension schemes of the United Kingdom Atomic Energy Authority, up to and including 30 June 1997; and
- (b) the CPS on and from 1 July 1997.

**"FSAVCS"** means a free standing voluntary contribution scheme which is a Registered Pension Scheme.

**"Fund"** means the money and other assets, including the income and profits arising from such assets, held by the Trustee for the purposes of the Scheme.

**"General Rules"** means the rules set out in Schedule 1.

**"GMP"** means the guaranteed minimum pension of a Member, Widow or Widower as defined in the 1993 Act.

**"GMP Age"** means a man's 65th birthday and a woman's 60th birthday.

**"GPS"** means the GPS Group Pension Scheme as governed by the GPS Definitive Trust Deed.

**"GPS Benefit Structure"** means the Benefit Structure set out in Schedule 3.

**"GPS DB Member"** means GPS Member entitled to benefits under the GPS Benefit Structure and shall include a Member who was a member of the GPS entitled to benefits under Schedule A of the GPS Definitive Trust Deed immediately before the Effective Date who became a Member pursuant to the terms of the GPS Merger Deed.

**"GPS Definitive Trust Deed"** means the definitive trust deed and rules dated 31 March 2008, as amended.

**"GPS EnergySolutions Employer"** means an Employer participating in the GPS EnergySolutions Section and Employer for these purposes has the same meaning as an "employer" in section 75 and 75A of the Pensions Act 1995 and the Employer Debt Regulations, including regulation 9 (frozen schemes and former employers).

**"GPS EnergySolutions Section"** means the GPS Section created under Clause 7 under which the assets and liabilities attributable to Members who transferred from the section of the GPS so named the "EnergySolutions Section" on and from the Effective Date or who subsequently entered membership in respect of that Section are managed separately from those of other Sections in accordance with Clause 13.3.

**"GPS Member"** means a Member entitled to benefits in a GPS Section.

**"GPS Merger Deed"** means the merger deed entered into between (1) the Lead Company, (2) GPS Pension Scheme Trustee Company Limited and (3) the Trustee in respect of the merger of the GPS and the Scheme.

**"GPS New Joiner"** means a GPS Member entitled to benefits under the New Joiners Benefit Structure and shall include a Member who was a member of the GPS entitled to benefits under Schedule B of the GPS Definitive Trust Deed immediately before the Effective Date who became a Member pursuant to the terms of the GPS Merger Deed.

**"GPS Section"** means a Section created under Clause 7 under which the assets and liabilities attributable to Members who transferred from the GPS on and from the Effective Date or who subsequently entered membership in respect of that Section are managed separately from those of other Sections in accordance with Clause 13.3.

**"GPS SLC Employer"** means an Employer participating in the GPS SLC Section and Employer for these purposes has the same meaning as an "employer" in section 75 and 75A of the Pensions Act 1995 and the Employer Debt Regulations, including regulation 9 (frozen schemes and former employers).

**"GPS SLC Section"** means the GPS Section created under Clause 7 under which the assets and liabilities attributable to Members who transferred from the section of the GPS so named the



"SLC Section" on and from the Effective Date or who subsequently entered membership in respect of that Section are managed separately from those of other Sections in accordance with Clause 13.3.

**"Ill Health"** means:

- (a) in respect of an Energy Act CPS Member, physical or mental deterioration which, in the opinion of the Trustee after taking the advice of one or more of the Scheme Medical Advisers, is sufficiently serious so that the Member is prevented by ill health from discharging his duties, and which is likely to be permanent. In this context:
  - (i) the phrase "prevented by ill health" means having a significant incapacity caused by physical or mental pathology recognised by one or more Scheme Medical Advisers, which renders the Member incapable of efficient and regular employment;
  - (ii) the term "duties" means the job which the Member was employed to do (adjusted or restricted if necessary) or any reasonable alternative job; and
  - (iii) the term "permanent" means that on the balance of probability, recovery, even with treatment, cannot be expected before Normal Pension Age.
- (b) in respect of a GPS DB Member, physical or mental incapacity which, in the opinion of the Trustee, after taking the advice of one or more Scheme Medical Advisers (as the Trustee thinks fit) prevents the Member from discharging his duties and is likely to be permanent, provided that the ill-health condition (as defined in paragraph 1 of Schedule 28 to the Finance Act) is met. In this context:
  - (i) the term "duties" means the normal duties of employment being undertaken by the Member immediately prior to his being prevented from discharging them due to Ill-Health and includes any duties commensurate with the Member's skills and experience which the Member's Employer might reasonably have required him to undertake (within the scope of the Member's contract of employment or terms of engagement); and
  - (ii) the term "permanent" means, in the opinion of the Trustee (after taking the advice or one or more Scheme Medical Advisers) where the relevant mental or physical incapacity would prevent the Member from discharging his duties before he reaches his Normal Pension Age; and
- (c) In respect of a Nirex Member and for the purposes of the Scheme Limits Rules only, physical or mental deterioration in health (being more serious than a mere decline in energy or ability) which is bad enough to prevent the Member from following his normal employment or which seriously impairs his earning capacity.

**"Incapacitated Child"** means a Child who, because of a specific mental or physical disability which is likely to be permanent, is unlikely in the opinion of the Trustee to be able to earn his own living and who is wholly or mainly dependent on the Member.

**"Index"** means:

- (a) in respect of the GPS Sections, the United Kingdom General Index of Retail Prices (for all items) published by the Central Statistical Office (January 1987=100), or any index

which may replace the same or might be used by the Secretary of State for Social Security to determine the increase to be applied to public sector pensions and which the Trustee may consider to be comparable; and

- (b) in any other case, the Government's Index of Retail Prices (all items).

**"Indexation Factor"** means, in respect of the GPS Sections only, for each Scheme Year the amount (expressed as a percentage to one decimal place) by which the Index for the immediately preceding September exceeds the Index for the September before that.

**"Industrial"** means a GPS DB Member who, when a member of the GPS, was employed by the principal company of the GPS at an industrial grade or a member recruited directly by an employer of the GPS who would have been Industrial if recruited by the principal company of the GPS.

**"Investment Manager"** means an investment manager appointed under Clause 22.3.

**"Lead Company"** means the body currently exercising the powers of Lead Company under the Trust Deed.

**"Levy"** means the Pension Protection Fund levies due under sections 174 to 181 of the 2004 Act and the Fraud Compensation Fund levies due under section 189 of the 2004 Act and any other levies which may be imposed under any statutory authority.

**"Lump Sum Retirement Benefit"** means the total value of all retirement benefits payable in any form other than non-commutable pension under this and any Associated Scheme.

**"Main Benefit Structure"** means the CPS Benefit Structure, the CPS 2 Benefit Structure, the GPS Benefit Structure and the New Joiners Benefit Structure.

**"Maternity Leave"** means the period during which an Active Member who is absent from active Service following pregnancy or confinement has the right to return to active Service under Chapter I Part VIII of the Employment Rights Act 1996.

**"Maximum Pension Lump Sum"** means:

- (a) in respect of a Class B Member, the respective fraction of Final Remuneration from the table below depending upon the period of Prospective Service, subject to a maximum of 1½ times Final Remuneration, less Retained Benefits:

Employment (years)	Fraction (number of 1/80ths)
1 to 8	3 for each year
9	30
10	36
11	42
12	48

13	54
14	63
15	72
16	81
17	90
18	99
19	108
20 or more	120

and in determining the appropriate fraction parts of years shall count proportionately;

- (b) in respect of a Class C Member, the result of the calculation below subject to a maximum of 1½ times Final Remuneration, less Retained Benefits:

$$\left( \frac{A-B}{C-B} \right) \times (D-E) + E$$

A = the Scheme pension (including pension secured by additional voluntary contributions to the Scheme and to any FSAVCSs paid during membership of the Scheme) before commutation or any allocation to dependants' benefits or restriction for Retained Benefits;

B = a pension equivalent to 1/60th of Pensionable Final Earnings for each year of Service subject to a maximum of 40 years, before any deductions as for A above;

C = a pension equivalent to 1/30th of Pensionable Final Earnings for each year of Service subject to a maximum of 2/3rds of Pensionable Final Earnings, before any deductions as for A above;

D = the lump sum calculated as in (a) above but based on Pensionable Final Earnings not Final Remuneration;

E = the lump sum of 3/80ths of Pensionable Final Earnings for each year of Service up to 40 years.

**"Maximum Pension"** means:

- (a) for any Member who has completed Service of at least 20 years on Normal Pension Age, the greater of:
- (i) 2/3rds of Final Remuneration, less Retained Benefits; and

- (ii) 1/60th of Final Remuneration for each year of Service (subject to a maximum of 40 years);
- (b) for any Member of the Scheme other than a Class C Member who has completed Service of less than 20 years on Normal Pension Age, the greater of:
  - (i) 1/30th of Final Remuneration for each year of Service, subject to a maximum of 2/3rds of Final Remuneration less Retained Benefits;
  - (ii) 1/60th of Final Remuneration for each year of Service;
- (c) for any Class C Member who has completed Service of less than 20 years on Normal Pension Age, the greater of:
  - (i) the fraction of the Member's Final Remuneration (calculated from the table below) subject to a maximum of 2/3rds of Final Remuneration less Retained Benefits; and
  - (ii) 1/60th of Final Remuneration for each year of Service;

Years of Service at Normal Pension Age	Fraction
1 - 5	1/60 for each year of Service
6	8/60
7	16/60
8	24/60
9	32/60
10 or more	40/60

and in determining the appropriate fraction parts of years shall count proportionately;

**"Member"** means an Active Member, a Deferred Pensioner or a Pensioner. **"Membership"** has a corresponding meaning.

**"Member's Account"** means:

- (a) in respect of a New Joiner, such amount as the Trustee decides represents the aggregate of:
  - (i) the Member's contributions (if any);
  - (ii) the credit for Employer's contributions to a Section in respect of the Member including any credit for additional or special contributions paid in respect of the Member;
  - (iii) any transfer value payment received by the Trustee in respect of him in accordance with Rule 10 or 11 of the General Rules; and
  - (iv) a fair part (as determined by the Trustee having regard to Clause 15 and on professional advice) of any interest, income, gains or losses arising on the Section Fund but after (unless the Lead Employer or, in respect of the GPS Sections, the Section Lead Employer, decides otherwise) the deduction for investment expenses;

- (b) in any other case, the Member's AVC Account and the Member's Shift Pay Pension Plan Account (as appropriate).

**"Merger Deeds"** means together the GPS Merger Deed and the NPS Merger Deed.

**"Minimum Pension Age"** means:

- (a) in the case of any individual with a protected pension age (as defined in paragraphs 22 or 23 of Schedule 36 to the Finance Act), the protected pension age; and
- (b) in any other case, on and before 5 April 2010, age 50 and, after that date, age 55.

**"Mobile Member"** means a Former BNFL Member other than a Non-Mobile Member, or a Former BNFL Member who was a Non-Mobile Member at the date of transfer or employment whom the Employer has subsequently agreed should be treated as a Mobile Member.

**"MPS"** means the Magnox Group of the Electricity Supply Pension Scheme.

**"Negative Deferred Pension"** means the amount by which the Member's pension or deferred pension under the Scheme which arose or arises from Service is reduced at the relevant date by section 31 of the 1999 Act or under corresponding Northern Ireland legislation, following a Pension Sharing Order, agreement or equivalent provision. For this purpose, Service includes all periods of service with other employers which have been treated as if they were Service following a transfer payment to the Scheme in respect of that other service.

**"New Joiner"** means a Member who is entitled to benefits under the New Joiners Benefit Structure.

**"New Joiners Benefit Structure"** means the Benefit Structure set out in Schedule 4.

**"Nirex Benefit Structure"** means the Benefit Structure set out in Schedule 8.

**"Nirex Member"** means a Member entitled to benefits in the Nirex Section.

**"Nirex Section"** means the Section of this name created under Clause 7 under which the assets and liabilities attributable to Members who transferred from the NPS to the Scheme on and from the Effective Date are managed separately from those of other Sections in accordance with Clause 13.3.

**"Non-Industrial"** means a GPS DB Member who, when a member of the GPS, was employed by the principal company of the GPS at a non-industrial grade or a member recruited directly by an employer of the GPS who would have been Non-Industrial if recruited by the principal company of the GPS.

**"Non-Mobile Members"** means a Former BNFL Member whose former contracts of employment with British Nuclear Fuels Plc did not require the to work at an establishment other than that to which they were posted on recruitment unless it was within daily travelling distance from home.

**"Normal Pension Age"** means:

- (a) in respect of an Energy Act CPS Member, age 60 except that:

- (i) an Energy Act CPS Member shall have the Normal Pension Age which he had in the CPS; and
  - (ii) where a Member's contract of employment with his Employer specifies a different Normal Pension Age, the age specified in the contract of employment shall be the Member's Normal Pension Age for the purposes of the Scheme;
- (b) in respect of a GPS DB Member, the date on which a person attains age 60 or 65, as may be stipulated as the normal retirement date of the Member in the Member's contract of employment with the Employer at the date of becoming a pensionable member under GPS, or as otherwise agreed between the Employer and the Member with the consent of the Section Lead Employer and the Lead Company (not being less than 60) on or within 3 months of the Member becoming such a pensionable member. The Normal Pension Age of a Member becoming a pensionable member of the GPS on or after 1 October 2006 or of GPS DB Member who was not a member of GPS shall be 60, unless otherwise agreed in writing between the Employer and the Member with the consent of the Section Lead Employer and the Lead Company (not being less than 60);
- (c) in respect of a New Joiner, age 65; and
- (d) in respect of a Nirex Member, the day before the Member's 60<sup>th</sup> birthday.

However, an Energy Act CPS Member shall not have a higher Normal Pension Age than that which applied to him under the CPS.

**"NPS"** means the Nirex Pension Scheme as governed by the NPS Definitive Trust Deed.

**"NPS Definitive Trust Deed"** means the definitive trust deed and rules dated 18 May 2004, as amended.

**"NPS Merger Deed"** the merger deed entered into between (1) the Lead Company, (2) Nirex Pension Scheme Trustee Limited and (3) the Trustee in respect of the merger of the NPS and the Scheme.

**"Paid Family Leave"** means any period throughout which an Active Member is absent from active Service for family reasons and for which the employer pays contractual remuneration. Paid Family Leave shall not include any period of Standard Maternity Leave, Standard Adoption Leave or Paternity Leave.

**"Part-time Employee"** means any GPS DB Member whose contract of employment provides for his normal hours of work to be less than the contractual hours required of a full-time employee in that grade.

**"Part-time Hours"** means the normal hours provided for in a Part-time Employee's contract employment.

**"Past Service Reserve Transfer"** means the amount calculated in accordance with methodology and assumptions set by the Lead Company after due consultation with the Actuary. The basis used shall be common to all Sections.

**"Paternity Leave"** means the period during which an Active Member who is absent from active Service due to the birth or adoption of a child or children has the right to return to active Service under Chapter 3 Part VIII of the Employment Rights Act 1996.

**"Pension Credit"** means a credit under section 29(1)(b) of the 1999 Act or under corresponding Northern Ireland legislation.

**"Pension Credit Benefit"** means the benefits payable under the Scheme to or in respect of a person by virtue of rights under the Scheme attributable (directly or indirectly) to a Pension Credit.

**"Pension Credit Rights"** means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

**"Pension Debit"** means a debit under section 29(1)(a) of the 1999 Act or under corresponding Northern Ireland legislation.

**"Pension Debit Member"** means a Member whose benefits have been permanently reduced by a Pension Debit excluding a moderate earner as defined in regulation 5 of the Retirement Benefits Schemes (Sharing of Pensions on the Dissolution or Annulment of a Marriage or Civil Partnership) Regulations 2000. Such Member will either be:

- (a) a Member who is a controlling director of a company, which is his or her employer if he or she is a director of the company to whom paragraph (b) of section 417(5) of the 1988 Act applies either at the date on which the marriage was dissolved or annulled, or at any time within the period of 10 years before that date or,
- (b) a Member whose earnings at the date at which his or her marriage was dissolved or annulled exceeded one quarter of the Permitted Maximum for the year of assessment in which the dissolution or annulment occurred. Earnings for these purposes shall be taken to be the total emoluments:
  - (i) which were paid to the member in consequence of pensionable service to which the scheme relates during the year of assessment before the year of assessment in which the marriage was dissolved or annulled, and
  - (ii) (from which tax was deducted in accordance with the Income Tax (Employments) Regulations 1993.

**"Pension Sharing on Divorce Rules"** means the rules set out in Schedule 9.

**"Pension Sharing Order"** means any order or provision as is mentioned in section 28(1) of the 1999 Act or article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

**"Pensionable Earnings"** means:

- (a) in respect of an Energy Act CPS Member, the gross sums payable in respect of an Active Member by his Employer by way of:
  - (i) salary or wages, excluding overtime and bonuses, and excluding Shift Pay (subject to Rule 1.1 of the Shift Pay Pension Plan Rules);
  - (ii) responsibility allowances;
  - (iii) any other emoluments which were included within the definition of pensionable earnings in respect of that Member for the purposes of the CPS; and

- (iv) any other emoluments of a kind which the Lead Company declares to be reckonable as Pensionable Earnings and which are notified in writing to the Members concerned.

Pensionable Earnings in excess of the Permitted Maximum shall be ignored in respect of a Class A Member.

- (b) in respect of a GPS DB Member, the gross annual rate of basic pay excluding Pensionable Shift Pay (subject to Rule 1.1 of the Shift Pay Pension Plan Rules) but including:
  - (i) pensionable allowances;
  - (ii) responsibility allowances; and
  - (iii) any other emoluments of a kind which a Section Lead Employer with the consent of the Lead Company may from time to time in its discretion declare to be included for the purposes of the GPS Section as part of the Pensionable Earnings of a Member,

except that any Pensionable Earnings in excess of the Permitted Maximum shall be disregarded for the purposes of calculating the Pensionable Earnings of a Member other than a Former BNFL Member who became an active member of a Former Scheme before 1 June 1989.

Pensionable Earnings may be subject to adjustment for periods of part time Service. Details of the adjustments are set out in the relevant Benefit Structure.

**"Pensionable Final Earnings"** means:

- (a) in respect of a GPS DB Member means Pensionable Earnings over whichever period of 365 consecutive days of Pensionable Service, ending on the date specified below, produces the highest figure in the 1095 days immediately preceding the Relevant Date.

The period of 365 consecutive days referred to above must end on the Relevant Date or on any date which is any multiple, not exceeding 8 multiples, of 91 days before the Relevant Date.

Provided that:

- (i) where there is Service as a Part-time Employee in the 1095 day period specified above the full-time rate of Pensionable Earnings shall (save as envisaged in Rule 8.1(a) of the GPS Benefit Structure) apply for the purposes of calculating Pensionable Final Earnings;
- (ii) where Pensionable Service is less than 365 days, it shall be deemed for the purposes of calculating Pensionable Final Earnings to be a period of 365 consecutive days and Pensionable Earnings will be increased in the proportion which 365 days bears to the actual length of Pensionable Service;
- (iii) where a Member in Service has accrued 45 years' (or where the Member's Pensionable Service ceased before 1 December 2006, 40 years') Pensionable Service he shall be deemed not to have left Pensionable Service notwithstanding



that he has ceased contributing to a Section under Rule 2.1 of the GPS Benefit Structure (or that a maximum of 45 years (or where the Member's Pensionable Service ceased before 1 December 2006, 40 years) Pensionable Service is relevant for the calculation of benefits under Rule 3 of the GPS Benefit Structure; and

- (b) in any other case, Pensionable Earnings in whichever period of 365 consecutive days in the last 1095 consecutive days of Reckonable Service that gives the highest figure,

provided that:

- (i) where a Member has completed less than 365 days of Reckonable Service, his Pensionable Final Earnings shall be calculated on the following basis:
  - (A) in respect of an Energy Act CPS Member, Reckonable Service shall be deemed for this purpose to be 365 days and the Pensionable Earnings shall be increased by the same proportion as 365 days bears to the actual length of Reckonable Service; and
  - (B) in respect of all other Members except GPS DB Members, Pensionable Final Earnings shall be calculated over such period of Reckonable Service as had been completed;
- (ii) where the last three years of Reckonable Service include leave at reduced rates of pay for any reason, the Trustee may take into account the full rate of pay which would have been due;
- (iii) where the last three years of Reckonable Service include part time Service, Pensionable Final Earnings shall be adjusted as set out in the relevant Benefit Structure;
- (iv) the Trustee with the consent of the Lead Company may make such adjustments as it thinks fit to Pensionable Final Earnings to reflect individual circumstances and other items including, without limitation, purchased Additional Benefits, back service credits and special unpaid absence.

**"Pensionable Pay"** means the gross sums payable in respect of an Active Member by his Employer by way of:

- (a) salary or wages excluding overtime and excluding Shift Pay other than Pensionable Shift Pay;
- (b) responsibility allowances; and
- (c) any other emoluments of a kind which the Lead Company (or, in respect of a GPS New Joiner, the Section Lead Employer with the consent of the Lead Company) declares to be reckonable as Pensionable Pay and which are notified in writing to the Members concerned.

**"Pensionable Salary"** means, in relation to a Nirex Member, his basic salary (excluding bonuses and fluctuating emoluments) for the relevant period.

**"Pensionable Service"** shall:

- (a) in respect of a GPS DB Member, mean the service of a Member with an Employer which counts for the accrual of pension benefits in a Section on retirement or leaving service including deemed service that is either accrued by the Member through the purchase of added years, or that is credited to the Member by the Trustee on the receipt of a transfer payment from another scheme.

It includes, in the case of a Member who is a BNFL Transferring Member, the period of pensionable service (or treated as pensionable service) in any of the Former Schemes and which was notified in writing to the Member by the trustee and the principal company at the time of the GPS as counting as pensionable service under the GPS.

For the purposes of calculating Pensionable Service, any period of Pensionable Service as a Part-time Employee shall reckon at its full length multiplied by the proportion which the Part-time Hours worked bear to the full-time contractual hours of his grade.

For the avoidance of doubt, Pensionable Service includes any periods of Pensionable Service accrued by the GPS Member in the GPS prior to 31 March 2012;

- (b) in respect of a Nirex Member, mean:
  - (i) service as an employee of an employer participating in the NPS which was treated as "membership" for the purposes of the NPS Definitive Trust Deed; and
  - (ii) any other period as the Lead Company (with the Trustee's approval) determines (either generally or in an individual case) to be a period of Pensionable Service subject to any terms and conditions the Lead Company may impose as to the Member's contributions during and benefits provided in respect of that period.

But for the purposes of the Scheme Limits Rules, has the meaning given to it by section 70 of the 1993 Act;

- (c) in any other case, have the meaning ascribed to it by paragraph 3 Schedule 16 Social Security Act 1973.

**"Pensionable Shift Pay"** means:

- (a) in respect of a GPS DB Member, that part of Shift Pay as is determined by the Employers from time to time and notified to the Members concerned;
- (b) in respect of a GPS New Joiner, half of a Member's Shift Pay; and
- (c) in respect of all other Members, that part of Shift Pay as is determined by the Employer with the consent of the Lead Company.

**"Pensioner"** means a person who was formerly an Active Member or Deferred Pensioner and who is entitled to a pension which is in payment and includes a person who transferred to the Scheme pursuant to the Merger Deeds having already become entitled to a pension in payment under the NPS or the GPS.

**"Permitted Maximum"** for Tax Years up to and ending on 5 April 2006, shall have the same meaning as in section 590C(2) of the 1988 Act as it applied at the relevant time. In subsequent

Tax Years, if the Index for the month of September preceding the start of the Tax Year in question is higher than it was for the previous September, the Permitted Maximum for that Tax Year shall be the amount calculated as follows:

- (a) by increasing the amount of the Permitted Maximum for the previous Tax Year by the same percentage as the percentage increase in the Index referred to above; and
- (b) if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple,

but if the Index during the period referred to above has not increased, the Permitted Maximum for the Tax Year in question shall be the same as it was for the immediately preceding Tax Year.

**"PHI"** means any payments which a New Joiner is entitled to receive in accordance with any permanent health insurance scheme operated by his Employer.

**"Potential Member"** means a person who was eligible to become an active member of the relevant pension scheme or a person who would have been so eligible had he attained an age or fulfilled a condition specified in that scheme. For the purposes of this definition, the fulfilment of a condition:

- (a) shall not include a person being eligible to become an active member if a different person becomes his employer or if his employer becomes the subsidiary of a particular body; but
- (b) shall include, in the case of a person whose active membership in the scheme is temporarily suspended, the fulfilment of any conditions which would bring that suspension to an end.

**"Prescribed Rate"** means either:

- (a) the lesser of 5% and the increase in the Index for the year ended in the December previous to the 31st March in question.

The increase in the Index for the year ending in a December is the percentage increase (if any) for all items during the year between the following dates:

- (i) the later date will be that during the December for which (subsequently) the Index is published;
- (ii) the earlier date will be that for which the Index is published occurring in the corresponding month a year earlier.

If the Index should not be published in respect of a relevant date (or not published in time for the purpose of this definition or Rule 6 of the Nirex Benefit Structure) the Trustee shall estimate the probable amount and may make such subsequent adjustments to pensions increased by reference thereto as it thinks fit.

If the Index should cease to be published or if its constituents are in the opinion of the Trustee substantially altered the Trustee may adopt such other index as in its opinion is the nearest readily available equivalent; or

- (b) in respect of pensions and allowances attributable to Pensionable Service from 6 April 1997, such greater amount (if any) as is required under section 51 of the 1995 Act, in so far as that section applies to the Scheme from time to time.

**"Prospective Service"** means the means the period of Service which a Member who leaves Pensionable Service or dies before Normal Pension Age could have completed had he or she remained in Service until Normal Pension Age and includes the actual period of Service completed prior to the date of leaving Pensionable Service or death.

**"Protected Rights"** has the same meaning as in section 10 of the 1993 Act.

**"Qualifying Arrangement"** means an arrangement designated as such by schedule 5 of the 1999 Act and which is not disqualified as a destination for a Pension Credit.

**"Qualifying Service":**

- (a) for the purposes of the Contracting Out Rules and in respect of a GPS Member, has the same meaning as in section 71(7) of the 1993 Act;
- (b) in respect of a Nirex Member, means "pensionable service" for the purposes of the preservation requirements of the 1993 Act ("preservations requirements" having the meaning given in section 69 of the 1993 Act); and
- (c) for all other purposes, means the aggregate of:
  - (i) the period of Active Membership of the Scheme;
  - (ii) for an Energy Act CPS Member or an Energy Act Nuclear Scheme Member, the period counted as Qualifying Service in the Existing Schemes;
  - (iii) any added years of Qualifying Service purchased under the Additional Benefits (Defined Benefit) Rules;
  - (iv) any additional years of Qualifying Service granted on receipt of a transfer value under Rules 10 or 11 of the General Rules;
  - (v) any previous Qualifying Service which is aggregated under Rule 5.8 of the General Rules; and
  - (vi) any additional years of Qualifying Service granted under Rule 8 of the General Rules.

No period of service shall be counted twice.

**"Reckonable Service"** means:

- (a) in relation to the CPS 2 Benefit Structure, the aggregate of:
  - (i) the period of Active Membership under the CPS 2 Benefit Structure provided that part time Service shall be adjusted as set out in the relevant Benefit Structure;
  - (ii) any added years of Reckonable Service purchased under the Additional Benefits (Defined Benefit) Rules on or after 1 April 2010;
  - (iii) any additional years of Reckonable Service granted on receipt of a transfer value under Rules 10 or 11 of the General Rules on or after 1 April 2010;

- (iv) any previous Reckonable Service which is aggregated under Rule 5.8 of the General Rules where the person left Active Membership on or after 1 April 2010;
  - (v) any additional years of Reckonable Service granted under Rule 8 of the General Rules on or after 1 April 2010; and
- (b) in relation to all other Benefit Structures except the GPS Benefit Structure, the aggregate of:
  - (i) the period of Active Membership of the relevant Benefit Structure provided that part time Service shall be adjusted as set out in the relevant Benefit Structure;
  - (ii) the period granted as Reckonable Service on transfer of the accrued rights of an Energy Act Nuclear Scheme Transferee from an Existing Scheme;
  - (iii) any added years of Reckonable Service purchased under the Additional Benefits (Defined Benefit) Rules;
  - (iv) any additional years of Reckonable Service granted on receipt of a transfer value under Rules 10 or 11 of the General Rules;
  - (v) any previous Reckonable Service which is aggregated under Rule 5.8 of the General Rules;
  - (vi) any additional years of Reckonable Service granted under Rule 8 of the General Rules.

Reckonable Service shall be counted in years and fractions of a year with each day counting as 1/365th of a year. Total Reckonable Service for any Member shall not exceed 45 years.

**"Registered Pension Scheme"** means a pension scheme which is registered with the Revenue under Chapter 2 of Part 4 of the Finance Act.

**"Relevant Date"** means the date of retirement, leaving Pensionable Service or death or, in the case of a GPS Member or a Nirex Member, age 75, as the case may be.

**"Relevant Employer"** has the meaning ascribed to it by Regulation 2 of the Occupational Pension Schemes (Transitional Provisions) Regulations 1988 (Statutory Instrument 1988/1436) before those regulations lapsed.

**"Relevant Scheme"** means any other scheme which was approved or would have been capable of approval under Chapter I Part XIV of the 1988 Act on 5 April 2006 or, in respect of Nirex Members only, a relevant statutory scheme as defined in section 611A of the 1988 Act or any scheme which has been accepted by the Revenue as "corresponding" for the purposes of section 596(2) of the 1988 Act.

**"Remuneration"** in relation to any year means:

- (a) in respect of a GPS Member:
  - (i) the amount of any monetary emoluments received by the Member from the Employers, other than fees and remuneration in respect of which the Member is assessable to tax under Case I or Case II of Schedule D or to which the Member is not beneficially entitled; and

- (ii) the amount (if any) in respect of which the Member is assessed to tax under Schedule E, directly or indirectly, by reason of any benefits in kind which the Member receives or has received from the Employers, excluding any amount (i) in respect of which tax is chargeable under Schedule E which arises from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares, except where the shares or the interest or right which gives rise to the liability to tax had been acquired by the Member before 17 March 1987 or (ii) in respect of which tax is chargeable by virtue of section 148 of the 1988 Act,

and so that Remuneration may, depending on its nature, be either basic Remuneration or fluctuating Remuneration and, for the avoidance of doubt, directors' fees may be one or the other according to the basis on which they are voted whereas amounts included in (b) above are usually fluctuating Remuneration; and

- (b) in any other case:

- (i) as regards a Class A Member the aggregate of the total emoluments for the year in question:

- (A) from the Employer; and

- (B) in respect of any Associated Employment or any Connected Scheme;

which are assessable to income tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or an interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the 1988 Act or Chapter 3 of Part 6 of the 2003 Act as relevant, provided that in arriving at such emoluments there shall be disregarded any emoluments in excess of the Permitted Maximum;

- (ii) as regards a Class B Member and a Class C Member whose Relevant Date is on or after 17 March 1987 (or any Class B Member or Class C Member who is a Nirex Member) total emoluments from the Employer in the year in question which are assessable to income tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or an interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the 1988 Act or Chapter 3 of Part 6 of the 2003 Act as relevant; and

- (iii) as regards a Class C Member (other than a Class C Member who is a Nirex Member) whose Relevant Date is on or before 16 March 1987 total emoluments from the Employer in the year in question which are assessable to income tax under Schedule E.

In each such case of a Class A, B or C Member (other than for a Nirex Member), Remuneration shall include any amount deducted in respect of the purchase of partnership shares under a share incentive plan.

### **"Retained Benefits"**

- (a) in respect of a GPS Member includes:

- (i) pensions, whether deferred or already in payment, including any part of a deferred pension which is commutable, from any Approved Scheme and from any scheme accepted by the Revenue as corresponding for the purposes of section 596(2)(b) of the 1988 Act;
- (ii) all pension benefits from FSAVCS relating to previous occupations;
- (iii) the annuity equivalent of lump sums received or receivable, including any already received from any Approved Scheme and from any scheme accepted by the Revenue as corresponding for the purposes of section 596(2)(b) of the 1988 Act;
- (iv) retirement annuities, before any commutation, under contracts and trust schemes approved under Chapter III of Part XIV of the 1988 Act related to relevant earnings from the current or any earlier employment, or from previous periods of self-employment, either alone or in partnership but excluding those in relation to a concurrent occupation;
- (v) annuities and the annuity equivalent of lump sums, from personal pension schemes approved under Chapter IV of Part XIV of the 1988 Act related to relevant earnings from the current or an earlier employment, or from previous periods of self-employment, either alone or in partnership but excluding those in relation to a concurrent occupation. Personal pension schemes approved under section 638(8)(a) of the 1988 Act are not related to relevant earnings, and annuities from such schemes are not treated as retained benefits;
- (vi) annual payments made to a retired partner and treated as earned income under section 628 of the 1988 Act; and
- (vii) the annuity equivalent of amounts received by way of refunds of contributions from any Approved Scheme and from any scheme accepted by the Revenue as corresponding for the purposes of section 596(2)(b) of the 1988 Act and any interest thereon if they were received after the age of 45 and exceeded £2,000;

but benefits at (i), (ii), (iii), (iv), (v) and (vi) may be ignored if their annuity equivalent does not exceed £260 per annum in all;

- (b) in respect of a Nirex Member means all benefits other than retained death benefits, in whatever form the context demands, derived from:
  - (i) retirement benefits schemes having gained or seeking Approval or relevant statutory schemes as defined in section 611A of the 1988 Act, excluding benefits in respect of Service;
  - (ii) funds to which section 608 of the 1988 Act applied, excluding benefits in respect of Service;
  - (iii) retirement benefits schemes which have been accepted by the Revenue as "corresponding" for the purposes of section 596(2)(b) of the 1988 Act, excluding benefits in respect of Service;
  - (iv) retirement annuity contracts or trust schemes approved under section 620 of the 1988 Act, or personal pension schemes approved under section 631 of the 1988 Act (other than arrangements thereunder to which only minimum contributions

are paid) which related to relevant earnings from (in the case only of a Class B or C Member) the current employment, or (for all Members) previous employments (including periods of self employment whether alone or in partnership);

- (v) transfer payments from overseas schemes held in a type of arrangement defined in (i) or (iv) above, excluding those in respect of Service.

If the total of the Retained Benefits is less than a pension of £260 p.a. those Retained Benefits may be disregarded.

If in the period ending 12 months after entry to the NPS (in this context the NPS includes any Relevant Schemes providing benefits in respect of Service which for this purpose is strictly defined as service with the then current employer) the Member was in receipt of annual earnings which were less than one quarter of the Permitted Maximum, all Retained Benefits may be disregarded

Benefits from the above sources which have been transferred to another scheme (whether or not in the United Kingdom) or bought out must be treated as Retained Benefits.

Benefits may be disregarded as Retained Benefits where they relate to concurrent employment(s), that is where the other employment(s) overlap(s) with this employment for at least one day and during the period of overlap service with both/all employers is pensioned via an arrangement as at (i) to (v) above.

In respect of Class A and B Members, where transfers are derived from Service with Relevant Employers or Associated Employers the definition of Service may be extended to include aggregate years of service but only with the specific agreement of the Revenue (concurrent service to count only once). In the absence of such agreement the transfer value will be treated as Retained Benefits. Any other transfer values received other than those from a scheme of the current employer at the relevant time will be treated as Retained Benefits.

In respect of Class C Members, all transfer values, other than those from a scheme of the current employer at the relevant time, will be treated as Retained Benefits, unless the Revenue specifically agree otherwise (aggregation of service having been agreed).

**"Retained Lump Sum Death Benefits"** means any lump sum benefits payable on the Member's death derived from the sources set out in the definition of Retained Benefits above, but if the total of the Retained Lump Sum Death Benefit is less than £2,500 it may be disregarded. Benefits representing a return of the Member's own contributions plus interest thereon may be ignored for this purpose: benefits derived from a return of fund under retirement annuity contracts approved under section 620 of the 1988 Act or personal pensions approved under section 631 of the 1988 Act may also be ignored for this purpose.

**"Retained Dependant's Death Benefits"** means all reversionary benefits derived from the sources set out in the definition of Retained Benefits but not those provided by the surrender of the Member's own pension.

**"Revenue"** means the Board of HM Revenue & Customs.

**"Rules"** means the rules set out in each of the schedules to the Trust Deed and any alterations to them.



**"Schedule E"** means Schedule E of the 1988 Act and the corresponding provisions of the 2003 Act insofar as they replace it.

**"Schedule of Contributions"** means the schedule of contributions in place in relation to the Scheme under Clause 27.1.

**"Scheme"** means the Combined Nuclear Pension Plan constituted by the Trust Deed and Rules.

**"Scheme Apportionment Arrangement"** shall have the meaning given to that term in the Employer Debt Regulations.

**"Scheme Apportionment Arrangement Share"** shall have the meaning given to that term in the Employer Debt Regulations.

**"Scheme Limits Rules"** means the rules set out in Schedule 10.

**"Scheme Medical Adviser"** means a medical adviser appointed by the Trustee under Clause 22.4.

**"Scheme Salary Sacrifice Arrangement"** means any salary sacrifice arrangement:

- (a) operated from time to time by an Employer to the effect that a participating Active Member will receive lower gross pay in return for not being required to pay contributions to the Scheme or being required to pay contributions to the Scheme at a different rate than would otherwise be the case and/or receiving some other benefit outside the Scheme; and
- (b) to which the Lead Company has designated that Rule 24 of the General Rules shall apply.

**"Scheme Year"** means the period of 12 months beginning on 1 April of any year or such other date determined by the Trustee from time to time.

**"Second Definitive Deed"** is defined in Recital A.

**"Second Transitional Regulations"** means the Retirement Benefits Schemes (Continuation of Rights of Members of Approved Schemes) Regulations 1990.

**"Section"** means a segregated section of the Scheme created under Clause 7. In relation to a Member, Section means the Section in which the Member is or last was accruing benefits.

**"Section Employer"** means, in relation to a Section, an Employer in that Section.

**"Section Fund"** means the money and other assets of a Section, including the income and profits arising from such assets, held by the Trustee for the purposes of the relevant Section.

**"Section Lead Employer"** means, in relation to a Section, the lead Employer of that Section as determined in accordance with Clause 9. With effect on and from the Effective Date the Section Lead Employers of each of the GPS Sections shall be same as those which existed in the GPS before the Effective Date pursuant to the Framework Agreement dated 26 March 2007 entered into between (1) the NDA, (2) British Nuclear Fuels plc and (3) BNFL Group Pension Trustee Company Limited.

**"Section 9(2B) rights"** has the same meaning as in the Occupational Pension Schemes (Contracting-out) Regulations 1996.

**"Section 53 salary related scheme"** means a scheme which was a contracted-out scheme, providing guaranteed minimum pensions and satisfying section 9(2)(a) of the 1993 Act, and to which Section 53 of the 1993 Act applies.

**"Section 148 Revaluation"** means the method of revaluing a GMP before GMP Age described in the Contracting Out Rules.

**"Section 75 Debt"** means a debt arising under section 75 of 75A of the 1995 Act.

**"Serious Ill Health"** occurs where, in the opinion of the Trustee after taking the advice of one or more of the Scheme Medical Advisers, the Member has a medically assessed life expectancy of less than 12 months.

**"Service"** means:

(a) for the purposes of the Scheme Limits Rules:

- (i) in respect of a GPS Member, the period of service with the Employer which is Pensionable Service together with any period of service prior to the period of Pensionable Service;
- (ii) in respect of a Nirex Member, service with an employer participating in the NPS, plus any period of service in respect of another employment which the Revenue specifically agree may be aggregated (concurrent service to count only once). Calculations below by reference to years of Service shall include incomplete years of Service pro rata to a full year.

For a Special Director who is a Class A Member, Service may not include a period of service for an employer who is associated with the Employer by virtue of a permanent community of interest rather than because they are Associated Employers. Where both such employers were participating in the NPS separate calculations of maximum benefits are required in respect of the separate periods of Service

(iii) in all other case, in respect of a

(A) a Class A Member, the aggregate of:

- (I) all periods of service with the Employer; and
- (II) all other periods which count in respect of any Associated Employment or any Connected Scheme;

(B) a Class B or C Member, service with the Employer; and

(b) for all other purposes, service as an Employee with an Employer and, in respect of Nirex Members only, such other periods as the Lead Company from time to time with the consent of the Member, determines.

**"Share of the Difference"** shall have the meaning given to that term in the Employer Debt Regulations.

**"Shift Pay"** means

- (a) in respect of GPS New Joiners, pay designated as such by the Employer with the consent of the Section Lead Employer; and
- (b) in respect of all other Members, the extra pay received by a Member by way of shift supplement in respect of shift working.

**"Shift Pay Pension Plan Account"** means such amount as the Trustee decides represents the aggregate of:

- (a) the Member's contributions under the Shift Pay Pension Plan Rules;
- (b) the credit for the contributions by his Employer under the Shift Pay Pension Plan Rules;
- (c) in respect of an Energy Act CPS Member, any transfer value received by the Trustee from the CPS in respect of the contributions made on a defined contribution basis by or in respect of the Member's shift pay under this scheme; and
- (d) a fair part (as determined by the Trustee having regard to Clause 15 and relevant professional advice) of any interest, income, gains or losses arising out of the Fund but after the deduction of investment expenses or charges allocated under Clause 15.3.

**"Shift Pay Pension Plan Rules"** means the rules set out in Schedule 7.

**"Site Licensee Company"** means a company holding a Nuclear Site Licence for a Nuclear Site, in each case as defined in the Energy Act 2004.

**"Special Director"** means a Member who at any time on or after 17 March 1987 and in the last ten years before the Relevant Date has in relation to an Employer (or an employer participating in the GPS or the NPS) been both within the definition of a director in s 612(1) of the 1988 Act and within paragraph (b) of s 417(5) of the 1988 Act and in the case of a Nirex Member only, a Class C Member whose Relevant Date preceded 17th March 1987 and who was a director who, either alone or together with his or her spouse and minor children, is or becomes the beneficial owner of shares which, when added to any shares held by the Trustees of any settlement to which the director or his or her spouse had transferred assets, carry more than 20% of the voting rights in the company providing the pension or in a company which controls that company.

**"Special Member"** means a person admitted to Membership under Rule 5.2 of the General Rules. The benefits of a Special Member shall be as notified by the Lead Company to the Special Member and to the Trustee. **"Special Membership"** means the status of being a Special Member.

**"Spouse"** means the person to whom the Member was married, or his Civil Partner (subject, in respect of a Nirex Member, to Rule 12 of the Nirex Benefit Structure) in each case as at the date of his death (as appropriate).

**"Standard Adoption Leave"** means:

- (a) any period:
  - (i) throughout which the Active Member is on Adoption Leave; and
  - (ii) for which the Employer pays any contractual remuneration or statutory adoption pay; and
- (b) any ordinary adoption leave period (as defined in section 75A of the Employment Rights Act 1996) whether or not the Active Member is receiving contractual remuneration or statutory adoption pay.

**"Standard Maternity Leave"** means:

- (a) any period:
  - (i) throughout which an Active Member is on Maternity Leave; and
  - (ii) for which the Employer (of, if the Member is no longer in its employment, her last previous Employer) pays any contractual remuneration or statutory maternity pay; and
- (b) any ordinary maternity leave period (as defined in section 71 of the Employment Rights Act 1996) whether or not the Active Member is receiving contractual remuneration or statutory maternity pay.

**"State Pension Age"** means, in respect of GMPs, a Member's GMP Age and otherwise means a Member's "state pensionable age" under the rules in paragraph 1 of Schedule 4 to the 1995 Act.

**"Statement of Investment Principles"** means the statement of investment principles prepared and maintained in accordance with section 35 of the 1995 Act.

**"Surviving Spouse"** means in relation to a Nirex Member the person who was his only Spouse and ordinarily resident with him at the date of his death except that (unless the Trustee determines otherwise) such person shall not be treated as a Surviving Spouse if their marriage took place after the Member ceased to be an active member of the NPS and less than 6 months before his death. The Trustee may, however, determine that:

- (a) the Spouse of a Member who is not ordinarily resident with him shall be deemed to be ordinarily resident with him ; or
- (b) a person who is, in the opinion of the Trustee, financially dependent on a Member, not having a Spouse resident or deemed to be ordinarily resident with him, shall be deemed to be his Spouse and upon his death to become his Surviving Spouse ; or
- (c) a person who is, in the opinion of the Trustee, financially interdependent with the Member and who has been in a committed relationship with the Member, such relationship being evidenced by:
  - (i) co-habitation in a committed relationship immediately prior to the Member's death; and/or

- (ii) the birth of, or adoption of (or other assumption of legal responsibility for) a child arising from the relationship with the Member;

and any such determination may be subject to any condition.

Provided that:

- (A) for the avoidance of doubt, if a Member had been in contracted-out employment in relation to the NPS (or has transferred-in benefits relating to another contracted-out employment), and as a result the Trustee is required to pay benefits on his death to a person or persons specified under the 1993 Act or the National Insurance Act 1965 (and any relevant regulations made under those Acts) the Surviving Spouse's benefit payable will be reduced by the amount that must be paid to such person or persons;
- (B) if a Member is legally married to more than one Spouse immediately before his death, the Trustee shall determine whether the benefits payable to the Member's Surviving Spouse will be paid to one of the Member's Spouses, or divided between two or more of the Spouses. If the benefit is divided between the Spouses, the Lead Company and Trustee shall agree how this will be done in view of their respective obligations under the Employment Equality (Religion and Belief) Regulations 2003 and the Employment Equality (Religion and Belief) (Amendment) Regulations 2003 (SI nos. 1660 and 2828);
- (C) if there is more than one person who could qualify as the Member's Surviving Spouse under this definition, the Trustee will (subject to (A) and (B) above) determine who shall be treated as the Member's Surviving Spouse. Without limiting the generality of this provision, the Trustee may have regard to any written notice given to it or the Lead Company by the Member indicating his wishes in this regard.

**"Tax Year"** means each year ending on 5th April.

**"Total Debt"** means the total amount of the Section 75 Debt that would arise on all the GPS SLC Employers in relation to the whole of the GPS SLC Section if the GPS SLC Section were being wound up and the Trustee was to designate the time in question for the purposes of section 75(2) of the 1995 Act.

**"Total Reckonable Service"** means the aggregate of CPS Reckonable Service and Reckonable Service.

**"Trivial Commutation Lump Sum"** means a lump sum which may be paid:

- (a) as a trivial commutation lump sum in accordance with paragraph 7 of Schedule 29 to the Finance Act; or
- (b) as a commutation payment in accordance with Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009.

**"Trivial Commutation Lump Sum Death Benefit"** has the same meaning as in paragraph 20 of Schedule 29 to the Finance Act.

**"Trivial Pension"** means a pension which can be paid as a Trivial Commutation Lump Sum.

**"Trust Deed"** means the deed to which this schedule is annexed and any deed supplemental to that deed.

**"Trustee"** means the trustee for the time being of the Scheme.

**"Unauthorised Payment"** means a payment which is unauthorised for the purposes of Part 4 of the Finance Act.

**"Unpaid Adoption Leave"** means any period of Adoption Leave which is not Standard Adoption Leave.

**"Unpaid Maternity Leave"** means any period of Maternity Leave which is not Standard Maternity Leave.

**"Valuation Day"** has the meaning ascribed to it in the 1999 Act.

**"Widow"** and **"Widower"** means respectively the widow and the widower of a Member. If a Member has married under a law which allows polygamy and, on the day of the Member's death, has more than one spouse, the Trustee must decide which, if any, survivor is the Widow or Widower. In reaching that decision, the Trustee must have regard to the practice of the Department for Work and Pensions and any relevant provisions of existing Social Security legislation, in particular section 17(5) of the 1993 Act and regulation 2 of the Social Security and Family Allowance (Polygamous Marriages) Regulations 1975.

**"1988 Act"** means the Income and Corporation Taxes Act 1988 and any regulations made from time to time under it (and where a provision referred to has been repealed such that Clause 1.2(d) and Rule 2.3 of the General Rules do not apply, that provision immediately before its repeal).

**"1993 Act"** means the Pension Schemes Act 1993 and any regulations made from time to time under it.

**"1995 Act"** means the Pensions Act 1995 and any regulations made from time to time under it.

**"1999 Act"** means the Welfare Reform and Pensions Act 1999 and any regulations made from time to time under it.

**"2003 Act"** means the Income Tax (Earnings and Pensions) Act 2003 and any regulations made from time to time under it.

**"2004 Act"** means the Pensions Act 2004 and any regulations made from time to time under it.

**"60 Optants"** means a Former BNFL Member or a Non-Industrial Member who exercised his option under a Former Scheme with the consent of the principal company at the time to change his Normal Pension Age to 60.

**"93.5% Pensionable Service"** has the meaning given in the following table but so that all Pensionable Service which is attributable to:

- (a) added years (under paragraph 2 of Appendix 1 to the GPS Benefit Structure) where the added years contract commenced prior to 12 January 1999 (save as envisaged in paragraph 2.1.3 of Appendix 1 to the GPs Benefit Structure); or

(c) transfer credits attributable to a transfer into the GPS before 1 January 2001,

shall be deemed to be 93.5% Pensionable Service:

Category of Member	Meaning
BNFL Transferring Members for whom Pensionable Final Earnings were based on 93.5% of Pensionable Earnings under a Former Scheme or the GPS or for some part of their Pensionable Service. This includes BNFL Transferring Members for whom Pensionable Final Earnings:	The same part of the Member's Pensionable Service for the purposes of the Scheme.
(a) were agreed by the then principal company to be based on 93.5% of Pensionable Earnings; or	
(b) would have been agreed by the principal company at the time to be based on 93.5% of Pensionable Earnings had the BNFL Transferring Member remained a member of that Former Scheme.	
Former BNFL Members for whom Pensionable Final Earnings were based on 93.5% of Pensionable Earnings under a Former Scheme and who are not 60 Optants.	Pensionable Service up to and including 31 March 1997.
Former BNFL Members for whom Pensionable Final Earnings were based on 93.5% of Pensionable Earnings under a Former Scheme and who are 60 Optants.	Pensionable Service up to and including 16 May 1990.
Non-Industrial Members recruited directly by Employers who are not 60 Optants.	Pensionable Service up to and including 31 March 1997.
Non-Industrial Members recruited directly by Employers who are 60 Optants.	Pensionable Service up to and including 16 May 1990.

**"100% Pensionable Service"** means Pensionable Service which is not 93.5% Pensionable Service.

EXECUTED as a deed, and delivered  
when dated, by affixing the **COMMON**  
**SEAL** of **NUCLEAR DECOMMISSIONING**  
**AUTHORITY**, in the presence of:

11-124078

Director  
Signature  
Name

:   
:  
:  
: A M SIMPER

Director/Secretary  
Signature  
Name

:   
:  
: S C BALMER



## **Appendix A**

### **Actuary's confirmation**

The Trustees of the Combined Nuclear Pension Plan  
c/o Steve Hayton  
Nuclear Decommissioning Authority  
Building 587  
Curie Avenue  
Harwell Science and Innovation Campus  
Didcot  
OX11 0RH

Direct: +44 (0)121 695 5822  
Direct fax: +44 (0)121 695 5765  
[rissitt@deloitte.co.uk](mailto:rissitt@deloitte.co.uk)

7 March 2012

Our ref: le201010\_rsi00\_NDA

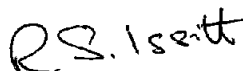
Dear Trustee

## Adequacy of Benefits for Contracting Out

This letter has been prepared in accordance with Section 37 of the Pension Schemes Act 1993. I confirm that I am appointed as Scheme Actuary to the Combined Nuclear Pension Plan under section 47 of the Pensions Act 1995.

Contracting out Regulation 42 requires me to confirm to the Trustee that the Combined Nuclear Pension Plan will continue to satisfy the statutory standard level of benefits for the Plan to remain contracted out. I hereby confirm that I have considered the modifications to be made under the Plan by the Third Definitive Trust Deed and the Schedules to that Deed, to which this certificate is annexed and that I am satisfied that the Plan will continue to satisfy the statutory standard in accordance with Section 12A, Pension Schemes Act 1993 if the alterations are made.

Yours faithfully



**Bob Issitt**  
Scheme Actuary

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## Appendix B

### (Clause 10.5(a)(ii))

#### NDA headed notepaper

[Date]

[Name]

Dear [Name]

#### **Combined Nuclear Pension Plan (CNPP): "Cost Pass Through"**

I write to confirm on behalf of the NDA that the employers in the GPS SLC Section ([*insert remaining employers*]) are fully reimbursed by the NDA in relation to their liabilities to contribute to the GPS SLC Section. The NDA reimburses the SLCs under the terms of its contract with them. Pension costs, including regular contributions, deficit funding and administration costs are treated as "allowable costs" under the relevant contracts. Any additional pensions costs on the SLCs resulting from employee transfers, providing those were agreed with the NDA, would also be covered.

To the extent that any requirement arises on the SLCs to pay deficit contributions to the GPS SLC Section (including contributions under section 75 of the Pensions Act 1995 which might arise in the future) following [*name of employer*]'s exit from the GPS SLC Section and such requirement is increased as a result of arrangements or allocations made on the exit, then, to the extent that such contributions are not met by other arrangements between the NDA and the SLCs, they would be covered by the cost pass through principle as described above.

The NDA will promptly notify the trustee should there be any change to the cost pass through principle in relation to NDA's contracts with the SLCs (or if there are any proposals to change it).

Yours sincerely

On behalf of the Nuclear Decommissioning Authority

DATED 5 NOVEMBER 2012

**(1) NUCLEAR DECOMMISSIONING AUTHORITY**

**(2) COMBINED NUCLEAR PENSION PLAN TRUSTEES  
LIMITED**

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**DEED OF AMENDMENT**  
relating to the

**COMBINED NUCLEAR PENSION PLAN**

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## PARTIES

- (1) **NUCLEAR DECOMMISSIONING AUTHORITY** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**"); and
- (2) **COMBINED NUCLEAR PENSION PLAN TRUSTEES LIMITED** (registered number 05872585) whose registered office is at Herdus House, Ingwell Drive, Westlakes Science and Technology Park, Moor Row, Cumbria, England CA24 3HU (the "**Trustee**")

## INTRODUCTION

- A This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- B Clause 25 of the Trust Deed gives power to the Lead Company, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) provided that the Trustee has given consent to certain amendments and alterations including any amendment or alteration to the provisions of the GPS Benefit Structure.
- C With effect on and from the date set out in this deed, the Lead Company wishes to amend the Rules by changing the eligibility requirements of the GPS Benefit Structure.
- D The Lead Company and the Trustee are satisfied that the amendments being made by this deed are not regulated modifications for the purposes of section 67 of the Pensions Act 1995 and are not prohibited for the purposes of section 37(1) of the Pensions Schemes Act 1993.

## THIS DEED WITNESSES THAT:

## 1 DEFINITIONS AND INTERPRETATION

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

**"Rules"** means the rules scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Trust Deed"** means the definitive trust deed dated 28 March 2012 which currently governs the Scheme.

- 1.2 Any other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.

- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2 **AMENDMENT**

- 2.1 The Lead Company, in exercise of the powers conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the Rules in the manner set out in Schedule 1 to this deed, with effect on and from the Effective Date;
- 2.2 The Trustee **HEREBY CONFIRMS** that the Lead Company has consulted with the Trustee in relation to the amendments set out in this deed and **HEREBY CONSENTS** to the making of those amendments.

**IN WITNESS** of which the parties have executed and delivered this deed on the date which appears first on page 1.



## SCHEDULE 1

### Amendments with effect on and from the Effective Date

- 1 Rule 15 of the GPS Benefit Structure is deleted in its entirety and replaced with the following:

#### **"15 RE-JOINING THE SCHEME**

- 15.1 *An Employee who does not become an Active Member under the GPS Benefit Structure when first eligible to do so, or an Employee who elects to withdraw from Active Membership under the GPS Benefit Structure while remaining in Service shall be entitled to elect to become an Active member again and to accrue benefits under the GPS Benefit Structure if:*
- (a) *he continues to meet the eligibility requirements set out in Rule 1; and*
  - (b) *either:*
    - (i) *he is aged less than 58 years and this is the first occasion during his current period of Service on which he has made such an election; or*
    - (ii) *he is aged less than 25 or he has not yet been in Service for more than 3 years.*
- 15.2 *Any Employee who ceases to be an Active Member while remaining in Service and does not satisfy the criteria in Rule 15.1 above may only be readmitted as an Active Member if the Trustee with the consent of the Lead Company so decides and any such readmission shall be subject to such conditions as the Lead Company may decide.*
- 15.3 *Any person who does not become an Active Member under the GPS Benefit Structure when first eligible to do so under Rule 5.1 of the General Rules and does not satisfy the criteria in Rule 15.1 above shall only be permitted to become an Active Member at a later date upon such terms as the Trustee, the Lead Company and the Employer shall determine.*
- 15.4 *Each Employee who wishes to become an Active Member or be readmitted as an Active Member under this under this Rule 15 shall complete and submit to the Trustee an entrance form which the Trustee may prescribe and provide such evidence of age, good health and marital status (if any) as the Trustee may require."*

THE COMMON SEAL of NUCLEAR  
DECOMMISSIONING AUTHORITY was  
affixed in the presence of:

Director  
Signature  
Name

:   
: A. M. SIMPER

Director/Secretary  
Signature  
Name

: J D Phillips  
: J D PHILLIPS

SIGNED as a deed, and delivered when  
dated, by COMBINED NUCLEAR  
PENSION PLAN TRUSTEES LIMITED  
acting by two directors or by a director and  
the secretary:

Director  
Signature  
Name

:   
: D A COOPER

Director/Secretary  
Signature  
Name

: P A Vaughan  
: P A VAUGHAN



DATED 5 NOVEMBER 2013

(1) NUCLEAR DECOMMISSIONING AUTHORITY

(2) COMBINED NUCLEAR PENSION PLAN  
TRUSTEES LIMITED

---

DEED OF AMENDMENT  
relating to the

COMBINED NUCLEAR PENSION PLAN

---

SQUIRE SANDERS (UK) LLP  
7 Devonshire Square  
London  
EC2M 4YH  
United Kingdom  
DX 136546 Bishopsgate 2

O +44 20 7655 1000  
F +44 20 7655 1001

Reference WJH/AG7/COM.338-1

DATE OF DEED OF AMENDMENT

5 NOVEMBER

2013

**PARTIES**

- (1) **NUCLEAR DECOMMISSIONING AUTHORITY** a statutory body set up under section 1 of the Energy Act 2004 (the "Lead Company"); and
- (2) **COMBINED NUCLEAR PENSION PLAN TRUSTEES LIMITED** (registered number 05872585) whose registered office is at Herdus House, Ingwell Drive, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU (the "Trustee")

**INTRODUCTION**

- A This deed is supplemental to the Scheme Documents by which the Scheme is constituted.
- B The Lead Company and the Trustee are respectively the principal employer and current trustee of the Scheme.
- C Clause 25 of the Trust Deed gives the Lead Company the power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed. Clause 25.3 of the Trust Deed further provides that any amendments or alterations to the provisions of the GPS Benefit Structure shall only be made with the consent of the Trustee.
- D The Lead Company wishes to amend the Rules to remove certain age-discriminatory features from the GPS Benefit Structure, to clarify the Scheme's amendment power and to make certain additional minor changes to the Scheme Rules.
- E The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed and has obtained its consent to those changes where consent is required (as witnessed in either such case by the Trustee's execution of this Deed).
- F The Lead Company is satisfied that the amendments being made by this deed are not regulated modifications for the purposes of section 67 of the Pensions Act 1995.
- G The Lead Company is satisfied that the amendments being made to this deed do not require employees or member representatives to be consulted with for the purposes of section 259 of the Pensions Act 2004.
- H The Scheme Actuary has confirmed in writing to the Trustee that the amendments being made by this deed will not prevent the Scheme from continuing to satisfy the conditions of section 9(2B) of the Pensions Schemes Act 1993. A copy of the Actuary's written confirmation is appended to this deed.

**THIS DEED WITNESSES THAT:**

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

"Rules" means the rules scheduled to the Trust Deed.

"Scheme" means the Combined Nuclear Pension Plan.

"Scheme Documents" means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

"Trust Deed" means the definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

"Trustee" means the trustee of the Scheme.

- 1.2 Any other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## **2 AMENDMENT**

- 2.1 The Lead Company, in exercise of the powers conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the Rules in the manner set out in the Schedule to this deed, with effect on and from:
  - (a) 28 March 2012 in relation to paragraph 1 of the Schedule; and
  - (b) the date of this deed in relation to paragraphs 2 to 21 of the Schedule.
- 2.2 The Trustee **HEREBY CONFIRMS** that (as noted in Recital E) it has been consulted with and/or consents to the amendments being made to the Rules that are set out in the Schedule to this deed.

**IN WITNESS** of which the Lead Company and the Trustee have signed (and in the case of the Lead Company sealed) and, on the date which appears first on page 1, delivered this document as a deed.

## SCHEDULE

- 1 Clause 25.4 of the Trust Deed is restated such that it reads as follows:

*"25.4 Any retrospective amendment or alteration which, in the opinion of the Trustee, would materially and prejudicially affect the overall value of the accrued rights of any GPS Member accrued in respect of Pensionable Service prior to the date of the amendment and to which the Member would be entitled (ignoring discretionary augmentation) if the relevant GPS Section had been terminated, may only be made with the consent of the Member concerned."*

- 2 The first two lines of Clause 28.1 of the Trust Deed are deleted and replaced with the following:

*"Subject to Clauses 28.2 and 28.3 and to Rule 1.14 of the Shift Pay Pension Plan, each Employer shall pay to the Trustee in relation to each Section in which it participates:"*

- 3 Clause 28.4(a) of the Trust Deed is amended so that the cross-reference to "Clause 28.4(c)" is replaced with a cross-reference to "Clause 12.2(c)".

- 4 Rule 6.5(b) of the General Rules is amended so that the reference to "Unpaid Leave" is replaced with the words "Unpaid Maternity Leave."

- 5 Rule 6.9 of the General Rules is deleted in its entirety and replaced with the following:

*"Subject to Rules 6.1 to 6.8 and the following provisions of this Rule 6.9, the Active Membership of a Member who is absent from Service shall be suspended during the period of such absence and such a Member shall not accrue any benefits under the Scheme during such period of absence nor shall he pay contributions. Periods of Active Membership either side of such suspension shall be aggregated for the purpose of calculating benefits. Such a Member shall, however, remain entitled to death benefits from the Scheme during the period of absence, calculated on the basis of his notional Pensionable Earnings or Pensionable Pay (as appropriate and as determined in either case by the Employer) which would have been paid had the Member not been so absent."*

- 6 Rule 8.1 of the General Rules is amended by replacing "Subject to Rules 8.2 and 8.4" with the words "Subject to Rules 8.2, 8.3 and 8.4".

- 7 Rules 8.1 and 8.2 of the CPS Benefit Structure are amended so that in each case, the cross-reference to Rule 7.1 of the CPS Benefit Structure is replaced with a cross-reference to Rule 7.2.

- 8 At the beginning of Rule 8.3 of the CPS 2 Benefit Structure the words "Subject to Rule 8.5," are inserted.

- 9 Rule 8.4 of the CPS 2 Benefit Structure is deleted in its entirety and replaced with the following:

*"The Trustee shall set out such procedures as it thinks fit for the operation of Rules*

*8.1, 8.2 and 8.3 and the giving of notices by Members. Members must provide such evidence as the Trustee requires that they are in good health before making any surrender or allocation under Rules 8.1, 8.2 or 8.3.*

- 10 Rule 3.3 of the GPS Benefit Structure is amended so that the cross-reference to Rule 9.2(a)(ii) of the GPS Benefit Structure is replaced with a cross-reference to Rule 9.3(a)(ii).
- 11 Rule 7.4 of the GPS Benefit Structure is amended so that the cross-reference to Rule 4, 9.2(a)(ii) or 9.2(a)(b) of the GPS Benefit Structure is replaced with a cross-reference to Rule 4, 9.3(a)(ii) or 9.3(b).
- 12 Rules 8.1 and 8.2 of the GPS Benefit Structure are deleted in their entirety and replaced with the following:

**"8 LUMP SUM DEATH BENEFITS**

- 8.1 *On the death in Service of an Active Member, a lump sum shall be payable equal to 2.5 times Pensionable Final Earnings at the date of death.*
- 8.2 *For the purposes of Rule 8.1, where in the 1,095 days of Pensionable Service immediately preceding the Member's death the Member was employed as a Part-time Employee:*
  - (a) *the Member's Pensionable Final Earnings shall be calculated by reference to the actual Pensionable Earnings in whichever period of 365 consecutive days during those 1,095 days produces the highest rate (and so that paragraph (i) of the definition of Pensionable Final Earnings shall not apply); and*
  - (b) *the period of 365 consecutive days referred to in (a) must end on the date of the death of the Member or on any date which is any multiple, not exceeding 8 multiples, of 91 days before the date of death of the Member.*

- 13 Rules 9.1 and 9.2 of the GPS Benefit Structure are deleted in their entirety and replaced with the following:

**"9 SPOUSE'S PENSION**

- 9.1 *On the death in Service on an Active Member who has completed at least two years of Pensionable Service, the Member's Spouse (or, where the Member was unmarried at the date of his death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive an immediate annual pension equal to one half of the pension the Member would have received had he retired due to ill health under Rule 4 immediately before the date of his death, save that the Member's pension shall be calculated by applying Rule 3.3.*
- 9.2 *This Rule is no longer used."*

- 14 Rule 10.1 of the GPS Benefit Structure is deleted in its entirety and replaced with the following:

**"10 CHILDREN'S PENSION**

10.1 *On the death in Service of an Active Member the Member's Children (up to a maximum of 2) shall each receive an annual pension calculated as the following proportion of the pension the Member would have received had he retired on account of Ill Health under Rule 4.1 immediately before the date of his death, save that the Member's Pensionable Service (after any enhancement under Rule 4.4, if any) shall not be less than 10 years:*

- (a) *25% for each Child in the care of the Member's Spouse or of an Adult Dependant who is in receipt of a pension under Rule 9.1; and*
- (b) *33% for each other Child."*

- 15 Rule 1.4 of the Additional Benefits (Defined Contribution) Rules Benefit Structure is deleted in its entirety and replaced with the following:

*"1.4 Where a Member dies, his AVC Account shall be applied on the Discretionary Trusts."*

- 16 Rule 1.7 of the Additional Benefits (Defined Contribution) Rules Benefit Structure is deleted in its entirety and replaced with the following:

*"1.7 The maximum lump sum which a Member may receive under Rule 1.2 shall be decided by the Trustee, with the agreement of the Lead Company (save in respect of GPS Members where such agreement shall not be required), but shall not exceed the maximum which can be paid as an Authorised Payment. Save in respect of GPS Members, only the Member's benefits under this Schedule and the Shift Pay Pension Plan Rules (where appropriate) shall be taken into account for the purpose of determining the maximum lump sum under this Rule 1.7.*

- 17 The definition of "Active Member" in Schedule 12, General Definitions is deleted and replaced with the following:

*"**"Active Member"** means an Employee who has been admitted to membership of the Scheme and has not ceased to be an Active Member under Rule 5.5 of the General Rules. **"Active Membership"** has a corresponding meaning, unless the context requires or the Rules specifically state otherwise."*

- 18 In the definition "Maximum Pension Lump Sum", references to "1yz" are replaced with references to "1½".

- 19 In the definition "Remuneration", the cross-reference in the second paragraph of (a)(ii) to "(b)" is replaced with a cross-reference to "(ii)".

- 20 In the definition "Ill-Health" the title of this definition is deleted and replaced with the following:


*"**"Ill-Health", "Ill-health" and "Ill Health"** means:"*

- 21 The reference in Rule 7.1 of the Nirex Benefit Structure to "Serious Ill-Health" is replaced with a reference to "serious ill-health".


THE COMMON SEAL of NUCLEAR  
DECOMMISSIONING AUTHORITY was  
affixed in the presence of:

2013-  
121

Director  
Signature  
Name

:   
: SEAN BALMER.

Director/Secretary  
Signature  
Name

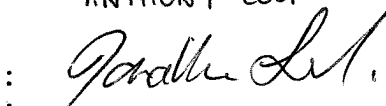
:   
: MARK L. LESINSKI

SIGNED as a deed, and delivered when  
dated, by COMBINED NUCLEAR  
PENSION PLAN TRUSTEES LIMITED  
acting by two directors or by a director  
and the secretary:

Director  
Signature  
Name

:   
: ANTHONY COOPER

Director/Secretary  
Signature  
Name

:   
: JONATHAN FORD



**APPENDIX**

**Actuary's Certificate**



Deloitte Total Reward  
and Benefits Limited  
(P.O. Box 500)  
2 Hardman Street  
Manchester M60 2AT

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Fax: +44 (0) 161 829 3900  
[www.deloitte.co.uk](http://www.deloitte.co.uk)

The Trustee of the Combined Nuclear Pension Plan  
c/o Steve Hayton  
Nuclear Decommissioning Authority  
Building 587  
Curie Avenue  
Harwell Science & innovation Campus  
Didcot  
OX11 0RH

19 September 2013

Dear Trustee

### **Adequacy of Benefits for Contracting Out**

This letter has been prepared in accordance with Section 37 of the Pension Schemes Act 1993. I confirm that I am appointed as Scheme Actuary to the Combined Nuclear Pension Plan under section 47 of the Pensions Act 1995.

Contracting out Regulation 42 requires me to confirm to the Trustee that the Combined Nuclear Pension Plan will continue to satisfy the statutory standard level of benefits for the Plan to remain contracted out. I hereby confirm that I have considered the modifications to be made under the Plan by the deed dated October 2013 to which this certificate is provided as an appendix, and I am satisfied that the Plan will continue to satisfy the statutory standard in accordance with Section 12A, Pensions Schemes Act 1993 if the modifications are made.

Yours faithfully

Mark McClintock  
Scheme Actuary

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Member of Deloitte Touche Tohmatsu Limited

DATED 17 APRIL 2014

NUCLEAR DECOMMISSIONING AUTHORITY (1)

and

COMBINED NUCLEAR PENSION PLAN TRUSTEES  
LIMITED (2)

---

**DEED OF AMENDMENT**  
relating to the  
**Combined Nuclear Pension Plan**

---

Squire Sanders (UK) LLP  
7 Devonshire Square  
London  
EC2M 4YH  
United Kingdom  
DX 136546 Bishopsgate 2

O +44 20 7655 1000  
F +44 20 7655 1001

Reference WJH/CT4/COM.338-1

DATE OF DEED OF AMENDMENT

17 APRIL

2014

## PARTIES

- (1) **NUCLEAR DECOMMISSIONING AUTHORITY** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**")
- (2) **COMBINED NUCLEAR PENSION PLAN TRUSTEES LIMITED** (registered number 05872585) whose registered office is at Herdus House, Ingwell Drive, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU (the "**Trustee**")

## INTRODUCTION

- A This deed is supplemental to the Scheme Documents by which the Scheme is constituted.
- B The Lead Company and the Trustee are respectively the principal employer and current trustee of the Scheme.
- C Clause 25 of the Trust Deed gives the Lead Company the power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed. Clauses 25.2 and 25.3 of the Trust Deed provide that any amendments or alterations to the provisions of the Nirex Benefit Structure and the GPS Benefit Structure (respectively) shall only be made with the consent of the Trustee.
- D The Lead Company wishes to amend the Rules with effect on and from the Effective Date in order to provide, in respect of all Members (other than for GMPs and for Nirex Members), surviving same sex spouses with benefits in respect of all service that are the same as those that would be provided to an opposite sex surviving spouse, and in respect of GMPs and for Nirex Members, the minimum rights to surviving same sex spouses as are required to comply with the relevant requirements of the Marriage (Same Sex Couples) Act 2013.
- E The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed and has obtained its consent to those changes where consent is required (as witnessed in either such case by the Trustee's execution of this Deed).
- F The Lead Company and the Trustee are satisfied that the amendments being made by this deed are not regulated modifications for the purposes of section 67 of the Pensions Act 1995.
- G The Lead Company and the Trustee are satisfied that the amendments being made to this deed do not require employees or member representatives to be consulted with for the purposes of section 259 of the Pensions Act 2004.
- H The Scheme Actuary has confirmed in writing to the Trustee that the amendments being made by this deed will not prevent the Scheme from continuing to satisfy the statutory standard in accordance with section 12A of the Pensions Schemes Act 1993. A copy of the Scheme Actuary's written confirmation is appended to this deed.

- I The Lead Company and the Trustee are satisfied that the amendments being made by this deed are not prohibited by section 37 of the Pensions Schemes Act 1993.

**THIS DEED WITNESSES THAT:**

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

**"Effective Date"** means 13 March 2014.

**"Rules"** means the rules scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Trust Deed"** means the definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

**"Trustee"** means the trustee of the Scheme.

- 1.2 Any other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

**2 AMENDMENT**

- 2.1 The Lead Company, in exercise of the powers conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the Rules in the manner set out in the Schedule to this deed, with effect on and from the Effective Date.
- 2.2 The Trustee **HEREBY CONFIRMS** that (as noted in Recital E) it has been consulted with and/or consents to the amendments being made to the Rules that are set out in the Schedule to this deed.

**IN WITNESS** of which the Lead Company and the Trustee have signed (and in the case of the Lead Company sealed) and, on the date which appears first on page 1, delivered this document as a deed.



## **SCHEDULE**

### **1 AMENDMENTS TO SCHEDULE 2 (CPS BENEFIT STRUCTURE)**

- 1.1 Rules 19.2 and 19.3 of the CPS Benefit Structure shall be deleted in their entirety and replaced with the following:

"19.2 Subject to the Contracting Out Rules and Rule 19.3, any pension payable to a Spouse under Rule 10 shall be payable for life provided that, if the Spouse remarries, enters into a civil partnership or cohabits with another person as if they were married or in a civil partnership, the Trustee shall suspend payment of the Spouse's pension but may reinstate such pension if the Spouse is then divorced, terminates the civil partnership or ceases to cohabit or if such relationship comes to an end by reason of death. The Trustee may agree departures from this Rule in any particular case.

19.3 For the purposes of Rule 19.2, references to cohabiting with another person as if married or in a civil partnership shall not apply in respect of a Member who, prior to joining the Scheme, had been a member of a pension scheme operated by the United Kingdom Atomic Energy Authority since before 31 May 1978."

### **2 AMENDMENTS TO SCHEDULE 3 (CPS 2 BENEFIT STRUCTURE)**

- 2.1 Rules 19.2 and 19.3 of the CPS 2 Benefit Structure shall be deleted in their entirety and replaced with the following:

"19.2 Subject to the Contracting Out Rules and Rule 19.3, any pension payable to a Spouse under Rule 10 shall be payable for life provided that, if the Spouse remarries, enters into a civil partnership or cohabits with another person as if they were married or in a civil partnership, the Trustee shall suspend payment of the Spouse's pension but may reinstate such pension if the Spouse is then divorced, terminates the civil partnership or ceases to cohabit or if such relationship comes to an end by reason of death. The Trustee may agree departures from this Rule in any particular case.

19.3 For the purposes of Rule 19.2, references to cohabiting with another person as if married or in a civil partnership shall not apply in respect of a Member who, prior to joining the Scheme, had been a member of a pension scheme operated by the United Kingdom Atomic Energy Authority since before 31 May 1978."

### **3 AMENDMENTS TO SCHEDULE 8 (NIREX BENEFIT STRUCTURE)**

- 3.1 Rule 12 of the Nirex Benefit Structure shall be deleted in its entirety and replaced with the following:

#### **"12 SAME SEX SPOUSES AND CIVIL PARTNERS**

- 12.1 Following the death of a Member on or after 5 December 2005, if the Member does not leave an opposite sex spouse who is entitled to benefits under the Scheme, but instead leaves either a Same Sex Spouse or a Civil Partner:

- (a) any benefits under the Scheme that would have been payable to an opposite sex spouse of the Member in respect of any rights to:
  - (i) GMP, having transferred such rights into the Scheme; and/or
  - (ii) a reference scheme pension for the purposes of the 1993 Act, having transferred such rights into the Scheme; and
- (b) any benefits under the Scheme that would have been payable to an opposite sex spouse, in addition to those under (a) above, in respect of the Member's Pensionable Service on and from 5 December 2005 (and/or in respect of rights transferred into the Scheme relating to benefits accrued on and from this date),

shall be payable to the Member's Same Sex Spouse or Civil Partner as if he or she were the Member's opposite sex spouse for the purposes of the Trust Deed and the Rules."

#### **4 AMENDMENTS TO SCHEDULE 11 (CONTRACTING OUT RULES)**

- 4.1 Paragraph 5 of Part I (Application of Schedule) of the Contracting Out Rules shall be deleted in its entirety and replaced with the following:

"5 Notwithstanding anything to the contrary in these Rules, on the death of a Member the surviving Same Sex Spouse or Civil Partner of that Member shall be entitled to receive a pension from the Scheme in accordance with the relevant requirements of the 1993 Act."

- 4.2 Paragraph 17 of Part II (Pre-April 1997 Contracted-out Rights) of the Contracting Out Rules shall be deleted in its entirety and replaced with the following:

##### **"17 SAME SEX SPOUSES AND CIVIL PARTNERS**

For the avoidance of doubt, where a Member who has married a Same Sex Spouse or formed a civil partnership dies, the surviving Same Sex Spouse or Civil Partner shall be entitled to receive a GMP from the Scheme in accordance with the relevant requirements of the 1993 Act."

#### **5 AMENDMENTS TO SCHEDULE 12 (DEFINITIONS)**

- 5.1 The definition of "Beneficiaries" found in Schedule 12 to the Trust Deed and Rules shall be amended by the insertion of the end of the following:

"For the purposes of (a), (b) and (c) of this definition "spouse" and "Spouse" includes a Same Sex Spouse and a Civil Partner."

- 5.2 A new definition of "Same Sex Spouse" shall be inserted into Schedule 12 of the Trust Deed and Rules as follows:

""**Same Sex Spouse**" means a person who has entered into a marriage with another person of the same sex in accordance with the Marriage (Same Sex Couples) Act 2013."

- 5.3 The definition of "Spouse" found in Schedule 12 to the Trust Deed and Rules shall be deleted in its entirety and replaced with the following:

**""Spouse" means:**

- (a) in relation to a Nirex Member, the person to whom the Member was married at the date of his death excluding a Same Sex Spouse; and
- (b) in respect of all other Members, the person to whom the Member was married (including a Same Sex Spouse) or his Civil Partner in each case at the date of his death (as appropriate)."

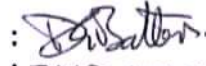


**THE COMMON SEAL of NUCLEAR  
DECOMMISSIONING AUTHORITY** was  
affixed in the presence of:

**Director**

Signature


Name

:   
: DAVID GORDON BATTERS.

**Director/Secretary**

Signature

Name

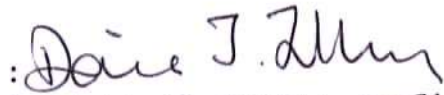
:   
: PETER LUTWEG

**SIGNED** as a deed, and delivered when  
dated, by **COMBINED NUCLEAR  
PENSION PLAN TRUSTEES LIMITED**  
acting by two directors or by a director  
and the secretary:

**Director**

Signature


Name

:   
: DAVID J. ILLINGWORTH

**Director/Secretary**

Signature

Name

:   
: JONATHAN FORD

**APPENDIX**  
**Actuary's Certificate**

The Trustee of the Combined Nuclear Pension Plan  
c/o Steve Hayton  
Nuclear Decommissioning Authority  
Building 587  
Curie Avenue  
Harwell Science & innovation Campus  
Didcot  
OX11 0RH

28 March 2014

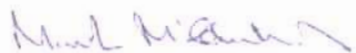
Dear Trustee

## Adequacy of Benefits for Contracting Out

This letter has been prepared in accordance with Section 37 of the Pension Schemes Act 1993. I confirm that I am appointed as Scheme Actuary to the Combined Nuclear Pension Plan under section 47 of the Pensions Act 1995.

Contracting out Regulation 42 requires me to confirm to the Trustee that the Combined Nuclear Pension Plan will continue to satisfy the statutory standard level of benefits for the Plan to remain contracted out. I hereby confirm that I have considered the modifications to be made under the Plan by the deed dated April 2014 to which this certificate is provided as an appendix, and I am satisfied that the Plan will continue to satisfy the statutory standard in accordance with Section 12A, Pensions Schemes Act 1993 if the modifications are made.

Yours faithfully



Mark McClintock  
Scheme Actuary



EVERSHEDS

Dated

1<sup>st</sup> October

2015

**(1) Nuclear Decommissioning Authority**

**(2) Combined Nuclear Pension Plan Trustees Limited**

---

Deed of Amendment  
relating to the

COMBINED NUCLEAR PENSION PLAN

---

**PARTIES**

- (1) **Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**"); and
- (2) **Combined Nuclear Pension Plan Trustees Limited** (registered number 05872585) whose registered office is at Herdus House, Ingwell Drive, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU (the "**Trustee**").

**INTRODUCTION**

- (A) This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- (B) The Lead Company and the Trustee are respectively the principal employer and current trustee of the Scheme.
- (C) Clause 25 of the Trust Deed gives the Lead Company power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed. Clause 25.3 of the Trust Deed further provides that any amendments or alterations to the provisions of the GPS Benefit Structure shall only be made with the consent of the Trustee.
- (D) The Lead Company wishes to amend the Rules to:-
  - (i) allow all GPS Members to elect to take a pension commencement lump sum up to the maximum permitted by the Finance Act 2004;
  - (ii) allow Members, subject to the consent of the Lead Company, to take an uncrystallised funds pension lump sum in respect of benefits under the New Joiners Benefit Structure, the Additional Benefits (Defined Contribution) Rules and/or the Shift Pay Pension Plan Rules; and
  - (iii) reflect the change in legislation regarding the payment of short service refund lump sums; and
  - (iv) allow Members to transfer their AVC Accounts and Shift Pay Pension Plan Accounts to another Registered Pension Scheme or to an insurance company without having to also transfer other benefits accrued under the Scheme.
- (E) The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed and the Trustee has executed this deed to show that it

consents to the changes to the provisions of the GPS Benefit Structure and all other to which the Trustee's consent is required.

- (F) The Lead Company and, where appropriate, the Trustee have received legal advice confirming that the changes set out in this deed are not "regulated modifications" as defined in section 67 of the Pensions Act 1995.
- (G) A certificate of confirmation under Regulation 42 (alteration of rules of contracted-out schemes) of The Occupational Pension Schemes (Contracting-out) Regulations 1996 is not required.

**THIS DEED WITNESS THAT:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

**"Effective Date"** means the date of this deed.

**"Rules"** means the rules scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Trust Deed"** means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2. AMENDMENTS

With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the Rules in the manner set out below:

### **GPS Benefit Structure – pension commencement lump sum**

- 2.1 Rule 7 of Schedule 3 (GPS Benefit Structure) is amended by inserting the following new Rule 7.5:

*"7.5 A Member who is entitled to a pension under this Schedule may, before his benefits come into payment, exchange part of his pension for an additional lump sum equal to the maximum which can be paid as an Authorised Payment calculated as set out in this Rule 7.5. For the purposes of determining that maximum under this Rule 7.5 only the Member's benefit under this Schedule shall be taken into account. The amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee. The exchange may not be withdrawn once the Member's benefits have come into payment."*

- 2.2 Rule 3.5.1 of Appendix 1 to Schedule 3 (GPS Benefit Structure) is deleted and replaced by the following:

*"3.5.1 A Member entitled to a pension under paragraph 3.1 or 3.4 above, may, subject to the Scheme Limits Rules and the advice of the Actuary, elect to commute such pension into a lump sum provided that such lump sum, together with any lump sum payable under paragraphs 3.1 or 3.4 and any compensation payable by the Employer under any applicable compensation scheme may not exceed an amount equal to two years' Pensionable Final Earnings. Furthermore, the amount of pension commuted shall not exceed an amount equal to the maximum amount of lump sum allowable to be a 'pension commencement lump sum' under Part 4 of the Finance Act 2004.*

*If, after such commutation, the pension payable under paragraph 3.1 or 3.4 above is less than the amount specified in Rule 13.2, the whole of the pension payable under paragraphs 3.1 and 3.4 must be commuted.*

*The amount of the lump sum obtained by commutation under this paragraph 3.5 shall be such amount as the Trustee, having obtained the advice of the Actuary, shall decide."*



### **New Joiners Benefit Structure – short service refund lump sum**

2.3 Rule 6 of Schedule 4 (New Joiners Benefit Structure) is amended by:

2.3.1 deleting the reference to "two years" in Rule 6.2 and replacing it with the words "*the Statutory Period*"; and

2.3.2 deleting the first sentence in Rule 6.5 and replacing it with the following:

*"A Member who has completed less than the Statutory Period of Qualifying Service and in respect of whom no transfer payment has been received from a personal pension scheme may opt for the payment of a transfer value under Rule 9 of the General Rules unless the Member has given notice to opt-out of Active Membership in circumstances where, by virtue of legislation, the Member is treated for all purposes as not having become a Member of the Scheme on that occasion."*

### **New Joiners Benefit Structure – uncrystallised funds pension lump sum**

2.4 Rule 7 of Schedule 4 (New Joiners Benefit Structure) is amended by inserting at the beginning of Rule 7.1 the words "*Subject to Rule 7.4,*" and including the following new Rule 7.4:

*"7.4 A Member may elect to receive an 'uncrystallised funds pension lump sum' within the meaning of and subject to the conditions in paragraph 4A of Schedule 29 to the Finance Act 2004 only with the consent of the Lead Company. The terms on which any such lump sum may be paid shall be determined by the Lead Company from time to time after consultation with the Trustee."*

2.5 Rule 12 of Schedule 4 (New Joiners Benefit Structure) is amended by including a new Rule 12.4:

*"12.4 Nothing in this Rule 12 shall prejudice the Member's ability, subject to the consent of the Lead Company, to receive an 'uncrystallised funds pension lump sum' in accordance with the provisions of Rule 7.4."*

### **Additional Benefits (Defined Contribution) Rules - uncrystallised funds pension lump sum**

2.6 Rule 1.7 of Schedule 6 (Additional Benefits (Defined Contribution) Rules) is amended by deleting the existing Rule 1.7 and replacing it with the following:



- "1.7 (a) Subject to Rule 1.7(b), the maximum lump sum which a Member may receive under Rule 1.2 shall be decided by the Trustee, with the agreement of the Lead Company (save in respect of GPS Members where such agreement shall not be required), but shall not exceed the maximum that can be paid as an Authorised Payment. For the purposes of determining that maximum under this Rule 1.7:
- (i) in respect of GPS Members, the entirety of the Member's benefits under all Schedules shall be taken into account; and
  - (ii) in respect of all other Members, only the Member's benefits under this Schedule and the Shift Pay Pension Plan Rules (where appropriate) shall be taken into account.
- (b) A Member may elect to receive an 'uncrystallised funds pension lump sum' within the meaning of and subject to the conditions in paragraph 4A of Schedule 29 to the Finance Act 2004 in respect of his AVC Account only with the consent of the Lead Company. The terms on which any such lump sum may be paid shall be determined by the Lead Company from time to time after consultation with the Trustee."

#### **Additional Benefits (Defined Contribution) Rules – transfer**

- 2.7 Rule 1.8 of Schedule 6 (Additional Benefits (Defined Contribution) Rules) is amended by deleting the existing Rule 1.8 and replacing it with the following:

"1.8 Without prejudice to and separate from the provisions of General Rule 9:

- (a) A GPS Member may, by giving notice in writing with the requisite details to the Lead Company at any time, require the Lead Company to transfer or cause to be transferred the whole, but not part, of his AVC Account to another Registered Pension Scheme or to an insurance company by a transfer that is treated as a recognised transfer within the terms of section 169 of the Finance Act even if his other benefits under the Scheme are not being transferred, or are being transferred to a different Registered Pension Scheme or insurance company. Once such a transfer has occurred, the Lead Company shall be discharged from any obligation to provide benefits to or in respect of which the transfer related to the Member under the Scheme.
- (b) Subject at all times to the Member's right to a cash equivalent transfer value under section 94 of the 1993 Act, a Member who is not a GPS Member may at the time he draws his pension under any Main Benefit Structure, by giving notice in writing with the requisite

*details to the Lead Company, require the Lead Company to transfer or cause to be transferred the whole, but not part, of his AVC Account and (where applicable) his Shift Pay Pension Plan Account to another Registered Pension Scheme or to an insurance company by a transfer that is treated as a recognised transfer within the terms of section 169 of the Finance Act even if his other benefits under the Scheme are not being transferred, or are being transferred to a different Registered Pension Scheme or insurance company. Once such a transfer has occurred, the Lead Company shall be discharged from any obligation to provide benefits to or in respect of which the transfer related to the Member under the Scheme."*

#### **Shift Pay Pension Plan Rules - uncrystallised funds pension lump sum**

- 2.8 Rule 1.13 of Schedule 7 (Shift Pay Pension Plan Rules) is amended by deleting the existing Rule 1.13 and replacing it with the following:

*"1.13 (a) Subject to Rule 1.13(b), the maximum lump sum which a Member may receive under Rule 1.7 shall be decided by the Trustee, with the agreement of the Lead Company, but shall not exceed the maximum that can be paid as an Authorised Payment. For the purpose of determining that maximum under this Rule 1.13, only the Member's benefits under this Schedule and the Additional Benefits (Defined Contribution) Rules (where appropriate) shall be taken into account.*

*(b) A Member may elect to receive an 'uncrystallised funds pension lump sum' within the meaning of and subject to the conditions in paragraph 4A of Schedule 29 to the Finance Act 2004 in respect of his Shift Pay Pension Plan Account only with the consent of the Lead Company. The terms on which any such lump sum may be paid shall be determined by the Lead Company from time to time after consultation with the Trustee."*

#### **Shift Pay Pension Plan Rules - transfer**

- 2.9 Schedule 7 (Shift Pay Pension Plan Rules) is amended by inserting the following new Rule 1.15:

*"1.15 Without prejudice to and separate from the provisions of General Rule 9 and subject at all times to the Member's right to a cash equivalent transfer value under section 94 of the 1993 Act, a Member may at the time he draws his pension under any Main Benefit Structure, by giving notice in writing with the requisite details to the Lead Company, require the Lead Company to transfer or cause to be transferred the whole, but not part, of*

*his Shift Pay Pension Plan Account and (where applicable) his AVC Account to another Registered Pension Scheme or to an insurance company by a transfer that is treated as a recognised transfer within the terms of section 169 of the Finance Act even if his other benefits under the Scheme are not being transferred, or are being transferred to a different Registered Pension Scheme or insurance company. Once such a transfer has occurred, the Lead Company shall be discharged from any obligation to provide benefits to or in respect of which the transfer related to the Member under the Scheme."*

## **General Rules**

- 2.10 Rule 9 of the General Rules is amended by inserting the following new Rule 9.4:

*"9.4 Where a Member has a right to a transfer under Rule 1.8 of the Additional Benefits (Defined Contribution) Rules and/or Rule 1.15 of the Shift Pay Pension Plan Rules, the Member may exercise such right separate from and without prejudice to the terms of this Rule 9."*

## **Definitions**

- 2.11 Schedule 12 (Definitions) is amended by inserting the following new definition:

*""**Statutory Period**" means the period prescribed by section 71(1) of the 1993 Act."*

3. The Trustee **HEREBY CONFIRMS** that it has been consulted with and, in respect of changes to the GPS Benefit Structure and others to which the Trustee's consent is required, agrees to the amendments being made to the Rules set out in this deed.

**IN WITNESS** of which the Lead Company and the Trustee have signed (and in the case of the Lead Company sealed) and, on the date which appears first on page 1, delivered this document as a deed.

**THE COMMON SEAL** of  
**NUCLEAR DECOMMISSIONING AUTHORITY**  
was affixed in the presence of:

**Director**  
Signature:  
Name:

  
P. LINTMEYER

**Director/Secretary**

Signature:  
Name:

  
ROBERT HAWKINS



**SIGNED** as a deed, and delivered when dated  
by **COMBINED NUCLEAR PENSION PLAN  
TRUSTEES LIMITED** acting by two directors  
or by a director and the secretary:

**Director**

Signature:

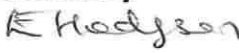
Name:

  
ANDREW ORDHAM

**Director/Secretary**

Signature:

Name:

  
ELIZABETH HODGSON

---

Dated:

29<sup>th</sup> March

2016

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**Nuclear Decommissioning Authority**

---

**Deed of amendment relating to the  
Combined Nuclear Pension Plan**

---

DATE OF DEED OF AMENDMENT

29<sup>th</sup> March

2016

BY

**Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**").

#### INTRODUCTION

- (A) This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- (B) The Lead Company is the principal employer of the Scheme and Combined Nuclear Pension Plan Trustees Limited (registered number 05872585) (the "**Trustee**") is the current trustee of the Scheme.
- (C) Clause 25 of the Trust Deed gives the Lead Company power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed.
- (D) The Lead Company wishes to amend the Trust Deed to implement changes to the composition of the Trustee Board and the appointment and removal of trustee directors with effect on and from 31 March 2016.
- (E) The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed.

#### THIS DEED WITNESS THAT:

##### 1. DEFINITIONS AND INTERPRETATION

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

"**Effective Date**" means 31 March 2016.

"**Rules**" means the rules scheduled to the Trust Deed.

"**Scheme**" means the Combined Nuclear Pension Plan.

"**Scheme Documents**" means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

"**Trust Deed**" means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2. AMENDMENTS

With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the Trust Deed by:

2.1 deleting Clause 17 and replacing it with the following:

**"17. TRUSTEE DIRECTORS: APPOINTMENT AND REMOVAL, CONDUCT OF MEETINGS ETC.**

17.1 *The appointment, removal and resignation of a director of the Trustee shall be dealt with in the manner set out in the articles of association of the Trustee. The articles of association shall comply with this Clause.*

17.2 *There shall be nine directors of the Trustee.*

17.3 *Three of the directors shall be appointed pursuant to a process which is in accordance with sections 242 and 243 of the 2004 Act and in which Members of the Scheme have been able to participate ("member directors") provided that:*

*(a) at least one member director shall be a New Joiner; and*

*(b) at least one member director shall not be a New Joiner.*

*If it is not possible to comply with (a) and/or (b) because no such individual(s) are nominated by Members of the Scheme in the process which is carried out to appoint member directors, the relevant vacancy may in those circumstances be filled by any Member who is appointed pursuant to such process provided that it is in accordance with sections 242 and 243 of the 2004 Act.*

*Subject to clause 17.4 below, Member directors shall be appointed for the period specified in the nomination process, which shall not exceed 5 years. No member director of the Trustee who is in office whether on or after 31 March 2016 shall be eligible to remain in office for any longer than the period specified in the nomination process pursuant to which he or she was selected as a member director, whether before, on or after 31 March 2016.*

*Subject to clause 17.4 below, a Member director who was appointed prior to 1 April 2015 and who is in office on 31 March 2016 shall be entitled to remain in office until the end of the period specified in the nomination process which was in place prior to 1 April 2015 and pursuant to which he or she was selected as a member director notwithstanding that he or she will exceed the five-year limit set out in clause 17.4 below.*

*Three of the directors shall be nominated by the Lead Company ("employer directors"). Employer directors may be removed from office by the Lead Company.*

*The Trustee shall appoint three independent trustee directors which are from time to time selected by the Lead Company in accordance with such procedure as the Lead Company shall determine (such procedure to include meaningful involvement of the Trustee with a view to selecting directors mutually acceptable to both the Trustee and the Lead Company) ("independent directors"). If the independent director is a corporate entity, such procedure shall also include the selection of a "nominated individual" in respect of the independent director. Any or all independent directors shall be removed from office by the Trustee at the direction of the Lead Company. The costs, charges and expenses associated with the independent directors shall be met by the Trustee out of the Fund in accordance with the provisions of Clause 23 (expenses).*

*Any director may resign from office with immediate effect on giving notice to the Lead Company.*

17.4 *Unless the Lead Company in its absolute discretion determines otherwise:*



- (a) *no member director or employer director may be appointed, reappointed or remain in office for a period which exceeds a total of five years in aggregate; and*
- (b) *no nominated individual of an independent director may be the representative of that independent director for a period which exceeds a total of five years in aggregate.*

*When determining the length of a director's or nominated individual's period of office for these purposes any period which the director or nominated individual has already served at any time (so including any period prior to 1 April 2016) and in any capacity shall be included.*

17.5 *Once a member director or employer director ceases to be in office (whether due to his or her removal, resignation or the expiry of his term of office), or in the case of a nominated individual of an independent trustee once he or she ceases to be such a nominated individual (whether due to the expiry of the five-year period referred to in Clause 17.4 or otherwise), such individual shall only be eligible to be a director of the Trustee or the nominated individual of an independent trustee again after five years from the date on which he or she last held office as a director of the Trustee or was a nominated individual of the relevant independent trustee. In such circumstances any period which the director or nominated individual served prior to the date of the appointment or the date on which the period as the nominated individual commenced shall be disregarded for the purposes of Clause 17.4.*

17.6 *The directors may act notwithstanding a vacancy in their number.*

17.7 *The Lead Company shall appoint and may remove the chairman of the Trustee from among the directors. He shall have a casting vote.*

17.8 *The quorum for a meeting of the directors of the Trustee shall be 6 directors of which 2 directors shall be member directors, 2 shall be employer directors and 2 shall be independent directors. For this purpose attendance can be in person or as set out in the articles of association of the Trustee.*

17.9 *Decisions of the Trustee may be made at quorate meetings or by a written resolution signed by all of the Trustee directors. The directors of the Trustee shall meet at such times as they consider appropriate and, except as set out in this Clause or the articles of association of the Trustee, the directors may regulate their proceedings as they see fit.*

17.10 *With effect on and from 1 April 2016 for a period of 12 months or until the earlier date on which a member director leaves office, (the "transitional period") the provisions of Clauses 17.2 to 17.9 will apply but varied as follows:*

- (a) *there shall be nine directors, four being the member nominated directors of the Trustee who were in office on 31 March 2016 having been appointed prior to 1 April 2015, two being employer directors and three being independent directors;*
- (b) *the quorum for a meeting of the directors of the Trustee shall be six directors of which two directors shall be member directors, two shall be employer directors and two shall be independent directors provided that in respect of any meeting the chairman may set a lower quorum for all or any of those categories of directors if he, in his absolute discretion, determines it is necessary, expedient or desirable to do so;*
- (c) *each independent director shall have one vote, the votes of the employer directors shall count as for 1.5 votes and the votes of the member nominated directors shall count as for 0.75 votes (which in each case shall be proportionately adjusted in the event a meeting of the Trustee is not fully attended) and the chairman shall have an additional single casting vote.*

*If a member nominated director leaves office at any time and for whatever reason on or after 1 April 2016 but before 31 March 2017, the transitional period shall terminate, Clauses 17.2 to 17.9 (unmodified by this Clause 17.10) shall apply and the Trustee and*



*Lead Company shall then take such action as is necessary to give effect to those provisions as soon as reasonably practicable."*

- 2.2 deleting Clause 23.1 and replacing it with the following:

*"Subject to the following provisions of this Clause 23, all costs charges and expenses of or incidental to the establishment administration and management of the Scheme (including without prejudice to the generality of the foregoing payment of the Levy, payment of expenses reasonably incurred by any director of the Trustee in the performance of his duties in that capacity and payment of any remuneration of any director of the Trustee for the performance of his duties in that capacity as may be agreed between him and the Lead Company) shall be met by the Trustee out of the part of the Fund relating to the relevant Section."*

3. The Lead Company **HEREBY CONFIRMS** that it has consulted with the Trustee in respect of the amendments being made to the Trust Deed set out in this deed.

4. **SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company, and any references in this deed to the Lead Company will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.

5. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).


6. **RIGHTS OF THIRD PARTIES**


The Lead Company does not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

**IN WITNESS** of which the Lead Company has signed and sealed and, on the date which appears first on page 1, delivered this document as a deed.

**THE COMMON SEAL of  
NUCLEAR DECOMMISSIONING AUTHORITY**  
was affixed in the presence of:

**Director**  
Signature:  
Name:

  
ROB HIGGINS

  
K. KINTREA

**Director/Secretary**  
Signature:  
Name:





DATED 16<sup>th</sup> August

2016

**NUCLEAR DECOMMISSIONING AUTHORITY**

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**DEED OF AMENDMENT**  
relating to the  
**Combined Nuclear Pension Plan**

---

Squire Patton Boggs (UK) LLP  
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London  
EC2M 4YH  
United Kingdom  
DX 136546 Bishopsgate 2

O +44 20 7655 1000  
F +44 20 7655 1001

Reference SW15/COM.338-1

DATE OF DEED OF AMENDMENT 16th August

2016

BY

**NUCLEAR DECOMMISSIONING AUTHORITY** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**")

## INTRODUCTION

- A This deed is supplemental to the Scheme Documents by which the Scheme is constituted.
- B The Lead Company is the principal employer of the Scheme and Combined Nuclear Pension Plan Trustees Limited (registered number 05872585) (the "**Trustee**") is the current trustee of the Scheme.
- C Clause 7.1 of the Trust Deed requires the Scheme to be divided into segregated Sections so that assets and liabilities in one Section are accounted for separately to the assets and liabilities in other Sections. Clause 7.3 provides that the Lead Company may create additional Sections of the Scheme.
- D On 1 April 2012 the GPS Pension Scheme and the Scheme merged, and 6 new Sections of the Scheme were created. Clause 3 of the Merger Deed provided for the creation, by the Lead Company, of new segregated sections of the Scheme, including the GPS WEC/UAM Section, pursuant to Clause 6 of the trust deed that then governed the Scheme. The names of each Section so created were set out in Appendix 3 of the Merger Deed.
- E Clause 25.1 of the Trust Deed gives the Lead Company the power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in Clauses 25.2 to 25.5 of the Trust Deed. The Lead Company confirms that none of those conditions apply to the amendments being made by this deed.
- F The Lead Company wishes to use its power of amendment under Clause 25 of the Trust Deed to change the name of the GPS WEC/UAM Section with effect from the Effective Date.
- G In accordance with Clause 25, the Lead Company has consulted with the Trustee in respect of the changes to be made by this deed.

## THIS DEED WITNESSES THAT:

### 1 DEFINITIONS AND INTERPRETATION

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

**"Effective Date"** means the date of this deed.

**"Merger Deed"** means the deed relating to the merger of the GPS Pension Scheme and the Scheme dated 28 March 2012.

**"Rules"** means the rules, as amended, scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Trust Deed"** means the definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 Any other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## **2 AMENDMENT**

- 2.1 The Lead Company, in exercise of the powers conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the name of the GPS WEC/UAM Section of the Scheme such that it will be called the GPS WEC Section, with effect on and from the Effective Date.
- 2.2 The Lead Company **HEREBY CONFIRMS** that (as noted in Recital G) it has consulted with the Trustee in respect of the amendments set out in this deed.

## **3 SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company, and any references in this deed to the Lead Company will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.


## **4 GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).


IN WITNESS of which the Lead Company has signed, sealed and, on the date which appears first on page 1, delivered this document as a deed.

THE COMMON SEAL of NUCLEAR  
DECOMMISSIONING AUTHORITY was  
affixed in the presence of:

Director  
Signature  
Name

:   
: P. LUTWYCH

Director/Secretary  
Signature  
Name

:   
: K. KINTREA



---

Dated: 8<sup>th</sup> September 2017

**Nuclear Decommissioning Authority**

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**Deed of amendment relating to the  
Combined Nuclear Pension Plan**

---

DATE OF DEED OF AMENDMENT

8<sup>th</sup> September

2017

BY

**Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "Lead Company").

## INTRODUCTION

- (A) This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- (B) The Lead Company is the principal employer of the Scheme and Combined Nuclear Pension Plan Trustees Limited (registered number 05872585) (the "Trustee") is the current trustee of the Scheme.
- (C) Clause 25 of the Trust Deed gives the Lead Company power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed.
- (D) The Lead Company wishes to amend the Trust Deed to implement changes to the terms which apply to the appointment and removal of trustee directors with effect on and from 1 October 2017.
- (E) The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed.

## THIS DEED WITNESS THAT:

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

"Effective Date" means 1 October 2017.

"Rules" means the rules scheduled to the Trust Deed.

"Scheme" means the Combined Nuclear Pension Plan.

"Scheme Documents" means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

"Trust Deed" means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.



## 2. AMENDMENTS

With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the Trust Deed by:

2.1 deleting clause 17.3 and replacing it with the following:

*"17.3 Three of the directors shall be appointed pursuant to a process which is in accordance with sections 242 and 243 of the 2004 Act and in which Members of the Scheme have been able to participate ("**member directors**") provided that:*

- (a) at least one member director shall be a New Joiner; and*
- (b) at least one member director shall not be a New Joiner.*

*If it is not possible to comply with (a) and/or (b) because no such individual(s) are nominated by Members of the Scheme in the process which is carried out to appoint member directors, the relevant vacancy may in those circumstances be filled by any Member who is appointed pursuant to such process provided that it is in accordance with sections 242 and 243 of the 2004 Act.*

*Unless the Lead Company in its absolute discretion determines otherwise and subject to clause 17.4 below, Member directors shall be appointed for the period specified in the nomination process, which in respect of any appointment or re-appointment (as applicable) on or after 1 October 2017 shall not exceed 3 years. No member director of the Trustee who is in office whether on or after 30 September 2017 shall be eligible to remain in office for any longer than the period specified in the nomination process pursuant to which he or she was selected as a member director, whether before, on or after 30 September 2017.*

*Subject to clause 17.4 below, a Member director who is in office on 30 September 2017 shall be entitled to remain in office until the end of the period specified in the nomination process pursuant to which he or she was selected as a member director provided that he or she will not exceed the six-year limit set out in clause 17.4 below.*

*Three of the directors shall be nominated by the Lead Company ("**employer directors**"). Employer directors shall be appointed for such period as is determined by the Lead Company which in respect of any appointment or re-appointment (as applicable) on or after 1 October 2017 shall not exceed 3 years. An employer director may be removed from office by the Lead Company.*

*The Trustee shall appoint three independent trustee directors which are from time to time selected by the Lead Company in accordance with such procedure as the Lead Company shall determine (such procedure to include meaningful involvement of the Trustee with a view to selecting directors mutually acceptable to both the Trustee and the Lead Company) ("**independent directors**"). If the independent director is a corporate entity, such procedure shall also include the selection of a "nominated individual" in respect of the independent director. Any or all independent directors shall be appointed for such period as is determined by the Lead Company which in respect of any appointment or re-appointment (as applicable) on or after 1 October 2017 shall not exceed 3 years. An independent director shall be removed from office by the Trustee at the direction of the Lead Company. The costs, charges and expenses associated with the independent directors shall be met by the Trustee out of the Fund in accordance with the provisions of Clause 23 (expenses).*

*Any director may resign from office with immediate effect on giving notice to the Lead Company."*

- 2.2 deleting clause 17.4 and replacing it with the following:

*"17.4 Unless the Lead Company in its absolute discretion determines otherwise:*

- (a) no member director or employer director may be appointed, reappointed or remain in office for a period which exceeds a total of six years in aggregate; and*
- (b) no nominated individual of an independent director may be the representative of that independent director for a period which exceeds a total of six years in aggregate.*

*When determining the length of a director's or nominated individual's period of office for these purposes each of the following shall be included:*

- (i) any period which the director or nominated individual has already served as a director or nominated individual at any time (so including any period prior to 1 October 2017) and in any capacity; and*
- (ii) any period which the director has previously served at any time as a trustee or as a director of a corporate trustee in respect of a pension scheme that has merged with the Scheme."; and*

- 2.3 deleting clause 17.5 and replacing it with the following:

*"17.5 Once a member director or employer director ceases to be in office (whether due to his or her removal, resignation or the expiry of his term of office), or in the case of a nominated individual of an independent trustee once he or she ceases to be such a nominated individual (whether due to the expiry of the six-year period referred to in Clause 17.4 or otherwise), such individual shall only be eligible to be a director of the Trustee or the nominated individual of an independent trustee again after three years from the date on which he or she last held office as a director of the Trustee or was a nominated individual of the relevant independent trustee. In such circumstances any period which the director or nominated individual served prior to the date of the appointment or the date on which the period as the nominated individual commenced shall be disregarded for the purposes of Clause 17.4."*

### 3. **CONSULTATION WITH THE TRUSTEE**

The Lead Company **HEREBY CONFIRMS** that it has consulted with the Trustee in respect of the amendments being made to the Trust Deed set out in this deed.

### 4. **SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company, and any references in this deed to the Lead Company will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.

### 5. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

### 6. **RIGHTS OF THIRD PARTIES**

The Lead Company does not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

**IN WITNESS** of which the Lead Company has signed and sealed and, on the date which appears first on page 1, delivered this document as a deed.

**THE COMMON SEAL** of  
**NUCLEAR DECOMMISSIONING AUTHORITY**  
was affixed in the presence of:

**Director**  
Signature:  
Name:

*D. H. Thompson*  
D. H. Thompson

**Director/Secretary**  
Signature:  
Name:

*Kenn Kint*  
K A. KINTREA



DATED

21 December

2018

**NUCLEAR DECOMMISSIONING AUTHORITY** (1)

and

**COMBINED NUCLEAR PENSION PLAN  
TRUSTEES LIMITED** (2)

---

**DEED OF AMENDMENT**

in relation to the Combined Nuclear Pension Plan

---

Squire Patton Boggs (UK) LLP  
7 Devonshire Square  
London  
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United Kingdom  
DX 136546 Bishopsgate 2

O +44 20 7655 1000  
F +44 20 7655 1001  
Reference WJH/GS13/COM.338-1

014-4235-3906/7/EUROPE



## BY

- (1) **NUCLEAR DECOMMISSIONING AUTHORITY** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**")
- (2) **COMBINED NUCLEAR PENSION PLAN TRUSTEES LIMITED** (registered number 05872585) whose registered office is at Herdus House, Ingwell Drive, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU (the "**Trustee**")

## INTRODUCTION

- A This deed is supplemental to the Scheme Documents by which the Scheme is constituted.
- B The Lead Company and the Trustee are respectively the principal employer and current trustee of the Scheme.
- C Clause 25 of the Trust Deed gives the Lead Company the power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed. Clauses 25.2 and 25.3 of the Trust Deed provide that any amendments or alterations to provisions of the Trust Deed granting a power, discretion or right to a Nirex Member or GPS Member or to the Trustee in respect of such Members or persons claiming through them shall only be made with the consent of the Trustee.
- D The Lead Company wishes to use its power of amendment under Clause 25 of the Trust Deed with effect on and from the Effective Date to amend the provisions of the Scheme:
- (i) in relation to the payment of expenses where the Scheme is ongoing and is not being wound up, to clarify that the Lead Employer will only be responsible for Scheme expenses in its capacity as an Employer of the relevant Section;
  - (ii) in relation to the winding up of the Scheme or a Section, to confirm how expenses are to be treated and to clarify who is responsible for providing the funding to meet those liabilities;
  - (iii) to confirm that the powers and provisions under the Trust Deed and Rules (including the amendment power) will continue to be exercisable after a full or partial Scheme wind up has been triggered; and
  - (iv) to record that the Lead Company is the Employer in relation to the Closed Section.
- E The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed and has obtained its consent to those changes where consent is required (as witnessed in either such case by the Trustee's execution of this deed).
- F The Lead Company and the Trustee are satisfied that the amendments being made by this deed are not regulated modifications for the purposes of section 67 of the Pensions Act 1995.

- G The Lead Company and the Trustee are satisfied that the amendments being made to this deed do not require employees or member representatives to be consulted with for the purposes of section 259 of the Pensions Act 2004.
- H The Lead Company and the Trustee are satisfied that the amendments being made by this deed do not contravene the prohibition on amendments relating to the guaranteed minimum pensions and section 9(2B) rights under the Occupational Pension Schemes (Schemes that were Contracted-out) (No.2) Regulations 2015.

**THIS DEED WITNESSES THAT:**

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

"**Effective Date**" means the date of this deed.

"**Rules**" means the rules, as amended, scheduled to the Trust Deed.

"**Scheme**" means the Combined Nuclear Pension Plan.

"**Scheme Documents**" means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

"**Trust Deed**" means the deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 Any other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

**2 AMENDMENTS**

- 2.1 The Lead Company, in exercise of the powers conferred on it by Clause 25 of the Trust Deed and all other enabling powers, makes the amendments to the Trust Deed as set out in Schedule 1 to this deed with effect on and from the Effective Date.
- 2.2 The Trustee **HEREBY CONFIRMS** that (as noted in Recital E) it has been consulted with and/or consents to the amendments being made to the Rules that are set out in the Schedule to this deed.
- 2.3 If all or any part of an amendment made by this deed shall be found to be void or otherwise invalid or unenforceable (whether by reason of section 67 of the Pensions Act 1995 or otherwise) this shall not affect the legality, validity or enforceability of the remainder of the relevant provision or the remainder of this deed or the Trust Deed. Furthermore, if any amendment made by this deed is declared void under section 67 of the Pensions Act or otherwise because it has a particular effective date but would



not be void if it had a different effective date, it will have effect from the earliest date from which the amendment would not be voidable under that section.

### 3 EXECUTION IN COUNTERPARTS

This deed may be executed in two or more counterparts. Each part of the deed may be treated as an original of the Deed.

### 4 GOVERNING LAW AND JURISDICTION

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

**IN WITNESS** of which the Lead Company and the Trustee have signed (and in the case of the Lead Company sealed) and, on the date which appears first on page 1, delivered this document as a deed.

**THE COMMON SEAL** of **NUCLEAR DECOMMISSIONING AUTHORITY** was affixed in the presence of:

**Director**  
Signature  
Name

:   
: D. Vinson

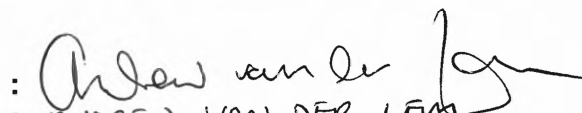
**Director/Secretary**  
Signature  
Name

:   
: P. Vallance

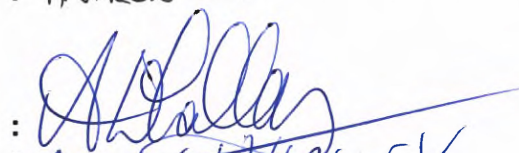


**SIGNED** as a deed, and delivered when dated, by **COMBINED NUCLEAR PENSION PLAN TRUSTEES LIMITED** acting by two directors or by a director and the secretary:

**Director**  
Signature  
Name

:   
: ANDREW VAN DER LEIJ

**Director/Secretary**  
Signature  
Name

:   
: ALLAN WHALLEY

**SCHEDULE 1**  
**AMENDMENTS WITH EFFECT ON AND FROM THE EFFECTIVE DATE**

**1 AMENDMENTS TO THE TRUST DEED**

- 1.1 Clauses 23.4 and 23.5 of the Trust Deed shall be deleted in their entirety and replaced with the following:

*"23.4 The Lead Company may determine that such costs charges and expenses as are referred to in Clause 23.1 shall be met by the Employers in which event they shall be met by the Employers in such proportions as the Lead Company shall determine. In this event, the Employers shall reimburse the Trustee for payment of any costs, charges or expenses to which the determination relates which have already been paid by the Trustee."*

*"23.5 Subject to Clause 23.2, where the Lead Company does not make a determination in accordance with Clause 23.4 that costs, charges and expenses relating to the administration of AVC Accounts, Members' Accounts and Shift Pay Pension Plan Accounts should be met by the Employers, the Trustee shall deduct a reasonable amount in respect of such costs, charges and expenses (such amount to be agreed with the Lead Company) either from those accounts or from contributions to those accounts. For the avoidance of doubt, this provision shall not be used so as to reduce the value of each AVC Account, Member's Account and Shift Pay Pension Plan Account below its value as at 1 April 2010 (after taking into account subsequent investment gains, losses and charges) and it shall not apply in relation to costs, charges and expenses relating to investment selections pursuant to Clause 15."*

- 1.2 The addition of the following new Clause:

*"23.6 For the purposes of the Pension Schemes Act 2017, the Employers as defined in this Trust Deed are the only scheme funders in respect of the Scheme."*

- 1.3 Clause 30.2 shall be amended by the insertion at its end of the following:

*" ; or*

- (c) any costs, charges or expenses or any amounts required to reimburse the Trustee in respect of any costs, charges or expenses, in either case, pursuant to Clause 31.8."*

- 1.4 Clause 31.2 shall be amended by the insertion at its end of the following:

*" ; or*

- (d) any costs, charges or expenses or any amount required to reimburse the Trustee in respect of any costs, charges or expenses, in either case, pursuant to Clause 31.8."*

- 1.5 Clause 31.5 shall be amended by the insertion immediately after the words *"the assets applicable to the Section"* of the following:



*"first, to meet all outstanding costs, charges and expenses applicable to the Section generally and in relation to its termination and winding up and to reserve out of the relevant part of the Fund such amount as may be necessary to meet such further costs, charges and expenses that may be incurred in winding up the Section which, in either case, the Trustee considers will not be met by or recovered from the relevant Employers pursuant to Clauses 23 and 31.8 or otherwise and, second,"*

- 1.6 Clause 31 shall be amended by the insertion at the end of the Clause of the following:

*"31.8 Except where expressly stated to the contrary in Clause 30 or this Clause 31, all trusts, powers and provisions under the Trust Deed and Rules in relation to the Section shall remain in force until all liabilities are secured and the winding up of the Section has been completed. This applies, in particular, to:*

- (a) the allocation or reimbursement of costs, charges and expenses pursuant to Clause 23 (which shall be extended, as necessary, to include costs, charges and expenses in relation to the winding up of the Section);*
- (b) the deduction of amounts from Members' Accounts pursuant to Clause 15.3 or 23.5 including during any period of winding up; and*
- (c) the power of amendment contained in Clause 25."*

## 2 AMENDMENTS TO SCHEDULE 12 (GENERAL DEFINITIONS)

- 2.1 The definition of Employer shall be amended by insertion after the words "Nirex Section" of the words:

*"and the Closed Section"*

DATED

21 December

2018

**NUCLEAR DECOMMISSIONING AUTHORITY** (1)

and

**COMBINED NUCLEAR PENSION PLAN  
TRUSTEES LIMITED** (2)

---

**DEED OF AMENDMENT**

in relation to the Combined Nuclear Pension Plan

---

Squire Patton Boggs (UK) LLP  
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United Kingdom  
DX 136546 Bishopsgate 2

O +44 20 7655 1000  
F +44 20 7655 1001

014-4309-1350/3/EUROPE

DATE OF DEED OF AMENDMENT

21 December

2018

BY

- (1) **NUCLEAR DECOMMISSIONING AUTHORITY** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**")
- (2) **COMBINED NUCLEAR PENSION PLAN TRUSTEES LIMITED** (registered number 05872585) whose registered office is at Herdus House, Ingwell Drive, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU (the "**Trustee**")

## INTRODUCTION

- A This deed is supplemental to the Scheme Documents by which the Scheme is constituted.
- B The Lead Company and the Trustee are respectively the principal employer and current trustee of the Scheme.
- C Clause 25 of the Trust Deed gives the Lead Company the power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in Clauses 25.2 to 25.5 of the Trust Deed. Clauses 25.2 and 25.3 of the Trust Deed provide that any amendments or alterations to provisions of the Trust Deed and Rules granting a power, discretion or right to a Nirex Member or GPS Member or to the Trustee in respect of such Members or persons claiming through them shall only be made with the consent of the Trustee.
- D The Lead Company wishes to use its power of amendment under Clause 25 of the Trust Deed with effect on and from the Effective Date to amend the provisions of the Scheme to introduce a power for the Trustee to determine that a member's statutory transfer out of the Scheme was a partial transfer, in circumstances where additional benefits may become due to that member as a result of the Trustee equalising benefits for the effect of unequal guaranteed minimum pensions.
- E The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed and has obtained its consent to those changes where consent is required (as witnessed in either such case by the Trustee's execution of this deed).
- F The Lead Company and the Trustee are satisfied that the amendments being made by this deed are not regulated modifications for the purposes of section 67 of the Pensions Act 1995.
- G The Lead Company and the Trustee are satisfied that the amendments being made to this deed do not require employees or member representatives to be consulted with for the purposes of section 259 of the Pensions Act 2004.
- H The Lead Company and the Trustee are satisfied that the amendments being made by this deed do not contravene the prohibition on amendments relating to the guaranteed minimum pensions and section 9(2B) rights under the Occupational Pension Schemes (Schemes that were Contracted-out) (No.2) Regulations 2015.



## THIS DEED WITNESSES THAT:

### 1 DEFINITIONS AND INTERPRETATION

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

**"Effective Date"** means 12 December 2018.

**"Rules"** means the rules, as amended, scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Trust Deed"** means the deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 Any other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

### 2 AMENDMENTS

- 2.1 The Lead Company, in exercise of the powers conferred on it by Clause 25 of the Trust Deed and all other enabling powers, makes the amendments to Schedule 1 (General Rules) of the Trust Deed and Rules as set out in the Schedule to this deed with effect on and from the Effective Date.
- 2.2 The Trustee **HEREBY CONFIRMS** that (as noted in Recital E) it has been consulted with and/or consents to the amendments being made to the Trust Deed and Rules that are set out in the Schedule to this deed.
- 2.3 If all or any part of an amendment made by this deed shall be found to be void or otherwise invalid or unenforceable (whether by reason of section 67 of the Pensions Act 1995 or otherwise) this shall not affect the legality, validity or enforceability of the remainder of the relevant provision or the remainder of this deed or the Trust Deed. Furthermore, if any amendment made by this deed is declared void under section 67 of the Pensions Act or otherwise because it has a particular effective date but would not be void if it had a different effective date, it will have effect from the earliest date from which the amendment would not be voidable under that section.

### 3 EXECUTION IN COUNTERPARTS

This deed may be executed in two or more counterparts. Each part of the deed may be treated as an original of the Deed.


#### 4 GOVERNING LAW AND JURISDICTION

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

**IN WITNESS** of which the Lead Company and the Trustee have signed (and in the case of the Lead Company sealed) and, on the date which appears first on page 1, delivered this document as a deed.

**THE COMMON SEAL** of **NUCLEAR  
DECOMMISSIONING AUTHORITY** was  
affixed in the presence of:

**Director**  
Signature  
Name

:   
: D. Vincent


**Director/Secretary**  
Signature  
Name

:   
: P. Vallance

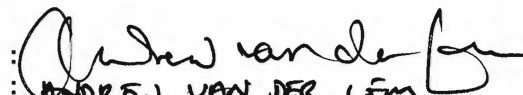


**SIGNED** as a deed, and delivered when  
dated, by **COMBINED NUCLEAR  
PENSION PLAN TRUSTEES LIMITED**  
acting by two directors or by a director and  
the secretary:

**Director**  
Signature  
Name

:   
: Frank Rainford

**Director/Secretary**  
Signature  
Name

:   
: ANDREW VAN DER LEM



**SCHEDULE 1**  
**AMENDMENTS WITH EFFECT ON AND FROM THE EFFECTIVE DATE**

**1 AMENDMENTS TO SCHEDULE 1 (GENERAL RULES) TO THE TRUST DEED AND RULES**

- 1.1 Rule 9 shall be amended by inserting the following words at the start of Rule 9.3(b):

*"subject to Rule 9.5 and Rule 9.6,"*

- 1.2 Rule 9 shall be amended by inserting the following new Rule 9.5 after Rule 9.4:

*"A Member with accrued rights to a GMP may, subject to the consent of the Lead Company, request the Trustee to make a transfer payment equivalent to his entitlements under the Scheme on the basis of a cash equivalent that would have been calculated under Rule 9.1 but without an allowance for GMP Equalisation to another retirement benefit scheme or personal pension scheme or insurance policy. The request shall be made in such form as the Trustee may require and the transfer payment shall be subject to the consent of the Trustee and may be paid on such terms as the Trustee determines, including but not limited to the same basis and terms as would have applied had the member been able to exercise a statutory transfer right under Rule 9.1, and as provided for in Rule 9.6 below."*

- 1.3 Rule 9 shall be amended by inserting the following new Rule 9.6 after new Rule 9.5:

*"Where -*

*(a) a Member has requested a transfer (whether the right is thought to derive from statute, Rule 9.1 or Rule 9.5), and*

*(b) additional benefits would or might or have become due from the Scheme to that Member as a result of the Trustee implementing GMP Equalisation,*

*the Trustee may (but need not) determine (to the maximum extent permitted by law) that an additional payment to increase the same transfer value paid in consequence of the exercise of the transfer right shall be made to take account of the additional benefits referred to in Rule 9.6(b) above, or that the exercise of the transfer is or was in respect of only the Member's benefits under the Scheme excluding the additional benefits referred to at Rule 9.6(b) above and, in the latter case only, any right to any additional benefits found to be due from the Scheme to the Member shall not be or have been extinguished by the exercise of the transfer right. Any additional payment that is made under this Rule 9.6 shall be paid on such terms as the Trustee determines, including but not limited to the same basis and terms as would have applied had the member been able to exercise a statutory transfer right under Rule 9.1 or 9.5 and the additional payment under this Rule 9.6 had formed part of that transfer."*

- 1.4 Rule 9 shall be amended by inserting the following new Rule 9.7 after new Rule 9.6:

*"Once a transfer has been effected under Rule 9.1 and/or Rule 9.5 and/or Rule 9.6, all rights under the Scheme relating to or derived from the Member in respect of the transferred rights and/or benefits will be extinguished, and the Member and all others claiming under him will have no further interest in the Scheme in respect of the transferred rights and benefits, and the Trustee and the Scheme shall be discharged of all liability for payment of such rights and benefits to the Member and any such person who would derive rights to benefits in respect of him."*

- 1.5 Rule 9 shall be amended by inserting the following words at the end of Rule 9:

*"For the purpose of this Rule 9, "GMP Equalisation" shall mean the process of adjusting benefits payable to or in respect of Members or former Members in order to remove inequality of treatment as between male and female Members in respect of accrued rights to GMPs in respect of contracted-out employment in the period on and from 17 May 1990 to and ending 5 April 1997."*

---

**Dated:** 16<sup>th</sup> September

2020

**Nuclear Decommissioning Authority**

---

**Deed of amendment relating to the  
Combined Nuclear Pension Plan**

---



**DATE OF DEED OF AMENDMENT**

16<sup>th</sup> September

2020

**BY**

**Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**").

**INTRODUCTION**

- (A) This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- (B) The Lead Company is the principal employer of the Scheme and Combined Nuclear Pension Plan Trustees Limited (registered number 05872585) (the "**Trustee**") is the current trustee of the Scheme.
- (C) Clause 25 of the Trust Deed gives the Lead Company power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed.
- (D) The Lead Company wishes to amend the Trust Deed to implement changes to the terms which apply to the appointment and removal of trustee directors with effect on and from the date of this deed.
- (E) The Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed.

**THIS DEED WITNESS THAT:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

"**Effective Date**" means the date of this deed.

"**Rules**" means the rules scheduled to the Trust Deed.

"**Scheme**" means the Combined Nuclear Pension Plan.

"**Scheme Documents**" means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

"**Trust Deed**" means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2. AMENDMENT

With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers, **HEREBY AMENDS** the Trust Deed by:

### 2.1 deleting clause 17.3 and replacing it with the following:

*"17.3 Three of the directors shall be appointed pursuant to a process which is in accordance with sections 242 and 243 of the 2004 Act and in which Members of the Scheme have been able to participate ("**member directors**") provided that if the arrangements (or any element of them) which the Trustee puts in place for the purposes of complying with sections 242 and 243 of the 2004 Act involve a ballot of the Members or any other form of election process rather than a selection panel or similar then, unless the Lead Company in its absolute discretion determines otherwise:*

*(a) at least one member director shall be a New Joiner; and*

*(b) at least one member director shall not be a New Joiner.*

*If it is not possible to comply with (a) and/or (b) where they are applicable because no such individual(s) are nominated by Members of the Scheme in the process which is carried out to appoint member directors, the relevant vacancy may in those circumstances be filled by any Member who is appointed pursuant to such process provided that it is in accordance with sections 242 and 243 of the 2004 Act.*

*Unless the Lead Company in its absolute discretion determines otherwise and subject to clause 17.4 below, Member directors shall be appointed for the period specified in the nomination process, which in respect of any appointment or re-appointment (as applicable) on or after 1 October 2017 shall not exceed 3 years. No member director of the Trustee who is in office whether on or after 30 September 2017 shall be eligible to remain in office for any longer than the period specified in the nomination process pursuant to which he or she was selected as a member director, whether before, on or after 30 September 2017.*

*Subject to clause 17.4 below, a Member director who is in office on 30 September 2017 shall be entitled to remain in office until the end of the period specified in the nomination process pursuant to which he or she was selected as a member director provided that he or she will not exceed the six-year limit set out in clause 17.4 below.*

*Three of the directors shall be nominated by the Lead Company ("**employer directors**"). Employer directors shall be appointed for such period as is determined by the Lead Company which in respect of any appointment or re-appointment (as applicable) on or after 1 October 2017 shall not exceed 3 years. An employer director may be removed from office by the Lead Company.*

*The Trustee shall appoint three independent trustee directors which are from time to time selected by the Lead Company in accordance with such procedure as the Lead Company shall determine (such procedure to include meaningful involvement of the Trustee with a view to selecting directors mutually acceptable to both the Trustee and the Lead Company) ("**independent directors**"). If the independent director is a corporate entity, such procedure shall also include the selection of a "nominated individual" in respect of the independent director. Any or all independent directors shall be appointed for such period as is determined by the Lead Company which in respect of any appointment or re-appointment (as applicable) on or after 1 October 2017 shall not exceed 3 years. An independent director shall be removed from office by the Trustee at the direction of the Lead Company. The costs, charges and expenses associated with the independent directors shall be met by the Trustee out of the Fund in accordance with the provisions of Clause 23 (expenses).*

*Any director may resign from office with immediate effect on giving notice to the Lead Company.”.*

3. **CONSULTATION WITH THE TRUSTEE**

The Lead Company **HEREBY CONFIRMS** that it has consulted with the Trustee in respect of the amendment being made to the Trust Deed set out in this deed.

4. **SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company, and any references in this deed to the Lead Company will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.

5. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).


6. **RIGHTS OF THIRD PARTIES**

The Lead Company does not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

**IN WITNESS** of which the Lead Company has signed and sealed and, on the date which appears first on page 1, delivered this document as a deed.

**THE COMMON SEAL of  
NUCLEAR DECOMMISSIONING AUTHORITY**  
was affixed in the presence of:

**Director**  
Signature:  
Name:

  
D. Vignone



**Director/Secretary**  
Signature:  
Name:

  
D. Thompson



---

**Dated:** 27/10/21

2021

**Nuclear Decommissioning Authority**

---

**Deed of amendment relating to the  
Combined Nuclear Pension Plan**

---



**DATE OF DEED OF AMENDMENT**

27 October 2021

**BY**

**Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**").

**INTRODUCTION**

- (A) This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- (B) The Lead Company is the principal employer of the Scheme and Combined Nuclear Pension Plan Trustees Limited ("**Trustee**") is the current trustee of the Scheme.
- (C) Clause 25 of the Trust Deed gives the Lead Company power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed.
- (D) Clause 16.3 of the Trust Deed provides that the Trustee shall consult the Lead Company before preparing the Statement of Investment Principles for the Springfields Fuels 2 Section of the Scheme.
- (E) Clause 27.3 of the Trust Deed provides that, in respect of certain Sections of the Scheme, the Employers appoint the Lead Company as their representative for the purposes of negotiation and agreement with the Trustee under section 229 of the Pensions Act 2004. This applies to the Springfields Fuels 2 Section of the Scheme.
- (F) The Lead Company wishes to amend:
  - (i) Clause 16.3 of the Trust Deed so that, with effect on and from the Effective Date, the Trustee will no longer be required to consult the Lead Company before preparing the Statement of Investment Principles for the Springfields Fuels 2 Section of the Scheme; and
  - (ii) Clause 27.3 of the Trust Deed to provide that, with effect on and from the Effective Date, the Lead Company will no longer be the appointed representative for the purpose of section 229 of the Pensions Act 2004 under the Springfields Fuels 2 Section of the Scheme.
- (G) The Lead Company has consulted with the Trustee in respect of the changes to be made by this deed.
- (H) The Lead Company has also consulted with Springfields Fuels Limited, the current and sole Employer of the Springfields Fuels 2 Section of the Scheme, in respect of these changes.

**THIS DEED WITNESSES THAT:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

- 2.2 With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers **HEREBY AMENDS** the Trust Deed by deleting Clause 27.3 in its entirety and replacing it with the following:

"27.3 *For the purposes of section 229 of the 2004 Act, the Employers (other than for the purposes of the Springfields Fuels 2 Section) shall (and are hereby deemed to) appoint the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the Section Lead Employer of the Section in which they participate as their representative for the purposes of negotiation and agreement with the Trustee under that section.*

*The following shall apply in respect of the Springfields Fuels 2 Section and the GPS Sections other than the GPS SLC Section:*

- (a) *in the case of the Springfields Fuels 2 Section, the Employer participating in that Section shall; and*
- (b) *in the case of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer shall,*

*obtain the prior written consent of the Lead Company to any response it wishes to provide to the Trustee or any matter it wishes to agree with the Trustee in relation to Part 3 of the 2004 Act."*

### 3. **SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company, and any references in this deed to the Lead Company will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.

### 4. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

### 5. **RIGHTS OF THIRD PARTIES**

The Lead Company does not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.



**"Effective Date"** means the date of this deed.

**"Rules"** means the rules scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Section"** has the meaning given to it in Schedule 12 of the Trust Deed.

**"Trust Deed"** means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2. **AMENDMENT**

- 2.1 With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers **HEREBY AMENDS** the Trust Deed by deleting Clause 16.3 in its entirety and replacing it with the following:

**"16.3**     *The Trustee shall consult the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer, before preparing the Statement of Investment Principles in relation to each Section (excluding the Springfields Fuels 2 Section).*

*All of the Employers (other than for the purposes of the Springfields Fuels 2 Section) shall (and are hereby deemed to) nominate the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer, as their representative to consult the Trustee on their behalf in respect of the contents of the Statement of Investment Principles.*

*The following shall apply in respect of the Springfields Fuels 2 Section and the GPS Sections other than the GPS SLC Section:*

- (a)             *in the case of the Springfields Fuels 2 Section, the Employer participating in that Section shall; and*
- (b)             *in the case of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer shall,*

*obtain the prior written consent of the Lead Company to any response it wishes to provide to the Trustee as part of the consultation exercise."*

- 2.2 With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers **HEREBY AMENDS** the Trust Deed by deleting Clause 27.3 in its entirety and replacing it with the following:

"27.3 *For the purposes of section 229 of the 2004 Act, the Employers (other than for the purposes of the Springfields Fuels 2 Section) shall (and are hereby deemed to) appoint the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the Section Lead Employer of the Section in which they participate as their representative for the purposes of negotiation and agreement with the Trustee under that section.*

*The following shall apply in respect of the Springfields Fuels 2 Section and the GPS Sections other than the GPS SLC Section:*

- (a) *in the case of the Springfields Fuels 2 Section, the Employer participating in that Section shall; and*
- (b) *in the case of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer shall,*

*obtain the prior written consent of the Lead Company to any response it wishes to provide to the Trustee or any matter it wishes to agree with the Trustee in relation to Part 3 of the 2004 Act."*

### 3. **SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company, and any references in this deed to the Lead Company will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.

### 4. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

### 5. **RIGHTS OF THIRD PARTIES**

The Lead Company does not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

**"Effective Date"** means the date of this deed.

**"Rules"** means the rules scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Section"** has the meaning given to it in Schedule 12 of the Trust Deed.

**"Trust Deed"** means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2. **AMENDMENT**

- 2.1 With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers **HEREBY AMENDS** the Trust Deed by deleting Clause 16.3 in its entirety and replacing it with the following:

*"16.3 The Trustee shall consult the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer, before preparing the Statement of Investment Principles in relation to each Section (excluding the Springfields Fuels 2 Section).*

*All of the Employers (other than for the purposes of the Springfields Fuels 2 Section) shall (and are hereby deemed to) nominate the Lead Company or, in respect of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer, as their representative to consult the Trustee on their behalf in respect of the contents of the Statement of Investment Principles.*

*The following shall apply in respect of the Springfields Fuels 2 Section and the GPS Sections other than the GPS SLC Section:*

- (a) in the case of the Springfields Fuels 2 Section, the Employer participating in that Section shall; and*
- (b) in the case of the GPS Sections other than the GPS SLC Section, the relevant Section Lead Employer shall,*

*obtain the prior written consent of the Lead Company to any response it wishes to provide to the Trustee as part of the consultation exercise."*

**IN WITNESS** of which the Lead Company has executed and delivered this deed on the date which appears first on page 1.

**THE COMMON SEAL** of  
**NUCLEAR DECOMMISSIONING AUTHORITY**  
was affixed in the presence of:

**Director**

Signature: David Mel Zuydam  
Name:

**Director/Secretary**

Signature: David Peattie  
Name:

---

Dated: ~~27/10/21~~

2022  
~~2021~~

8/4/22

**Nuclear Decommissioning Authority**

---

**Deed of amendment relating to the**

**Combined Nuclear Pension Plan**

---



**DATE OF DEED OF AMENDMENT**

8/4/22

2022  
2021

**BY**

- (1) **Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**")
- (2) **Combined Nuclear Pension Plan Trustees Limited** (registered number 05872585) whose registered office is at Herdus House Ingwell Drive, Westlakes Science & Technology Park, Moor Row, Cumbria, CA24 3HU (the "**Trustee**").

**INTRODUCTION**

- (A) This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- (B) The Lead Company is the principal employer of the Scheme and the Trustee is the current trustee of the Scheme.
- (C) Clause 25 of the Trust Deed gives the Lead Company power from time to time and at any time, after having consulted with the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed or the Rules (including retrospectively) subject to the conditions set out in clauses 25.2 to 25.5 of the Trust Deed. Clauses 25.2(a) and 25.3(a) further provide that any amendment to the provisions of the Nirex Benefit Structure or the GPS Benefit Structure shall only be made with the consent of the Trustee.
- (D) The Lead Company wishes to amend the Rules to confirm that:
  - (i) under the GPS Section, following the death of a Pensioner, the pension payable to the Member's Spouse (or Adult Dependant, if applicable) will be calculated ignoring any early retirement reduction that had been applied to the Member's benefits; and
  - (ii) following the death of a Nirex Member, surviving civil partners and same sex spouses will be entitled to the same benefits that would have been payable to the Member's opposite sex spouse.
- (E) The Lead Company has consulted with the Trustee in respect of the changes to be made by this deed and the Trustee has executed this deed to show that it consents to the changes.
- (F) The Lead Company and the Trustee agree that the changes set out in this deed are not "regulated modifications" as defined in section 67 of the Pensions Act 1995 and nor do they constitute "listed changes" in respect of which consultation would need to be undertaken by employers with affected members for the purposes of the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006.

**THIS DEED WITNESS THAT:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

"**Effective Date**" means the date of this deed.

**"Rules"** means the rules scheduled to the Trust Deed.

**"Scheme"** means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Trust Deed"** means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2. **AMENDMENT**

With effect on and from the Effective Date, the Lead Company in exercise of the power conferred on it by Clause 25 of the Trust Deed and of all other enabling powers **HEREBY AMENDS** the Rules by:

- 2.1 deleting Rule 5.3 of Schedule 3 (GPS Benefit Structure) in its entirety and replacing it with the following:

*"5.3 Where a pension is being paid in respect of a Member under this Rule 5, the annual rate of pension referred to in Rules 9.3, 10.2 and 10.3 shall be the annual rate of pension to which the Member would have been entitled, but for the application of the reduction provided for in this Rule 5."*

- 2.2 deleting Rule 6.8 of Schedule 3 (GPS Benefit Structure) in its entirety and replacing it with the following:

*"6.8 Where a pension is being paid in respect of a Member under Rule 6.6, the annual rate of pension referred to in Rules 9.3, 10.2 and 10.3 shall be the annual rate of pension to which the Member would have been entitled, but for the application of the reduction provided for in Rule 6.7."*

- 2.3 deleting Rule 12 of Schedule 8 (Nirex Benefit Structure) in its entirety and replacing it with the following:

### **"12 SAME SEX SPOUSES AND CIVIL PARTNERS**

*Following the death of a Member, if the Member does not leave an opposite sex spouse who is entitled to benefits under the Scheme, but instead leaves either a Same Sex Spouse or a Civil Partner, any benefits under the Scheme that would have been payable to an opposite sex spouse of the Member in respect of any rights to:*

- (i) *GMP, having transferred such rights into the Scheme;*
- (ii) *a reference scheme pension for the purposes of the 1993 Act, having transferred such rights into the Scheme; and*
- (iii) *any benefits under the Scheme that would have been payable to an opposite sex spouse, in addition to those above, in respect of the Member's Pensionable Service (and/or in respect of rights transferred into the Scheme),*

*shall be payable to the Member's Same Sex Spouse or Civil Partner as if he or she were the Member's opposite sex spouse for the purposes of the Trust Deed and Rules.*

*The provisions applicable to a Surviving Spouse under this Schedule will therefore apply equally and on the same terms to the Member's Same Sex Spouse or Civil Partner (as applicable)."*

- 2.4 deleting the definition of "Spouse" in Schedule 12 (General definitions) in its entirety and replacing it with the following:

*"**"Spouse"** means the person to whom the Member was married (including a Same Sex Spouse) or their Civil Partner in each case at the date of the Member's death (as appropriate)."*

3. **CONSENT OF THE TRUSTEE**

By executing this deed the Trustee **HEREBY CONSENTS** to the amendment being made to the Rules set out in this deed.

4. **SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company and the Trustee, and any references in this deed to the Lead Company and/or the Trustee will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.

5. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

6. **RIGHTS OF THIRD PARTIES**

The Lead Company and the Trustee do not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.



**IN WITNESS** of which the parties have executed and delivered this deed on the date which appears first on page 1.

**THE COMMON SEAL** of  
**NUCLEAR DECOMMISSIONING AUTHORITY**  
was affixed in the presence of:

**Director**

Signature: David Mel Zuydam  
Name:

**Director/Secretary**

Signature: David Peattie  
Name:

**SIGNED** as a deed, and delivered when  
dated, by **COMBINED NUCLEAR  
PENSION PLAN TRUSTEES LIMITED**  
acting by two directors:

**Director**

Signature: Allan Whalley  
Name:

**Director**

Signature: Andrew Oldham  
Name:

---

Dated: 28 March 2024

- (1) Nuclear Decommissioning Authority
  - (2) Combined Nuclear Pension Plan Trustees Limited
- 

Deed of amendment relating to the Combined Nuclear Pension Plan

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CARE Benefits with effect from 1 April 2024

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**DATE OF DEED OF AMENDMENT**

28 March 2024

**BY**

- (1) **Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**"); and
- (2) **Combined Nuclear Pension Plan Trustees Limited** (registered number 05872585) whose registered office is at Herdus House Ingwell Drive, Westlakes Science & Technology Park, Moor Row, Cumbria, CA24 3HU (the "**Trustee**").

**INTRODUCTION**

- (A) This deed is supplemental to the Scheme Documents by which the Scheme is constituted and established.
- (B) The Lead Company is the principal employer of the Scheme and the Trustee is the current trustee of the Scheme.
- (C) Pursuant to section 311 of the Energy Act 2023 and the Nuclear Decommissioning Authority (Pension Scheme Amendment) Regulations 2024 (together, the "**Statutory Power**"), the Lead Company is the designated person for the purposes of the Statutory Power in respect of the Scheme and is required by the Secretary of State to exercise the Statutory Power to amend the Trust Deed or the Rules in order to introduce a career average revalued earnings benefit structure ("**CARE Benefits**") to the Scheme in relation to future service accrual, and for other permitted purposes including changes relating to contribution rate adjustments, with effect from 1 April 2024.
- (D) Section 311(6) of the Energy Act 2023 provides that where a designated person is required to amend the Scheme pursuant to the Statutory Power, such amendments may be made free from any consent requirements under the Scheme and notwithstanding provision made by or under any other Act of Parliament, or any rule of law, that would otherwise prevent or limit, or impose conditions on, the making of the amendments.
- (E) The Lead Company wishes to amend the Rules in accordance with the Statutory Power to introduce new Benefit Structures to provide CARE Benefits.
- (F) The Lead Company has notified the Trustee of the changes to be made by this deed and the Trustee has executed this deed to acknowledge those changes.

**THIS DEED WITNESS THAT:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The following words which begin with capital letters in this deed have the precise meanings set out below:

"**Effective Date**" means 1 April 2024.

"**Rules**" means the rules scheduled to the Trust Deed.

"**Scheme**" means the Combined Nuclear Pension Plan.

**"Scheme Documents"** means the Trust Deed and any other documents which relate to or govern the operation of the Scheme.

**"Trust Deed"** means the third definitive trust deed dated 28 March 2012, as amended, which currently governs the Scheme.

- 1.2 All other terms used in this deed which begin with capital letters shall, where the context permits, have the same meanings as in the Trust Deed and Rules.
- 1.3 The introduction to and headings used in this deed have been inserted for ease of reference only. They do not affect its interpretation.
- 1.4 Unless the context requires otherwise, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

## 2. **AMENDMENTS**

With effect on and from the Effective Date, the Lead Company in exercise of the Statutory Power and pursuant to the direction of the Secretary of State **HEREBY AMENDS** the Rules by making the amendments as set out in the Schedule to this Deed.

## 3. **ACKNOWLEDGEMENT OF THE TRUSTEE**

By executing this deed the Trustee confirms its acknowledgement of the amendments being made to the Rules as set out in this deed.

## 4. **SUCCESSORS**

This deed will bind the respective successors in office to the Lead Company and the Trustee, and any references in this deed to the Lead Company and/or the Trustee will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.

## 5. **COUNTERPARTS**

This deed may be executed in any number of counterparts, each of which will constitute an original, but which will together constitute one agreement. This deed will not be effective until each party has executed at least one counterpart. The term "counterpart" includes a facsimile or scanned copy of this deed.

## 6. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

## 7. **RIGHTS OF THIRD PARTIES**

The Lead Company and the Trustee do not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

**IN WITNESS** of which the parties have executed and delivered this deed on the date which appears first on page 1.

**THE COMMON SEAL** of  
**NUCLEAR DECOMMISSIONING AUTHORITY**  
was affixed in the presence of:



**Director**

Signature:

Name: DAVID PEATTIE

**Director/Secretary**

Signature:

Name: Kate Bowyer

**SIGNED** as a deed, and delivered when  
dated, by **COMBINED NUCLEAR  
PENSION PLAN TRUSTEES LIMITED**  
acting by two directors:

**Director**

Signature:

Name: Mark Condron for and on behalf of Capital Cranfield Pension Trustees Limited

**Director**

Signature:

Name: Andrew Oldham

## **SCHEDULE 1**

### **1. Amendments to General Rules**

#### **1.1 Rule 7 (Benefit Structures) is amended by deleting the current Rule 7.1 and replacing it with the following:**

"7.1 The provisions of the Trust Deed, the General Rules and the Pension Sharing on Divorce Rules shall apply to all Members. The provisions of the Additional Benefits (Defined Benefit) Rules, the Additional Benefits (Defined Contribution) Rules, the Shift Pay Pension Plan Rules, the Scheme Limits Rules and the Contracting Out Rules shall apply to all Members other than New Joiners or Ex-Spouses of New Joiners (unless otherwise indicated in those provisions). Where the Contracting Out Rules apply they shall override anything else in the Rules. Benefits payable under the Additional Benefits (Defined Contribution) Rules or the Shift Pay Pension Plan Rules will not be subject to the Scheme Limits Rules. Where the Scheme Limits Rules apply they shall override anything else in the Rules other than the Contracting Out Rules and benefits granted under Rule 8.

In addition:

- (a) an Active Member who is an Energy Act CPS Member shall be entitled to accrue the benefits set out in either the CPS Benefit Structure or the CPS 2 Benefit Structure, as determined in accordance with the eligibility requirements of those Benefit Structures;
- (b) an Active Member who accrued benefits in the CPS Benefit Structure immediately before the CARE Commencement Date shall be entitled to accrue the benefits set out in the CPS CARE Benefit Structure on and after the CARE Commencement Date;
- (c) an Active Member who is a GPS DB Member shall be entitled to accrue the benefits set out in the GPS Benefit Structure until the CARE Commencement Date, unless the Lead Company determines otherwise;
- (d) Appendix 1 to the GPS Benefit Structure shall apply to modify the benefits provided to and in respect of Former BNFL Members;
- (e) an Active Member who is a GPS DB Member immediately before the CARE Commencement Date shall be entitled to accrue the benefits set out in the GPS CARE Benefit Structure on and after the CARE Commencement Date;
- (f) an Active Member who is a Nirex Member shall be entitled to accrue benefits on such special terms as are specified under the Nirex Benefit Structure;
- (g) a GPS New Joiner shall be entitled to accrue benefits set out in the New Joiners Benefits Structure;
- (h) in accordance with its powers under Clause 25, the Lead Company may create additional Schedules setting out benefits for other Energy Act Nuclear Scheme Members if so required; and



- (i) all other persons becoming Active Members shall be entitled to accrue the benefits set out in the New Joiners Benefit Structure, unless otherwise determined by the Lead Company."

2. **Amendments to Schedule 2 (CPS Benefit Structure)**

2.1 Rule 1 (Eligibility) is amended by inserting the following new Rule 1.3:

"1.3 Unless the Lead Company determines otherwise, no person shall be an Active Member or in Pensionable Service under this Schedule 2 with effect on and from the CARE Commencement Date."

2.2 The following new Rule 1A is inserted after Rule 1:

**"1A STATUS OF THE CPS BENEFIT STRUCTURE WITH EFFECT FROM THE CARE COMMENCEMENT DATE**

1A.1 No person who ceased to be an Active Member under this Schedule with effect from the CARE Commencement Date shall accrue any further benefits or be in Reckonable Service in respect of this Schedule with effect on and from the CARE Commencement Date, provided that the benefits which such a Member had accrued under this Schedule immediately prior to the CARE Commencement Date shall continue to be calculated by reference to their Pensionable Final Earnings as calculated at the later date of leaving Active Membership of this Scheme.

1A.2 The calculation of benefits in respect of a CARE Member and the terms on which such benefits are paid shall be determined by the Rules of Schedule 2B (CPS CARE Benefit Structure). For the avoidance of doubt, a CARE Member shall not be entitled to receive any benefits under this Schedule separate to the benefits which the CARE Member receives under Schedule 2B.

1A.3 For the avoidance of doubt, if a CARE Member had one or more periods of Active Membership under this Schedule which ceased before that Member's period of Active Membership as at the CARE Commencement Date, the benefits payable to and in respect of such previous periods of Active Membership will continue to be determined as described in the provisions of this Schedule in force at the date(s) such Member left Active Membership, but those benefits will be paid and administered as described in these Rules.

1A.4 The benefits payable to and in respect of Members who left Active Membership before the CARE Commencement Date who are not CARE Members will continue to be determined as described in the provisions of this Schedule in force at the date those members left Active Membership, but those benefits will be paid and administered as described in these Rules."

2.3 Rule 6 (Other Early Retirement) is amended by inserting the following new Rule 6.3:

"6.3 This Rule 6 shall not apply in respect of a CARE Member."

2.4 - Rule 7 (Leaving Active Membership) is amended by:

2.4.1 deleting the existing Rule 7.2 and replacing it with the following:

"7.2 Subject to Rule 7.2A below, if the Member has completed more than 2 years of Qualifying Service or a transfer payment has been received in respect of him from a personal pension scheme, he shall be entitled to benefits payable at any time on or after Normal Pension Age calculated as follows:

(a) an annual pension of 1/80th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus

(b) a lump sum of 3/80ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service.

The Member may choose the date on or after Normal Pension Age on which the benefits are to become payable by notifying the Trustee in writing in accordance with any procedures put in place by the Trustee from time to time for this purpose. The benefits set out in (a) and (b) above shall be increased each year between the date of leaving Active Membership and the date on which they become payable in line with the rise in the Index."

2.4.2 inserting the following new Rule 7.2A after Rule 7.2:

"7.2A In the case of a CARE Member, their benefits will be calculated and paid in accordance with the Rules in Schedule 2B (CPS CARE Benefit Structure) provided that such Member's pension and lump sum in relation to this Schedule will be calculated as under Rule 3 but based on Pensionable Final Earnings at the date of leaving Active Membership of the Scheme."

3. **Incorporation of new Schedule 2B (CPS CARE Benefit Structure)**

3.1 Appendix 1 to this deed is inserted as a new Schedule 2B (CPS CARE Benefit Structure) in the Rules immediately after Schedule 2A (CPS 2 Benefit Structure).

3.2 For the avoidance of doubt, any reference to Schedule 2 in any Deed of Participation which has been entered into by an Employer shall also be deemed to include reference to Schedule 2B (CPS CARE Benefit Structure).

4. **Amendments to Schedule 3 (GPS Benefit Structure)**

4.1 Rule 1 (Eligibility) is amended by inserting the following new Rule 1.3:

"1.3 Unless the Lead Company determines otherwise, no person shall be an Active Member or in Pensionable Service under this Schedule 3 with effect on and from the CARE Commencement Date."

4.2 The following new Rule 1A is inserted after Rule 1:

**"1A STATUS OF THE GPS BENEFIT STRUCTURE WITH EFFECT FROM THE CARE COMMENCEMENT DATE**

1A.1 No person who ceased to be an Active Member under this Schedule with effect from the CARE Commencement Date shall accrue any further benefits or be in Pensionable Service in respect of this Schedule with effect on and from the CARE Commencement Date, provided that the benefits which such a Member had accrued under this Schedule immediately prior to the CARE Commencement Date shall continue to be calculated by reference to their Pensionable Final Earnings as calculated at the later date of leaving Pensionable Service of this Scheme.

1A.2 The calculation of benefits in respect of a CARE Member and the terms on which such benefits are paid shall be determined by the Rules of Schedule 3A (GPS CARE Benefit Structure). For the avoidance of doubt, a CARE Member shall not be entitled to receive any benefits under this Schedule separate to the benefits which the CARE Member receives under Schedule 3A.

1A.3 For the avoidance of doubt, if a CARE Member had one or more periods of Active Membership under this Schedule which ceased before that Member's period of Active Membership as at the CARE Commencement Date, the benefits payable to and in respect of such previous periods of Active Membership will continue to be determined as described in the provisions of this Schedule in force at the date(s) such Member left Active Membership, but those benefits will be paid and administered as described in these Rules.

1A.4 The benefits payable to and in respect of Members who left Pensionable Service before the CARE Commencement Date who are not CARE Members will continue to be determined as described in the provisions of this Schedule in force at the date those members left Pensionable Service, but those benefits will be paid and administered as described in these Rules."

4.3 Rule 6 (Leaving Active Membership) is amended by:

4.3.1 deleting the existing Rule 6.3 and replacing it with the following:

"6.3 Subject to Rule 6.3A below, if the Member has completed 2 or more years of Qualifying Service or a transfer payment has been received in respect of him from a personal pension scheme, they shall be entitled to a preserved annual pension and lump sum calculated as under Rule 3 but based on Pensionable Final Earnings at, and Pensionable Service up to, the date of leaving Pensionable Service. The pension shall commence at Normal Pension Age but where Normal Pension Age is later than GMP Age

the part of the pension which is the Member's GMP shall commence at GMP Age."

4.3.2 inserting the following new Rule 6.3A after Rule 6.3:

"6.3A In the case of a CARE Member, their benefits will be calculated and paid in accordance with the Rules in Schedule 3A (GPS CARE Benefit Structure) provided that such Member's pension and lump sum in relation to this Schedule will be calculated as under Rule 3 but based on Pensionable Final Earnings at the date of leaving Pensionable Service of the Scheme."

**5. Incorporation of new Schedule 3A (GPS CARE Benefit Structure)**

5.1 Appendix 2 to this deed is inserted as a new Schedule 3A (GPS CARE Benefit Structure) in the Rules immediately after Schedule 3 (GPS Benefit Structure).

5.2 For the avoidance of doubt, any reference to Schedule 3 in any Deed of Participation which has been entered into by an Employer shall also be deemed to include reference to Schedule 3A (GPS CARE Benefit Structure).

**6. Amendments to Schedule 5 (Additional Benefits (Defined Benefit) Rules)**

6.1 Rule 1.1 is deleted and replaced with the following:

"1.1 With the consent of the Lead Company, an Active Member who is an Energy Act CPS Member may elect to purchase in accordance with this Schedule 5 all or any of the following:

- (a) additional years of Qualifying and Reckonable Service;
- (b) additional years of qualification for particular benefits;
- (c) additional amounts of pension to be added to their CARE Pensions on such terms as the Lead Company shall from time to time determine;
- (d) additional benefits of other kinds, including but not limited to spouse and other family benefits and protection against reduction in pensionable earnings on reemployment; and
- (e) if the Member is accruing to benefits under the CPS Benefit Structure or the CPS 2 Benefit Structure, a pension for an Incapacitated Child in accordance with Rule 1.8."

6.2 Rule 1.2 is amended by deleting the final sentence of that Rule and replacing it with the following:

"Such contributions shall be by periodic contributions, as determined by the Lead Company."

6.3 Rule 1.4 is deleted and replaced with the following:

"1.4 An Active Member may terminate the payment of contributions to purchase Additional Benefits on such terms as the Lead Company may allow, in which case

the Additional Benefits may be adjusted in such manner as the Lead Company on the advice of the Actuary may determine."

6.4 Rule 1.5 is deleted and replaced with the following:

"1.5 If a Member either leaves Active Membership before having fully contributed in respect of the Additional Benefits, the Member may make additional payments on leaving Active Membership or, alternatively, the Additional Benefits may be adjusted:

- (a) to the extent they are accrued prior to the CARE Commencement Date, in such manner as the Trustee on the advice of the Actuary may determine; and otherwise
- (b) in such manner as the Lead Company on the advice of the Actuary may determine."

6.5 Rule 1.7 is deleted and replaced with the following:

"1.7 If the Lead Company is satisfied that a Member's circumstances have changed in an unforeseen manner since he started paying contributions under Rule 1.2 so that to continue paying such contributions would involve the Active Member in substantial financial hardship, the Lead Company may agree that the contributions due under Rule 1.2 or the Additional Benefits shall be adjusted:

- (a) to the extent they are accrued prior to the CARE Commencement Date, in such manner as the Trustee, on the advice of the Actuary, thinks fit; and otherwise
- (b) in such manner as the Lead Company, on the advice of the Actuary, thinks fit."

6.6 Rule 1.8 is amended by replacing paragraph (a) with the following:

"(a) the pension for the Incapacitated Child shall be an annual pension equal to:

- (i)  $\frac{1}{80^{\text{th}}}$  of the Member's Pensionable Final Earnings multiplied by  $\frac{1}{2}$  of the Member's Reckonable Service up to the CARE Commencement Date; plus
- (ii) 50% of the total of the Member's CARE Pensions;"

6.7 Rule 1.9 is deleted and replaced with the following:

"1.9 A Member who is entitled to a pension under this Schedule may, before his benefits come into payment, exchange part of the pension for a lump sum equal to the maximum which can be paid as an Authorised Payment calculated as set out in this Rule 1.9. For the purpose of determining that maximum under this Rule 1.9, only the Member's benefits under this Schedule, the CPS CARE Benefit Schedule and the benefits which the Member had accrued under the CPS Benefit Structure and the CPS 2 Benefit Structure shall be taken into account (provided that there shall be no double-counting of benefits in the case of a CARE Member).



The amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee. The exchange may not be withdrawn once the Member's benefits have come into payment."

6.8 Rule 1.10 is deleted and replaced with the following:

"1.10 For the avoidance of doubt, unless the Lead Company consents, no GPS Member is entitled to elect to purchase additional benefits in accordance with this Schedule. To the extent that any Former BNFL Member or Transferring BNFL Member is entitled to purchase additional benefits, such purchase will be governed by the provisions of Rule 17 or 18 (as applicable) of the GPS CARE Benefit Structure."

**7. Amendments to Schedule 6 (Additional Benefits (Defined Contribution) Rules)**

7.1 Rule 1.7 is amended by deleting sub-paragraph (a) and replacing it with the following:

"(a) Subject to Rule 1.7(b), the maximum lump sum which a Member may receive under Rule 1.2 shall be decided by the Trustee, with the agreement of the Lead Company (save in respect of GPS Members where such agreement shall not be required but such maximum lump sum shall be subject to the conditions in Rule 7.6 of Schedule 3A (GPS CARE Benefit Structure) as applicable), but shall not exceed the maximum which can be paid as an Authorised Payment. For the purposes of determining that maximum under this Rule 1.7:

- (i) in respect of GPS Members, the entirety of the Member's benefits under all Schedules shall be taken into account; and
- (ii) in respect of all other Members, only the Member's benefits under this Schedule and the Shift Pay Pension Plan Rules (where appropriate) shall be taken into account."

**8. Amendments to Schedule 7 (Shift Pay Pension Plan Rules)**

8.1 Rule 1.13 is amended by deleting sub-paragraph (a) and replacing it with the following:

"(a) Subject to Rule 1.13(b), the maximum lump sum which a Member may receive under Rule 1.7 shall be decided by the Trustee, with the agreement of the Lead Company (subject to the conditions in Rule 7.6 of Schedule 3A (GPS CARE Benefit Structure) as applicable), but shall not exceed the maximum which can be paid as an Authorised Payment. For the purpose of determining that maximum under this Rule 1.13, only the Member's benefits under this Schedule and the Additional Benefits (Defined Contribution) Rules (where appropriate) shall be taken into account."

9. **Amendments to Schedule 12 (General Definitions)**

9.1 The following new definitions shall be inserted in the appropriate alphabetical order:

**"Calculation Period"** means a period of (a) Pensionable Service in the case of the GPS CARE Benefit Structure; or (b) Reckonable Service in the case of the CPS CARE Benefit Structure, in either case commencing on 1 April in any year and ending on the following 31 March;

**"CARE Commencement Date"** means 1 April 2024;

**"CARE Member"** means a Member who:

(a) was in Active Membership immediately prior to the CARE Commencement Date and who was admitted to membership of either the GPS CARE Benefit Structure or CPS CARE Benefit Structure with effect on and from the CARE Commencement Date; or

(b) is otherwise designated as a CARE Member by the Lead Company;

**"CARE Pension"** for a Calculation Period will be 1/58 of the Member's Pensionable Earnings received for that period adjusted by the Revaluation Factor on each 1 April immediately following the end of a Calculation Period, provided that the Revaluation Factor shall not be applied to the CARE Pension for the Calculation Period in which the Member leaves Active Membership;

**"Consumer Prices Index"** means the general index of consumer prices (for all items) published by the Statistics Board, or where that index is not published for a month, any substituted index or figures published by the Board;

**"CPS CARE Benefit Structure"** means the Benefit Structure set out in Schedule 2B;

**"GPS CARE Benefit Structure"** means the Benefit Structure set out in Schedule 3A;

**"Pre-2024 Scale Lump Sum"** means:

(a) in respect of a Member of the CPS Benefit Structure the lump sum which the CARE Member would have been entitled to under Rule 3.1 of Schedule 2 (CPS Benefit Structure) based on Reckonable Service prior to the CARE Commencement Date; and

(b) in respect of a GPS DB Member the lump sum which the CARE Member would have been entitled to under Rule 3.2 of Schedule 3 (GPS Benefit Structure) based on Pensionable Service prior to the CARE Commencement Date

provided that such lump sums shall be calculated by reference to the Member's Pensionable Final Earnings as at the date of leaving Active Membership of the Scheme;

**"Pre-2024 Scale Pension"** means the annual pension which the CARE Member had accrued under the GPS Benefit Structure or CPS Benefit Structure (as applicable) immediately before the CARE Commencement Date calculated by reference to their Pensionable Final Earnings as at the date of leaving Active Membership of the Scheme.

Provided that in the case of the GPS CARE Benefit Structure, and for the purposes only of calculating the pension payable to a Member's Spouse or Adult Dependant in relation to

Pensionable Service prior to the CARE Commencement Date under Rule 9.1.1, 9.2.1.2 or 9.2.2, and 9.3.1 of GPS CARE Benefit Structure, the Member's Pre-2024 Scale Pension shall be treated as if it had an accrual rate of 1/70<sup>th</sup> (instead of 1/80<sup>th</sup>) for each complete year (and proportionately for each additional day) of the Member's Pensionable Service on and after 1 April 1997, except:

- (a) in relation to Pensionable Service attributable to transfer credits attributable to a transfer into the GPS (prior to 31 March 2007) or the Section in respect of the Member in which case this proviso shall only apply in relation to such Pensionable Service derived from transfers into the GPS or the relevant Section on or after 1 January 2001; and
- (b) in relation to Pensionable Service attributable to the purchase of added years (under paragraph 2 of Appendix 1 to Schedule 3) in which case this proviso shall (save as envisaged by paragraph 2.1.3 of Appendix 1 to Schedule 3) only apply to Pensionable Service attributable to added years where the added years contract commenced on or after 12 January 1999; and
- (c) in relation to any increased pension attributable to an agreement under Rule 7.1 of Schedule 3 or Rule 7.1 of Schedule 3A unless the Trustee specifically agrees in writing to the contrary at the time of the commutation under that Rule.

**"Revaluation Factor"** means, for each Calculation Period, such percentage change as at each 31 March at and after the end of the relevant Calculation Period and before the Member leaves Active Membership as is equal to the change in the Consumer Prices Index during the 12 month period to the preceding 30 September.

- 9.2 The definition of "Dependant" is amended by replacing the current paragraph (b) with the following:

"(b) in respect of a GPS Member, the Spouse, Widow, Widower, surviving Civil Partner or Child of the Member, any Adult Dependant and any child who, at the discretion of the Trustee, is treated as a Child for the purposes of Rule 16.2 of the GPS Benefit Structure or Rule 16.2 of the GPS CARE Benefit Structure (as applicable);"

- 9.3 The definition of "GPS DB Member" is amended by replacing the current definition with the following:

**"GPS DB Member"** mean a GPS Member entitled to benefits under the GPS Benefit Structure or the GPS CARE Benefit Structure, and shall include a Member who was a member of the GPS entitled to benefits under Schedule A of the GPS Definitive Trust Deed immediately before the Effective Date who became a Member pursuant to the terms of the GPS Merger Deed."

- 9.4 The definition of "Main Benefit Structure" is amended by replacing the current definition with the following:

**"Main Benefit Structure"** means the CPS Benefit Structure, the CPS 2 Benefit Structure, the CPS CARE Benefit Structure, the GPS Benefit Structure, the GPS CARE Benefit Structure and the New Joiners Benefit Structure."



- 9.5 The definition of "Pensionable Service" is amended by inserting the following new paragraph at the end of that definition:

"Unless the Lead Company determines otherwise, no Member shall be in Pensionable Service under the CPS Benefit Structure or the GPS Benefit Structure with effect on and from the CARE Commencement Date."

- 9.6 The definition of "Reckonable Service" is amended by:

- (a) deleting the cap on Total Reckonable Service of 45 years in relation to benefits which are accrued with effect from the CARE Commencement Date; and
- (b) inserting the following new paragraph at the end of that definition:

"Unless the Lead Company determines otherwise, no Member shall be in Reckonable Service under the CPS Benefit Structure with effect on and from the CARE Commencement Date."

## **APPENDIX 1**

### **Schedule 2B: CPS CARE Benefit Structure**

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Dated: 28 March 2024

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Rules of the Combined Nuclear Pension Plan

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Post-2024 CPS CARE Benefit Structure

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## SCHEDULE 2B

### POST-2024 CPS CARE BENEFIT STRUCTURE

These are the Rules that govern the benefits and contributions payable under the Post-2024 CPS Benefit Structure of the Combined Nuclear Pension Plan (the "**Scheme**") on and from the CARE Commencement Date.

#### 1. Eligibility

- 1.1 A person who immediately before the CARE Commencement Date was in Reckonable Service under Schedule 2 (CPS Benefit Structure) or who is otherwise admitted to Active Membership under this Schedule in accordance with **Rule 1.4** below and any person entitled to benefits in respect of such a person, shall be entitled to benefits set out in this Schedule.
- 1.2 An Employee who satisfies these conditions will cease to accrue benefits under the CPS Benefit Structure (as set out in Schedule 2) and start to accrue benefits under this Post-2024 CPS Benefit Structure with effect on and from the CARE Commencement Date.
- 1.3 An Employee who immediately before the CARE Commencement Date was only paying family benefit contributions under Rule 2.1(b) of Schedule 2 because their Total Reckonable Service has reached 45 years will commence the accrual of benefits under this Schedule with effect from the CARE Commencement Date unless they have notified their Employer and the Trustee otherwise, in which case such Employee shall have opted-out of Active Membership and be treated as such under the CPS Benefit Structure.
- 1.4 No other person shall be entitled to benefits under this Schedule unless the Lead Company and the Trustee agree otherwise.

#### 2. Contributions by Active Members

- 2.1 Each Active Member will contribute to the relevant Section at a percentage rate of Pensionable Earnings while the Member is in Reckonable Service.
- 2.2 The Active Member's contribution rate shall be that which is applicable to the annual Pensionable Earnings the Active Member is receiving on 1 April each year as specified in the following table such that the contribution rate specified in the third column is applicable to the band of Pensionable Earnings specified in the second column into which the Active Member's Pensionable Earnings, rounded down to the nearest whole pound, falls:

Financial Year	Annual Pensionable Earnings on 1 April	Active Members' Contribution Rate
1 April 2024 – 31 March 2025	£13,944 or less	5%
	£13,945 - £54,509	5.66%
	£54,510 - £190,147	6%
	More than £190,147	6%

1 April 2025 - 31 March 2026	£13,944 or less	5%
	£13,945 - £54,509	6.33%
	£54,510 - £190,147	7%
	More than £190,147	7%
1 April 2026 – 31 March 2027	£13,944 or less	5%
	£13,945 - £54,509	7%
	£54,510 - £190,147	8%
	More than £190,147	8%
With effect from 1 April 2027	£13,944 or less	5%
	£13,945 - £54,509	7%
	£54,510 - £190,147	9%
	More than £190,147	11%

- 2.3 On each 1 April the figures in the second column of the table in **Rule 2.2** shall be increased by the amount (where it is greater than zero) by which the Consumer Prices Index for the immediately preceding September exceeds the Consumer Prices Index for the September before that.
- 2.4 Each Active Member's contributions shall be collected by the Employer by deduction from the Member's remuneration unless the Trustee and the Member shall agree some other manner of collection. All such contributions shall be paid by the Employers to the Trustee or as the Trustee shall otherwise direct.

*Additional contributions*

- 2.5 An Active Member shall continue to pay to the Scheme any contributions required under and subject to the Additional Benefits (Defined Benefit) Rules, the Additional Benefits (Defined Contribution) Rules or the Shift Pay Pension Plan Rules in relation to arrangements which were in place prior to the CARE Commencement Date.
- 2.6 An Active Member may with effect from the CARE Commencement Date pay additional contributions to the Scheme:
- (a) in accordance with the requirements of the Additional Benefits (Defined Contribution) Rules;
  - (b) to the extent required by or as elected by the Member under the Shift Pay Pension Plan Rules; and
  - (c) under the Additional Benefits (Defined Benefit) Rules on terms agreed between the Member and the Lead Company to provide additional pension in relation to Active Membership on and after the CARE Commencement Date.



- 2.7 Notwithstanding anything to the contrary in the Additional Benefits (Defined Benefit) Rules, the Trustee will use the funds attributable to a Member's additional voluntary contributions under the Additional Benefits (Defined Benefit) Rules to provide such additional benefits, including a lump sum and/or pension, in respect of the Member as the Lead Company shall agree, subject to compliance with terms which the Lead Company has agreed with the Member and which have been notified to the Trustee.

3. **Retirement at or after Normal Pension Age**

- 3.1 Each Member who leaves Active Membership at or after Normal Pension Age (otherwise than due to Ill-Health or death) shall receive:

- (a) an annual pension equal to:
  - (a) the Member's Pre-2024 Scale Pension (where applicable); plus
  - (b) the total of the Member's CARE Pensions for each Calculation Period; and
- (b) (where applicable) a lump sum equal to their Pre-2024 Scale Lump Sum.

- 3.2 Benefits under this **Rule 3** shall be payable in accordance with Rule 13 of the General Rules.

*Deferred Retirement*

- 3.3 On or before leaving Active Membership in accordance with this **Rule 3**, a Member may elect to defer bringing their pension into payment until a date which is later than their Normal Pension Age. Such an election shall be made in writing to the Trustee and shall, where required by the Trustee, specify the date on which the Member wishes their pension to commence. Any such election may be varied or withdrawn at any time by the Member giving further notice in writing to the Trustee.

- 3.4 Where a Member elects to defer their pension in accordance with this **Rule 3**, they shall become a Deferred Pensioner entitled to benefits in accordance with **Rule 6**. If the Member dies before their pension comes into payment, benefits shall be payable from the Scheme on the basis that the Member died as a Deferred Pensioner.

4. **Ill-health Retirement**

- 4.1 An Active Member with two or more years of Qualifying Service who retires from Service and ceases to be an Active Member due to Ill-Health shall be eligible to receive an immediate pension (and, where applicable, their Pre-2024 Scale Lump Sum) calculated as in **Rule 3** but based on:

- (a) Reckonable Service up to the end of leaving Reckonable Service; and
- (b) in the case of the Member's Pre-2024 Scale Pension and Pre-2024 Scale Lump Sum (where applicable) Pensionable Earnings at the date of leaving Reckonable Service.

- 4.2 Subject to **Rule 4.9**, an Active Member with less than two years' Qualifying Service who leaves before Normal Pension Age due to Ill-Health will be paid a return of contributions in accordance with **Rule 6.2**.

4.3 If an Active Member who is eligible to receive a pension under **Rule 4.1** has five completed years of Qualifying Service at the date of leaving Reckonable Service, their pension payable under **Rule 4.1** shall be increased by an amount equal to the Member's Average Annual CARE Pension multiplied by the Ill-health Service Enhancement.

4.4 For the purposes of **Rule 4.3** (and for the avoidance of doubt, no account shall be taken of any other pension payable under the Additional Benefits (Defined Benefit) Rules):

**"Average Annual CARE Pension"** means the total of the Member's CARE Pensions calculated in accordance with **Rule 3** divided by the Member's Reckonable Service with effect from the CARE Commencement Date so as to determine the average annual CARE Pension which the Member has accrued.

If the Member is not in receipt of Pensionable Earnings (or is in receipt of reduced Pensionable Earnings) at the time of leaving Reckonable Service on grounds which entitle them to receive a pension under this **Rule 4**, the Lead Company may determine that the Average Annual CARE Pension shall be calculated using the notional Pensionable Earnings which the Member would have received had they not been absent from their employment; and

**"Ill-health Service Enhancement"** means the number of years specified in the following table which shall be determined by the length of the Member's Total Reckonable Service as at the date of leaving Reckonable Service:

Completed years of Total Reckonable Service at date of leaving	Number of years enhancement
(i) 5 - 10 years	The number of years required to increase the Member's Reckonable Service to the Member's Total Reckonable Service multiplied by two, minus CPS Reckonable Service
(ii) 10 - 13 1/3 years	The period necessary to make Total Reckonable Service up to 20 years
(iii) More than 13 1/3 years	6 2/3 years

In the case of an Active Member on a fixed-term contract, Reckonable Service shall be increased by the remaining term of the fixed-term contract.

4.5 An Active Member's Ill-health Service Enhancement calculated in accordance with **Rule 4.4** above may not exceed what the Member's Reckonable Service would have been had they stayed in Reckonable Service in the case of (a) and (b) above, until age 65; and in the case of (c) above until age 60 or if the Member's Normal Pension Age is 65, age 65.

4.6 Where:

(a) at the date they leave Reckonable Service under **Rule 4.1**, a Member is married or has nominated (under **Rule 17.11**) an Adult Dependant to receive a pension on their death; and



(b) the Reckonable Service of the Member is enhanced under **Rule 4.3**

a deduction calculated in accordance with **Rule 4.7** shall be made from the Pre-2024 Scale Lump Sum payable to the Member under **Rule 4.1**.

- 4.7 The deduction referred to in **Rule 4.6** shall be the amount which is equal to the period by which Reckonable Service is enhanced under **Rule 4.3** multiplied by 0.01875 and multiplied by Pensionable Final Earnings. Any benefits which then become payable to the Member's Spouse or any Adult Dependant under **Rule 9.2** shall then be based on the enhanced pension to which the Member was entitled immediately before their death. No deduction shall be made under this **Rule 4.7** unless **Rule 4.6** applies.
- 4.8 Where no deduction has been made in accordance with **Rule 4.6** from the Pre-2024 Scale Lump Sum payable to the Member under **Rule 4.1** any enhancement under **Rule 4.3** shall be ignored for the purposes of calculating any payment made to the Member's Spouse or any Adult Dependant under **Rule 9.2**.
- 4.9 The Trustee may in its absolute discretion treat an early retirement due to Ill-Health as leaving Reckonable Service with entitlement to benefits under **Rule 6** if the Member has made a false declaration, or deliberately suppressed a material fact, about their health when applying for employment.
- 4.10 The Trustee shall be reasonably satisfied that, as advised by the Actuary, on the date when the benefits under **Rule 4.1** become payable their value, together with the value of any benefit payable on the Member's death is not less than the value on that date of any benefits which have accrued to or in respect of the Member, including for this purpose any increases in benefits which the Trustee estimates would accrue in accordance with the 1993 Act if the Member elected to take preserved benefits under **Rule 6**.
- 4.11 Benefits payable under this **Rule 4** shall be payable in accordance with Rule 13 of the General Rules.

## 5. **Other Early Retirement**

5.1 Any Active Member who retires at any time after they reach Minimum Pension Age may elect to receive the following benefits:

- (a) an annual pension equal to:
- (a) the Member's Pre-2024 Scale Pension (where applicable); plus
  - (b) the total of the Member's CARE Pensions for each Calculation Period; and
- (b) (where applicable) a lump sum equal to their Pre-2024 Scale Lump Sum

reduced as determined by the Trustee on the advice of the Actuary to reflect their early payment.

5.2 Benefits payable under this **Rule 5** shall be payable in accordance with Rule 13 of the General Rules.

6. **Leaving Active Membership**

6.1 An Active Member who ceases to be an Active Member without being entitled to an immediate benefit under **Rules 3, 4 or 5** shall be entitled to benefits under this **Rule 6**.

6.2 If the Member does not have two years of Qualifying Service under the Scheme and no transfer payment has been received in respect of the Member's rights under a personal pension scheme, the Trustee shall pay a lump sum equal to:

- (a) the amount of contributions which the Member has made or is deemed to have made to the Scheme pursuant to **Rule 2** of this Schedule and Rule 2 of Schedule 2; plus
- (b) such share of any transferred service credits as, in the opinion of the Actuary, represent the contributions of the Member and any other payments made by the Member under the Additional Benefits (Defined Benefit) Rules, other than payments made to secure additional benefits for the Member's family; less
- (c) the certified amount in relation to any contributions equivalent premium paid in respect of the Member as defined by and in accordance with the 1993 Act; less
- (d) the amount of tax or duty for which the Trustee is liable in respect thereof.

6.3 If the Member has completed two or more years of Qualifying Service or a transfer payment has been received in respect of them from a personal pension scheme, they shall be entitled to a preserved annual pension (and, where applicable, Pre-2024 Scale Lump Sum) calculated as under **Rule 3** but based on:

6.3.1 Reckonable Service up to the date of leaving Reckonable Service; and

6.3.2 in the case of Member's Pre-2024 Scale Pension and Pre-2024 Scale Lump Sum (where applicable), Pensionable Final Earnings at the date of leaving Reckonable Service.

The Member may choose the date on or after Normal Pension Age on which the benefits are to become payable by notifying the Trustee in writing in accordance with any procedures put in place by the Trustee from time to time for this purpose.

6.4 The benefits set out in **Rule 6.3** shall be increased each year between the date of leaving Active Membership and the date on which they become payable as follows:

6.4.1 benefits which comprise the Member's Pre-2024 Scale Pension and Pre-2024 Scale Lump Sum shall be increased in line with the rise in the Index; and

6.4.2 benefits which comprise the Member's CARE Pensions shall be increased by the amount (where it is greater than zero) by which the Consumer Prices Index for the immediately preceding September exceeds the Consumer Prices Index for the September before that, provided that:

- (a) in relation to the year in which the Member ceases to be in Active Membership, such increase will also apply from 1 April immediately preceding the date on which the Member ceased Active Membership; and

- (b) when a pension commences payment, this **Rule 6.4.2** shall not apply in respect of the period from 1 April immediately preceding the date the pension commences payment.

6.5 In any of the following circumstances, the benefits under **Rule 6.3** may be brought into payment before Normal Pension Age (without being subject to a reduction for early payment):

- (a) having withdrawn from the Scheme in accordance with Rule 5.3 of the General Rules, the Member is retired from Service due to Ill-Health;
- (b) the Member develops an illness after having left Service and the Trustee is satisfied that the illness would have led to their retirement due to Ill-Health had they still be in Active Membership; or
- (c) the Member has attained Minimum Pension Age and the Lead Company believes that there are personal circumstances which compel the Member to give up employment or prevent them from seeking employment and the Lead Company decides to authorise a benefit under this **Rule 6.5(c)**.

6.6 The Trustee may bring a preserved pension and (where applicable) Pre-2024 Scale Lump Sum into payment before Normal Pension Age, where:

- (a) the Member has reached the Minimum Pension Age;
- (b) the Member has left Active Membership; and
- (c) the Member has given their consent in writing to the Trustee, in such form as the Trustee may from time to time direct;

the amount of any such preserved pension and (where applicable) Pre-2024 Scale Lump Sum shall be reduced as determined by the Trustee on the advice of the Actuary to take account of the earlier date on which the benefit becomes payable.

6.7 A Member who is entitled to a preserved pension and (where applicable) Pre-2024 Scale Lump Sum under **Rule 6.3** which has not been brought into payment under **Rules 6.5** or **6.6** may elect for the Trustee to make a transfer payment in lieu of the preserved pension and lump sum pursuant to Rule 9 of the General Rules.

6.8 Where appropriate, benefits payable under this **Rule 6** shall be payable in accordance with Rule 13 of the General Rules.

## 7. Exchanging Benefits

### *Exchanging Pre-2024 Scale Lump Sum for an increased pension*

- 7.1 A Member who is entitled to a lump sum under **Rule 3.1, 5.1, 6.3 or 6.5(c)** may, before their benefits come into payment, exchange part of the lump sum payable to them for an additional pension for the Member, the Member's Spouse or any one or more the Member's Dependants.
- 7.2 The amount of the additional pension obtained as a result of such conversion under **Rule 7.1** shall be such amount as the Trustee, having obtained the advice of the Actuary, shall determine.
- 7.3 Once an exchange has been made under **Rule 7.1**, it may not be withdrawn except with the consent of the Trustee and the Lead Company, provided that the exchange may not be withdrawn once the Member's benefits have come into payment.

### *Dependant's Pension*

- 7.4 A Member who is entitled to a pension under **Rules 3.1, 5.1, 6.3 or 6.5(c)** may, before their benefits come into payment, exchange part of that pension for additional benefits for the Member's Spouse or any one or more the Member's Dependants at the time of making the exchange. This option is subject to the following conditions:
- (a) the amount of the pension so exchanged and the benefit for which it is exchanged shall be determined by the Trustee on the advice of the Actuary;
  - (b) the amount of pension exchanged shall not exceed 1/3<sup>rd</sup> of the Member's own pension, nor shall it reduce the Member's own pension below the amount required by the Contracting Out Rules;
  - (c) once made, the exchange may not be withdrawn except with the consent of the Trustee and the Lead Company;
  - (d) if the Spouse or Dependant dies before the Member's benefits come into payment, the exchange shall be cancelled; and
  - (e) the exchange may not be withdrawn once the Member's benefits have come into payment.

### *Exchanging pension for a lump sum at retirement*

- 7.5 A Member who is entitled to a pension under this Schedule may, before their benefits come into payment, exchange part of their pension for a lump sum up to an amount equal to the maximum which can be paid as an Authorised Payment provided that:
- 7.5.1 if and to the extent that the Member wishes to exchange part of their pension for a PCLS, the provisions of **Rule 7.5.2** below shall apply; and
  - 7.5.2 if and to the extent that the Member wishes to exchange part of their pension for a lump sum which exceeds the maximum lump sum which the Member can receive from the Scheme in accordance with the provisions of **Rule 7.5.1** above and **Rule**



**7.6** below but which is still an Authorised Payment, the amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee.

7.6 A Member may only exchange their pension, or part of their pension, under **Rule 7.5.1** on the following terms:

- 7.6.1 the Member cannot exchange part of their Pre-2024 Scale Pension for a lump sum greater than the Pre-2024 Maximum Lump Sum;
- 7.6.2 the Member cannot exchange part of their CARE Pensions for a lump sum greater than the Post-2024 Maximum Lump Sum;
- 7.6.3 if the Member chooses to exchange pension for a lump sum from the Scheme which is lower than the Maximum Scheme PCLS which may be paid from the Scheme, the lump sum must comprise an amount in relation to the Pre-2024 Benefits and an amount in relation to the Post-2024 Benefits where such amounts are in the same proportion as:

Pre-2024 Maximum Lump Sum / Post-2024 Maximum Lump Sum.

- 7.6.4 the part of the Member's pension which constitutes their CARE Pensions may be exchanged for a lump sum at a rate of £12 for every £1 of annual pension which is exchanged;
- 7.6.5 to the extent that the Member chooses to exchange part of their Pre-2024 Scale Pension, the amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee; and
- 7.6.6 the Member may only elect to use the value of their additional voluntary contributions (if any) which they have paid under the Additional Benefits (Defined Contribution) Rules towards payment of the lump sum at retirement which they are able to receive under the terms of this **Rule 7.6** subject to the agreement of the Lead Company and provided they exchange their CARE Pensions under the terms of this **Rule 7** for a lump sum which is at least equal to the Notional Post-2024 Scale Lump Sum.

7.7 For the purposes of this **Rule 7**:

- 7.7.1 "**Commutation Factor**" means such factor as is applicable on the terms as the Lead Company shall determine on advice of the Actuary and after consultation with the Trustee;
- 7.7.2 "**Maximum Scheme PCLS**" means the maximum PCLS which could be paid to the Member from the Scheme in accordance with legislation taking account of all entitlements under all Benefit Structures (without reference to any restrictions or calculations applicable to the actual lump sum payable under the Scheme Rules) at the relevant time, less the Member's Pre-2024 Scale Lump Sum, provided that the Maximum Scheme PCLS shall not be less than zero;
- 7.7.3 "**Notional Post-2024 Scale Lump Sum**" means the lump sum calculated as:

$3/80 \times \text{the Member's Pensionable Final Earnings} \times \text{the Member's Reckonable Service with effect from the CARE Commencement Date.}$

7.7.4 "**PCLS**" means a "pension commencement lump sum" as defined in the Finance Act 2004;

7.7.5 "**Post-2024 Benefits**" in relation to a Member means their CARE Pensions;

7.7.6 "**Post-2024 Maximum Lump Sum**" means the amount calculated as:

$\text{Maximum Scheme PCLS} \times (\text{Unadjusted Post-2024 Maximum Lump Sum} / \text{Total Unadjusted Maximum Lump Sum})$

7.7.7 "**Pre-2024 Benefits**" in relation to a Member means their Pre-2024 Scale Pension and Pre-2024 Scale Lump Sum;

7.7.8 "**Pre-2024 Maximum Lump Sum**" means the amount calculated as:

$\text{Maximum Scheme PCLS} \times (\text{Unadjusted Pre-2024 Maximum Lump Sum} / \text{Total Unadjusted Maximum Lump Sum})$ .

7.7.9 "**Total Unadjusted Maximum Lump Sum**" means the aggregate of the Member's Unadjusted Pre-2024 Maximum Lump Sum and their Unadjusted Post-2024 Maximum Lump Sum;

7.7.10 "**Unadjusted Post-2024 Maximum Lump Sum**" means the amount calculated as:

$(\text{Valuation Factor} \times \text{CARE Pensions}) / (3 + \text{Valuation Factor} / 12)$

where, for these purposes, the Member's CARE Pensions shall not take account of any exchange for a lump sum at retirement;

7.7.11 "**Unadjusted Pre-2024 Maximum Lump Sum**" means the amount calculated as:

$((\text{Valuation Factor} \times \text{Pre-2024 Scale Pension} - 3 \times \text{Pre-2024 Scale Lump Sum}) / (\text{Pre-2024 Scale Pension} \times (3 \times \text{Commutation Factor} + \text{Valuation Factor}))) \times \text{Pre-2024 Scale Pension} \times \text{Commutation Factor}$

where, for these purposes, the Member's Pre-2024 Scale Pension shall not take account of any exchange for a lump sum at retirement;

7.7.12 "**Valuation Factor**" means 20 or such other factor as is the 'relevant valuation factor' for the purposes of the Finance Act 2004 at the relevant time.

8. **Lump Sum Death Benefits**

- 8.1 On the death in Service of an Active Member, a lump sum shall be payable equal to the greater of:
- 8.1.1 two times Pensionable Final Earnings at the date of death less (where a pension is payable pursuant to **Rule 9** as a consequence of the Member's death) an amount equal to 0.01875 multiplied by the number of years by which the Member's Reckonable Service is enhanced under **Rule 9** and multiplied by the Member's Pensionable Final Earnings; and
  - 8.1.2 the lump sum (if any) which would have been paid under **Rule 4.1** had the Member retired due to Ill-Health immediately prior to the date of their death.
- 8.2 On the death of a Pensioner, before the 5<sup>th</sup> anniversary of the commencement of their pension, a lump sum shall be payable equal to the difference between:
- 8.2.1 five times the annual rate of the Member's pension in payment to them at the date of their death, including any increase under **Rule 11**; and
  - 8.2.2 the total of any lump sums and pension payments already made to the Member as at the date of their death.
- 8.3 On the death of a Deferred Pensioner before their benefits are brought into payment, a lump sum shall be payable of an amount equal to:
- 8.3.1 such Pre-2024 Scale Lump Sum as is calculated under **Rule 6.3** in relation to the Member's benefits prior to the CARE Commencement Date; plus
  - 8.3.2 three times the level of the CARE Pensions which the Member would have received under this Schedule 2B (Post-2024 CPS CARE Benefit Structure) if they had been entitled to receive such pension immediately before the date of their death and the CARE Pensions had been exchanged in accordance with the provisions in **Rule 7.6** for a pension commencement lump sum (as defined by the Finance Act 2004) equal to three times the CARE Pensions.
- 8.4 On the death of a Member where no benefit is payable under **Rule 9** because the Member is not survived by a Spouse or Children, the Trustee shall pay a lump sum equivalent to a refund of the family benefit contributions paid under Rule 2.1(b) of the CPS Benefit Structure.
- 8.5 Lump sums payable under this **Rule 8** shall be held on the Discretionary Trusts.



9. **Spouse or Adult Dependant's Pension**

9.1 On the death in Service of an Active Member who has completed at least two years of Qualifying Service, the Member's Spouse shall receive the following benefits:

9.1.1 for the first 91 days (if there is no Children's pension payable under **Rule 10** to a Child in the care of the Member's Spouse) or 182 days (if there is such a Children's pension payable), a pension equal to the Member's annual rate of Pensionable Final Earnings, and thereafter:

9.1.2 an immediate annual pension of:

- (a)  $\frac{1}{140^{\text{th}}}$  of the Member's Pensionable Final Earnings multiplied by the length of their Reckonable Service prior to the CARE Commencement Date; plus
- (b) 37.5% of the pension the Member would have received in relation to Reckonable Service with effect from the CARE Commencement Date had they retired due to Ill-Health under Rule 4 immediately before the date of their death,

Provided that:

- (i) if the Member is survived by an Adult Dependant but not a Spouse, the Trustee may pay such benefits to the Adult Dependant; and
- (ii) if the Member is survived by both a Spouse and an Adult Dependant, the Trustee may pay the pension which is due under **Rule 9.1.2(b)** to either the Spouse or the Adult Dependant.

9.2 On the death of a Pensioner, the Member's Spouse shall receive the following benefits:

9.2.1 for the first 91 days (if there is no Children's pension payable under **Rule 10** to a Child in the care of the Member's Spouse) or 182 days (if there is such a Children's pension payable), a pension equal to the Member's annual rate of pension as at the date of their death (ignoring any allocation under **Rule 7.4**) or, if higher, the pension calculated under **Rule 9.2.2** below; and thereafter

9.2.2 an immediate annual pension of:

- (a)  $\frac{1}{140^{\text{th}}}$  of the Member's Pensionable Final Earnings multiplied by the length of their Reckonable Service prior to the CARE Commencement Date, and increased by the same proportion as the Member's pension was increased under **Rule 11** between the date on which it came into payment and the date of their death; plus
- (b) 37.5% of the annual rate of pension being paid to the Member immediately before their death in relation to Reckonable Service with effect from the CARE Commencement Date,

Provided that:

- (i) if the Member is survived by an Adult Dependant but not a Spouse, the Trustee may pay such benefits to the Adult Dependant; and



- (ii) if the Member is survived by both a Spouse and an Adult Dependant, the Trustee may pay the pension which is due under **Rule 9.2.2(b)** to either the Spouse or the Adult Dependant.
- 9.3 On the death of a Deferred Pensioner, subject to **Rule 9.4**, the Member's Spouse shall receive an immediate annual pension equal to:
  - 9.3.1 1/140th of the Member's Pensionable Final Earnings multiplied by the length of their Reckonable Service prior to the CARE Commencement Date, and increased by the same proportion as the Member's pension was increased under **Rule 6.4** between the date on which the Member left Active Membership and the date of their death; plus
  - 9.3.2 37.5% of the Member's preserved pension at the date of their death in relation to Reckonable Service with effect from the CARE Commencement Date,

Provided that:

  - (a) if the Member is survived by an Adult Dependant but not a Spouse, the Trustee may pay such benefits to the Adult Dependant; and
  - (b) if the Member is survived by both a Spouse and an Adult Dependant, the Trustee may pay the pension which is due under **Rule 9.3.2** to either the Spouse or the Adult Dependant.
- 9.4 On the death of an Energy Act CPS Member who elected whilst a member of the CPS that their Spouse should receive only the GMP, only the minimum payable under the Contracting Out Rules shall be payable.
- 10. **Children's Pension**
- 10.1 On the death in Service of an Active Member the Member's Children shall each receive an annual pension calculated as:
  - 10.1.1 the following proportion of the pension in relation to Reckonable Service prior to the CARE Commencement Date the Member would have received had the pension been brought into payment immediately prior to the Member's death:
    - (a) 25% for each Child in the care of the Member's Spouse; and
    - (b) 33% for each Child in the care of someone other than the Member's Spouse, plus
  - 10.1.2 the following proportion of the pension in relation to Reckonable Service with effect from the CARE Commencement Date which the Member would have received if they had retired due to Ill-Health immediately before the date of their death:
    - (a) 30% for each Child in the care of the Member's Spouse or an Adult Dependant who is in receipt of a pension under **Rule 9.1**; and
    - (b) 50% for each other Child.

10.2 On the death of a Pensioner, the Member's Children shall each receive an annual pension calculated as:

10.2.1 the following proportion of the annual rate of pension being paid to the Member immediately before their death in relation to Reckonable Service prior to the CARE Commencement Date:

- (a) 25% for each Child in the care of the Member's Spouse; and
- (b) 33% for each Child in the care of someone other than the Member's Spouse, plus

10.2.2 the following proportion of the annual rate of pension being paid to the Member immediately before their death in relation to Reckonable Service with effect from the CARE Commencement Date:

- (a) 30% for each Child in the care of the Member's Spouse or an Adult Dependant who is in receipt of a pension under **Rule 9.2**; and
- (b) 50% for each other Child;

provided that if the Member's Total Reckonable Service is less than 10 years, the annual rate of pension on which the above proportion is calculated in relation to Reckonable Service with effect from the CARE Commencement Date shall be increased by an amount equal to the Member's Average Annual CARE Pension (as defined in **Rule 4.3**) multiplied by whichever of the following methods provides the lower Reckonable Services: (i) so that Reckonable Service is 10 years (subject to the deduction of the Member's CPS Reckonable Service; and (ii) the Reckonable Service the Member could have completed had they remained in full-time Service until five years after Normal Pension Age.

10.3 On the death of a Deferred Pensioner the Member's Children shall each receive an annual pension calculated as a proportion of the Member's deferred pension as increased under **Rule 6.4** between the date on which the Member left Active Membership and the date of their death. The proportion of the Member's deferred pension payable to each child is:

10.3.1 in relation to the deferred pension attributable to Reckonable Service prior to the CARE Commencement Date:

- (a) 25% for each Child in the care of the Member's Spouse; and
- (b) 33% for each Child in the care of someone other than the Member's Spouse, plus

10.3.2 in relation to Reckonable Service with effect from the CARE Commencement Date:

- (a) 30% for each Child in the care of the Member's Spouse or an Adult Dependant who is in receipt of a pension under **Rule 9.3**; and
- (b) 50% for each other Child.

10.4 This **Rule 10** shall be subject to **Rule 17.9** where a Member dies leaving more than one Child.

**11. Increases to Pensions in Payment**

- 11.1 Subject to the provisions of this **Rule 11** and to the sections 51 to 55 of the 1995 Act (Indexation) (as amended), all pensions in excess of GMP shall be increased on a compound basis on each 1 April, or such other date as the Trustee shall determine.
- 11.2 The Trustee will increase pensions in payment on each 1 April as follows:
- 11.2.1 any part of a pension in excess of the GMP that is attributable to Reckonable Service before the CARE Commencement Date will be increased by such rate as is equal to the percentage by which the Index for the September immediately preceding the relevant 1 April exceeds the Index for the September immediately before that; and
  - 11.2.2 any part of a pension attributable to Reckonable Service on or after the CARE Commencement Date will be increased by the amount (where it is greater than zero) by which the Consumer Prices Index for the immediately preceding September exceeds the Consumer Prices Index for the September before that.
- 11.3 In the case of a pension which commenced payment in the twelve months preceding the date of the pension increase:
- 11.3.1 the level of increase applied to that part of the pension attributable to Reckonable Service prior to the CARE Commencement Date will be the proportionate part of the full increase amount provided for in **Rule 11.2**; and
  - 11.3.2 the full increase amount provided for in **Rule 11.2.2** shall be applied to that part of the pension attributable to Reckonable Service on or after the CARE Commencement Date.

**12. Serious Ill-Health Commutation**

If a Member whose benefits are due to come into payment is suffering from Serious Ill Health the Member may commute any pension benefit for a lump sum. The lump sum shall be five times the annual rate of the pension which would have been payable to the Member less the amount of lump sum payable to the Member under the Rules.

**13. Trivial Pensions**

- 13.1 Where a Member's benefits can be paid as a Trivial Commutation Lump Sum, the Member may elect and the Trustee may commute his benefits for a lump sum. The terms of the commutation shall be as determined by the Trustee on the advice of the Actuary.
- 13.2 Where some or all of the benefits payable on the death of a Member can be paid as a Trivial Commutation Lump Sum Death Benefit, the Trustee may commute the relevant benefits for a lump sum. The terms of the commutation shall be as determined by the Trustee on the advice of the Actuary.



#### 14 **Temporary Absence**

- 14.1 An Active Member absent from work by reason of contractual leave or sickness (in either case, other than that to which Rules 6.4 to 6.7 of the General Rules apply) during which they are contractually entitled to continue to accrue benefits shall continue to accrue benefits as an Active Member.
- 14.2 An Active Member who is absent from Service on leave or sick leave on full pay (or half pay when absence on sick leave) shall continue to accrue benefits as an Active Member.
- 14.3 Members who accrue benefits under this Rule shall pay such contributions as the Lead Company determines.

#### 15 **Re-joining the Post-2024 CPS CARE Benefit Structure**

- 15.1 An Employee who elects to withdraw from Active Membership under the Post-2024 CPS CARE Benefit Structure or who had elected to withdraw from Active Membership under the CPS Benefit Structure before the CARE Commencement Date while remaining in Service shall be entitled to elect to become an Active Member again and to accrue their benefits under the Post-2024 CPS CARE Benefit Structure if either:
  - 15.1.1 they are aged less than 58 years and this is the first occasion during their current period of Service on which they have made an election; or
  - 15.1.2 they are aged less than 25 or they have not yet been in service for more than 3 years.
- 15.2 Any Employee who ceases to be an Active Member while remaining in Service and does not satisfy the criteria in **Rule 15.1** above may only be readmitted as an Active Member with the consent of the Trustee and the Lead Company and subject to such conditions as they may impose.

#### 16 **Alterations to Pensionable Earnings**

- 16.1 Where the Pensionable Earnings of a Member are reduced (other than in circumstances where Rule 6 of the General Rules applies), the date of the reduction may, if it produces a higher benefits, be taken as the date of termination of Active Membership in which case Active Membership after the date of reduction shall be treated as a separate period of Active Membership.
- 16.2 The test under **Rule 16.1** shall be applied when overall benefits come into payment.

17      **Payment of Pensions to Spouses, Adult Dependants, Dependants and Children**

17.1      Any pension allocated to a Spouse, Adult Dependant or Dependant under **Rule 7** shall be payable from the date of the Member's death until the death of the Spouse or Dependant or on such other terms as the Trustee may agree with the Member at the date of the allocation.

17.2      Subject to the Contracting Out Rules and **Rule 17.3**, any pension payable to a Spouse under **Rule 9** in relation to Reckonable Service up to the CARE Commencement Date shall be payable for life provided that, if the Spouse remarries, enters into a civil partnership or cohabits with another person as if they were married or as if Civil Partners, the Trustee shall suspend payment of the Spouse's pension but may reinstate such pension if the Spouse is then divorced, terminates the civil partnership or ceases to cohabit or if such relationship comes to an end by reason of death.

The Trustee may agree departures from this Rule in any particular case.

17.3      For the purposes of **Rule 17.2** references to cohabiting with another person as if they were married or as if Civil Partners shall not apply in respect of a Member who, prior to joining the Scheme, had been a member of a pension scheme operated by the United Kingdom Atomic Energy Authority since before 31 May 1978.

17.4      If a short term pension is payable under **Rules 9.1.1** or **9.2.1**, the Children's pensions under **Rule 10** shall be payable from the date on which the pension begins to be payable under whichever of **Rules 9.1.2** or **9.2.2** is appropriate.

17.5      If there is no short term pension payable under **Rules 9.1.1** or **9.2.1** or if the Child is not in the care of the Member's Spouse, that Child's pension under **Rule 10** shall be payable from the day after the date of the Member's death.

17.6      Children's pensions shall continue to be payable to a Child while they still qualify as a Child. If a Child is under 19 when they cease to be in full time education or vocational training, they shall continue to qualify for the benefit until the earlier of: (a) the second Monday in January; (b) the second Monday after Easter Monday; (c) the second Monday in September; (d) the date they attain age 19 years; and (e) the date they become engaged in full time gainful employment.

17.7      No Child shall be entitled to receive pensions under **Rule 10** in respect of more than two Members. Where a Child is eligible to receive more than two pensions under **Rule 10**, the Child will count as eligible in respect of only two Members, in the way which, in the opinion of the Trustee, gives the most favourable overall result for the Child.

17.8      The Trustee may, at its sole discretion, treat any other child as a Child for the purposes of **Rule 10** where that child is under the age of 19, is in full-time education or full-time vocational training and the Trustee is satisfied that at the date of the Member's benefits coming into payment or death or withdrawal from a Section either:

17.8.1      the child had been dependent on the Member for at least two years or (if less) half the child's life; or

17.8.2      the Member had formed the intention of legally adopting the child.

17.9      Where a Member dies leaving more than one Child, the pensions payable under **Rule 10** shall not exceed the following percentage of the relevant amount:

- 17.9.1 in relation to benefits attributable to Reckonable Service prior to the CARE Commencement Date:
- (a) 50% if all Children are in the care of the Member's Spouse or if a Spouse's pension is being paid;
  - (b) 58.34% if there is one Child in the care of someone other than the Member's Spouse and no Spouse's pension is being paid; and
  - (c) 66.67% if two or more Children are in the care of someone other than the Member's Spouse and no Spouse's pension is being paid; and
- 17.9.2 in relation to benefits attributable to Reckonable Service with effect from the CARE Commencement Date:
- (a) 60% if a Spouse or Adult Dependant's pension is in payment under **Rule 9**; or
  - (b) 100% where no Spouse or Adult Dependant's pension is in payment under **Rule 9**.
- 17.10 Where the total Children's pension is limited by **Rule 17.9**, the maximum pension payable shall be apportioned between each Child in such shares as the Trustee shall determine. The maximum pension payable shall be adjusted when any Child starts or ceases to be a Child.
- 17.11 A Member may, by submitting a written expression of wishes to the Trustee, indicate how the pensions and lump sum payable under **Rules 8, 9 and 10** should be divided between those persons who are eligible to receive them. No such expression of wishes shall be binding on the Trustee. The Trustee may specify the form the expression of wishes must take.
- 17.12 Unless the context otherwise requires, a pension payable to a Spouse or an Adult Dependant shall be payable for life.
- 17.13 No pension payable to a Member's Spouse shall be less than the Spouse's GMP in relation to any part of the Member's Reckonable Service which was contracted-out (or treated as contracted-out) by reference to the CPS or the Scheme on a salary related basis under section 9(2) of the 1993 Act (as amended) before 6 April 1997.

## **APPENDIX 2**

### **Schedule 3A: GPS CARE Benefit Structure**

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Dated: 28 March 2024

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**Rules of the Combined Nuclear Pension Plan**

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**Post-2024 GPS CARE Benefit Structure**



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## SCHEDULE 3A

### POST-2024 GPS CARE BENEFIT STRUCTURE

These are the Rules that govern the benefits and contributions payable under the Post-2024 GPS Benefit Structure of the Combined Nuclear Pension Plan (the "**Scheme**") on and from the CARE Commencement Date.

#### 1. Eligibility

- 1.1 A person who immediately before the CARE Commencement Date was in Pensionable Service as a GPS DB Member under Schedule 3 (GPS Benefit Structure) and any person entitled to benefits in respect of such a person shall be entitled to benefits set out in this Schedule.
- 1.2 An Employee who satisfies these conditions will cease to accrue benefits under the GPS Benefit Structure (as set out in Schedule 3) and start to accrue benefits under this Post-2024 GPS Benefit Structure with effect on and from the CARE Commencement Date, unless in the case of that Employee the Lead Company has determined that Active Membership under Schedule 3 (GPS Benefit Structure) should instead continue.
- 1.3 No other person shall be entitled to benefits under this Schedule unless the Lead Company and the Trustee agree otherwise.

#### 2. Contributions by Active Members

- 2.1 Each Active Member will contribute to the relevant Section at a percentage rate of Pensionable Earnings while the Member is in Pensionable Service.
- 2.2 The Active Member's contribution rate shall be that which is applicable to the annual Pensionable Earnings the Active Member is receiving on 1 April each year as specified in the following table such that the contribution rate specified in the third column is applicable to the band of Pensionable Earnings specified in the second column into which the Active Member's Pensionable Earnings, rounded down to the nearest whole pound, falls:

Financial Year	Annual Pensionable Earnings on 1 April	Active Members Contribution Rate
1 April 2024 – 31 March 2025	£13,944 or less	5%
	£13,945 - £54,509	5.66%
	£54,510 - £190,147	6%
	More than £190,147	6%
1 April 2025 – 31 March 2026	£13,944 or less	5%
	£13,945 - £54,509	6.33%
	£54,510 - £190,147	7%
	More than £190,147	7%

1 April 2026 – 31 March 2027	£13,944 or less	5%
	£13,945 – £54,509	7%
	£54,510 – £190,147	8%
	More than £190,147	8%
With effect from 1 April 2027	£13,944 or less	5%
	£13,945 – £54,509	7%
	£54,510 – £190,147	9%
	More than £190,147	11%

- 2.3 On each 1 April the figures in the second column of the table in **Rule 2.2** shall be increased by the amount (where it is greater than zero) by which the Consumer Prices Index for the immediately preceding September exceeds the Consumer Prices Index for the September before that.
- 2.4 Each Active Member's contributions shall be collected by the Employer by deduction from the Member's remuneration unless the Trustee and the Member shall agree some other manner of collection. All such contributions shall be paid by the Employers to the Trustee or as the Trustee shall otherwise direct.
- 2.5 An Active Member may with effect from the CARE Commencement Date pay additional contributions to the Scheme:
- 2.5.1 in accordance with the requirements of the Additional Benefits (Defined Contribution) Rules;
  - 2.5.2 to the extent required by or as elected by the Member under the Shift Pay Pension Plan Rules; and
  - 2.5.3 under **Rule 18** on terms agreed between the Member and the Lead Company to provide additional pension in relation to Active Membership on and after the CARE Commencement Date.
- 2.6 The Trustee will use the funds attributable to a Member's additional voluntary contributions under **Rule 18** to provide such additional benefits, including a lump sum and/or pension, in respect of the Member as the Lead Company shall agree, including in accordance with terms which the Lead Company has agreed with the Member and which have been notified to the Trustee.

3. **Retirement at or after Normal Pension Age**

3.1 Each Active Member who leaves Pensionable Service at or after Normal Pension Age with two or more years of Qualifying Service shall receive:

3.1.1 an annual pension equal to:

- (a) the Member's Pre-2024 Scale Pension (where applicable); plus
- (b) the total of the Member's CARE Pensions for each Calculation Period; and

3.1.2 (where applicable) a lump sum equal to their Pre-2024 Scale Lump Sum.

3.2 Benefits under this **Rule 3** shall be payable in accordance with Rule 13 of the General Rules.

3.3 In addition to the benefits (if any) payable under this **Rule 3** there shall be payable under the same provisions:

3.3.1 any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and

3.3.2 any benefit arising from additional voluntary contributions paid by the Member to any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;

3.3.3 any benefit arising from additional voluntary contributions paid by the Member to any Section under the Additional Benefits (Defined Benefit) Rules; and

3.3.4 any benefits arising from contributions paid to any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;

unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

4. **Ill-health Retirement**

4.1 For the avoidance of doubt, the consent of the Lead Company (which it may give or withhold at its sole discretion) is required before any benefits are payable under this **Rule 4**.

4.2 Subject to the following provisions of this **Rule 4**, if an Active Member leaves Pensionable Service with the agreement of or at the direction of the Section Lead Employer and the Member's Employer at any time after completing two years' Qualifying Service but before Normal Pension Age on account of incapacity due to Ill-Health the Member shall, subject to the consent of the Lead Company, the Section Lead Employer and the Member's Employer, be eligible to receive an immediate pension (and, where applicable, their Pre-2024 Scale Lump Sum) calculated as in **Rule 3** but based on Pensionable Earnings and Pensionable Service at the date of leaving Pensionable Service.

4.3 Subject to **Rules 4.1, 4.11** and **4.12**, an Active Member with less than two years' Qualifying Service who leaves before Normal Pension Age due to Ill-Health will be paid a return of contributions in accordance with **Rule 6.2**.



4.4 If an Active Member who is eligible to receive a pension under **Rule 4.2** has five completed years of Qualifying Service at the date of leaving Pensionable Service, their pension payable under **Rule 4.2** shall be increased by an amount equal to the Member's Average Annual CARE Pension multiplied by the Ill-health Service Enhancement.

4.5 For the purposes of **Rule 4.4**:

**"Average Annual CARE Pension"** means the total of the Member's CARE Pensions calculated in accordance with **Rule 3** divided by the Member's Pensionable Service with effect from the CARE Commencement Date so as to determine the average annual CARE Pension which the Member has accrued.

If the Member is not in receipt of Pensionable Earnings (or is in receipt of reduced Pensionable Earnings) at the time of leaving Pensionable Service on grounds which entitle them to receive a pension under this **Rule 4**, the Lead Company may determine that the Average Annual CARE Pension shall be calculated using the notional Pensionable Earnings which the Member would have received had they not been absent from their employment; and

**"Ill-health Service Enhancement"** means the number of years specified in the following table which shall be determined by the length of the Member's Qualifying Service as at the date of leaving Pensionable Service:

Completed years of Qualifying Service at date of leaving	Number of years enhancement
(a) 5 - 10 years	Member's Pensionable Service
(b) 10 - 13 1/3 years	The period necessary to make Pensionable Service up to 20 years
(c) More than 13 1/3 years	6 2/3 years

4.6 An Active Member's Ill-health Service Enhancement calculated in accordance with **Rule 4.5** above may not exceed what the Member's Pensionable Service would have been had they stayed in Pensionable Service in the case of (a) and (b) above, until age 65; and in the case of (c) above until Normal Pension Age.

4.7 Where:

4.7.1 at the date they leave Pensionable Service under **Rule 4.2**, a Member is married or has nominated (under **Rule 16.6**) an Adult Dependant to receive a pension on their death; and

4.7.2 the Pensionable Service of the Member is enhanced under **Rule 4.4**;

a deduction calculated in accordance with **Rule 4.8** shall be made from the Pre-2024 Scale Lump Sum payable to the Member under **Rule 4.2**.

4.8 The deduction referred to in **Rule 4.7** shall be the amount which is equal to the period by which Pensionable Service is enhanced under **Rule 4.4** multiplied by 0.01875 and multiplied by Pensionable Final Earnings. Any benefits which then become payable to the Member's

Spouse or any Adult Dependant under **Rule 9.2** shall then be based on the enhanced pension to which the Member was entitled immediately before their death. No deduction shall be made under this **Rule 4.8** unless **Rule 4.7** applies.

- 4.9 Where no deduction has been made in accordance with **Rule 4.7** from the Pre-2024 Scale Lump Sum payable to the Member under **Rule 4.2** any enhancement under **Rule 4.4** shall be ignored for the purposes of calculating any payment made to the Member's Spouse or any Adult Dependant under **Rule 9.2**.
- 4.10 The Trustee may in its absolute discretion at any time before the Member's Normal Pension Age reduce, suspend or terminate any pension payable under **Rule 4.2** if the Member either does not supply evidence of continued Ill-Health satisfactory to the Trustee when requested or earns an income from any trade, profession or employment.
- 4.11 If a pension is reduced, suspended or terminated under **Rule 4.10**, the Member's pension at Normal Pension Age shall be of such amount as the Trustee, having regard to the advice of the Actuary and with the consent of the Lead Company, shall in its discretion decide having regard to the Member's periods of Pensionable Service before first retiring and (if appropriate) after re-admission and the Member's Pensionable Earnings in respect of each such period.
- 4.12 The Trustee may require the Member to submit to such medical examinations by Scheme Medical Advisers and consent to the release of such medical records as the Trustee in its discretion considers appropriate to assist the Trustee to decide whether or not the Member is suffering from Ill-Health.
- 4.13 The Trustee may in its absolute discretion treat an early retirement due to Ill-Health as leaving Pensionable Service with entitlement to benefits under **Rule 6** if the Member has made a false declaration, or deliberately suppressed a material fact, about their health when applying for employment.
- 4.14 The Trustee shall be reasonably satisfied that, as advised by the Actuary, on the date when the benefits under **Rule 4.2** become payable their value, together with the value of any benefit payable on the Member's death is not less than the value on that date of any benefits which have accrued to or in respect of the Member, including for this purpose any increases in benefits which the Trustee estimates would accrue in accordance with the 1993 Act if the Member elected to take preserved benefits under **Rule 6**.
- 4.15 Benefits payable under this **Rule 4** shall be payable in accordance with Rule 13 of the General Rules.
- 4.16 In addition to the benefits (if any) payable under this **Rule 4** there shall be payable under the same provisions:
- 4.16.1 any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
- 4.16.2 any benefit arising from additional voluntary contributions paid by the Member to any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;
- 4.16.3 any benefit arising from additional voluntary contributions paid by the Member to any Section under the Additional Benefits (Defined Benefit) Rules; and

4.16.4 any benefits arising from contributions paid to any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;

unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

**5. Other Early Retirement**

- 5.1 Subject to the following provisions of this **Rule 5**, if an Active Member with at least five years' Qualifying Service not entitled to a pension under **Rule 4.2** leaves Pensionable Service on or after his or her Minimum Pension Age but before Normal Pension Age by reason of Early Provision of Benefits with the consent of the Employer, the Member may elect to forego all or part (as agreed with the Employer) of any compensation payment payable to them by their Employer and to receive instead a pension equal to their preserved pension under **Rule 6** (together with immediate payment of their Pre-2024 Scale Lump Sum, where applicable), both the pension and (where applicable) lump sum to be reduced by such amount as the Trustee deems appropriate, having obtained the advice of the Actuary, to take account of the earlier date on which the benefits become payable.
- 5.2 The pension will begin to be paid on the day immediately following the date of the Member leaving Service (except that it will not be payable for any unexpired portion of a period of formal notice for which pay in lieu is allowed unless otherwise agreed by the Employer).
- 5.3 Where a pension is being paid in respect of a Member under this **Rule 5**, the annual rate of pension referred to in **Rules 9.2, 10.2 and 10.3** shall be the annual rate of pension to which the Member would have been entitled, but for the application of the reduction provided for in this **Rule 5**.
- 5.4 The Trustee shall be reasonably satisfied that, as advised by the Actuary, on the date when the benefits under **Rule 5.1** become payable their value, together with the value of any benefit payable on the Member's death is not less than the value on that date of any benefits which have accrued to or in respect of the Member, including for this purpose any increases in benefits which the Trustee estimates would accrue in accordance with the 1993 Act if the Member elected to take preserved benefits under **Rule 6**.
- 5.5 Unless the Employer otherwise agrees, a Member whose Service is or could have been terminated on grounds of inefficiency or misconduct shall not be eligible to receive the benefits set out in this **Rule 5**.
- 5.6 For the purposes of this **Rule 5**, a certificate given by the Employer shall be conclusive evidence of the reason for or grounds of termination of the Member's employment.
- 5.7 Benefits payable under this **Rule 5** shall be payable in accordance with Rule 13 of the General Rules.
- 5.8 In addition to the benefits (if any) payable under this Rule 5 there shall be payable under the same provisions:
- 5.8.1 any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and



5.8.2 any benefit arising from additional voluntary contributions paid by the Member to any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or by any similar facility previously provided under the GPS; and

5.8.3 any benefits arising from contributions paid to any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or by any similar facility previously provided under the GPS, unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

## 6. Leaving Active Membership

6.1 An Active Member who ceases to be an Active Member without being entitled to an immediate benefit under **Rules 3, 4 or 5** shall be entitled to benefits under this **Rule 6**.

6.2 If the Member does not have two years of Qualifying Service and no transfer payment has been received in respect of the Member's rights under a personal pension scheme:

(a) the Trustee shall pay a lump sum equal to:

- (a) the amount of contributions which the Member has made or is deemed to have made to a Section pursuant to **Rule 2** together with interest; plus
- (b) the amount attributable to any contributions which the Member has made under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules; plus
- (c) the amount attributable to any contributions which the Member has made under the Additional Benefits (Defined Benefit) Rules; plus
- (d) the amount (subject to any restrictions under Rule 11.5 of the General Rules) of any contributions made by the Member to any other Registered Pension Scheme and in respect of which a transfer payment has been received by the Trustee pursuant to Rules 10 or 11.5 of the General Rules; less
- (e) the certified amount in relation to any contributions equivalent premium paid in respect of the Member as defined by and in accordance with the 1993 Act; less
- (f) the amount of tax or duty for which the Trustee is liable in respect thereof; and

(b) the Member shall be entitled to a refund of the amount attributable to any contributions made by the Member under the Shift Pay Pension Plan Rules, or, provided the status of the Scheme as a Registered Pension Scheme is not thereby prejudiced, may retain any preserved rights under the Shift Pay Pension Plan Rules and the Additional Benefits (Defined Contribution) Rules.

6.2 If the Member has completed two or more years of Qualifying Service or a transfer payment has been received in respect of them from a personal pension scheme, they shall be entitled to a preserved annual pension (and, where applicable, Pre-2024 Scale Lump Sum) calculated as under **Rule 3** but based on:



- (a) Pensionable Service up to the date of leaving Pensionable Service; and
- (b) in the case of Member's Pre-2024 Scale Pension and Pre-2024 Scale Lump Sum (where applicable), Pensionable Final Earnings at the date of leaving Pensionable Service;

the pension shall commence at Normal Pension Age but where Normal Pension Age is later than GMP Age the part of the pension which is the Member's GMP shall commence at GMP Age.

6.3 The Trustee may, at its sole discretion, bring a preserved pension or lump sum into payment before Normal Pension Age in any of the following circumstances:

- (a) where, having been awarded a preserved pension under **Rule 6.2**, a Member's benefits come into payment due to Ill-Health or would have come into payment due to Ill-health had they still been in Service, the Trustee may, at its sole discretion, bring the preserved pension (and, where applicable, Pre-2024 Scale Lump Sum) into payment before Normal Pension Age.

Where this **Rule 6.3(a)** applies, pension increases under **Rule 11** shall apply as from the date on which the preserved pension is brought into payment; or

- (b) where a Member has attained Minimum Pension Age and there are personal circumstances which compel them to give up employment or prevent them from seeking employment the Trustee may, at its sole discretion, bring the preserved pension (and, where applicable, Pre-2024 Scale Lump Sum) into payment before Normal Pension Age.

Where this **Rule 6.3(b)** applies, pension increases under **Rule 11** shall apply as from the date on which the preserved pension is brought into payment and to the pension at such time as the Member attains age 55.

The amount of any such preserved pension or Pre-2024 Scale Lump Sum may be reduced by such amount as the Employer, with the consent of the Trustee, shall direct, being no more than the Actuary certifies to be reasonable to take account of the earlier date on which the benefit becomes payable.

6.4 The Trustee may in its absolute discretion at any time before the Member's Normal Pension Age reduce, suspend or terminate any pension payable under **Rule 6.3(a)** if the Member either does not supply evidence of continued Ill-Health satisfactory to the Trustee when requested or earns an income from any trade, profession or employment;

If a pension is reduced, suspended or terminated under this Rule, the Member's pension at Normal Pension Age shall be of such amount as the Trustee, having regard to the advice of the Actuary and with the consent of the Lead Company, shall in its discretion decide having regard to the Member's periods of Pensionable Service before first retiring and (if appropriate) after re-admission and the Member's Pensionable Earnings in respect of each such period.

6.5 The Trustee may bring a preserved pension and (where applicable) Pre-2024 Scale Lump Sum into payment before Normal Pension Age, where:

- (a) the Member has reached the Minimum Pension Age;

- (b) the Member has left Service; and
- (c) the Member has given their consent in writing to the Trustee, in such form as the Trustee may from time to time direct.

6.6 Where **Rule 6.5** applies, pension increases under **Rule 11** shall apply as from the date on which the preserved pension are brought into payment and to the pension at such time as the Member attains age 55.

The amount of any such preserved pension and (where applicable) Pre-2024 Scale Lump Sum shall be reduced by such amount as the Actuary certifies is reasonable to take account of the earlier date on which the benefit becomes payable.

6.7 Where a pension is being paid in respect of a Member under **Rule 6.5**, the annual rate of pension referred to in **Rules 9.2, 10.2 and 10.3** shall be the annual rate of pension to which the Member would have been entitled, but for the application of the reduction provided for in **Rule 6.6**.

6.8 A Member who is entitled to a preserved pension (and, where applicable, Pre-2024 Scale Lump Sum) under **Rule 6.2** which has not been brought into payment under **Rule 6.3** may elect for the Trustee to make a transfer payment in lieu of the preserved pension and lump sum pursuant to Rule 9, 11.1, 11.2 or 12 of the General Rules (subject to the consent of the Trustee).

6.9 A Member who is entitled to a lump sum payment under **Rule 6.2** may, prior to the payment of the lump sum and subject to the consent of the Trustee, elect for the Trustee to make in lieu thereof a transfer payment in accordance with Rule 11.1, 11.2 or 12 of the General Rules calculated by reference to the Member's actual Pensionable Service but as if the Member qualified for a preserved pension under **Rule 6.2** with more than two years' Qualifying Service.

6.10 In addition to the benefits (if any) payable under this **Rule 6** there shall be payable under the same provisions:

- (a) any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
- (b) any benefit arising from additional voluntary contributions paid by the Member to any Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;
- (c) any benefit arising from additional voluntary contributions paid by the Member to any Section under the Additional Benefits (Defined Benefit) Rules; and
- (d) any benefits arising from contributions paid to any Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;

unless increased Pensionable Service has been granted to the Member in respect of those additional contributions or the transfer payment.

## 7 Exchanging Benefits

### *Exchanging Pre-2024 Scale Lump Sum for an increased pension*

- 7.1 A Member may, by giving written notice to the Trustee, elect with the agreement of the Trustee to convert the whole or part of any lump sum payable to them under the **Rules 3, 5 and 6.2** into an increased pension on and subject to the following:
- (a) any restriction under the Additional Benefit (Defined Contribution) Rules, the Additional Benefit (Defined Benefit) Rules and Rule 11.5 of the General Rules or any similar provisions previously applicable to the GPS; and
  - (b) the pension payable not exceeding the limits set out in the Scheme Limits Rules;
  - (c) the amount of lump sum converted being an integral multiple of £100; and
  - (d) the right only being exercisable only when the lump sum becomes payable.
- 7.2 The amount of the increase in annual pension (and any increased pension for Spouse or Dependants) obtained as a result of such conversion under **Rule 7.1** shall be such amount as the Trustee, having obtained the advice of the Actuary, may consider reasonably reflects the value of the lump sum foregone. The increase in pension may apply to the Member's pension only or to any pension payable to their Spouse or Dependants under the Scheme.
- 7.3 Any increased pension attributable to **Rule 7.1** (including any increase under **Rule 11**) shall be ignored for the purposes of determining: (a) any pensions payable to a Child under **Rule 10**; (b) any pensions under paragraph 4 of Appendix 1 to Schedule 3 (GPS Benefit Structure).

### *Dependant's Pension*

- 7.4 A Member may with the consent of the Trustee elect in writing to surrender part of their pension other than a pension payable under **Rule 4, 9.2.1(b), 9.2.2 or 9.2.3** in order to provide a pension or pensions in addition to any payable under any other Rule, payable on the Member's death to the Member's Spouse and/or any Dependants nominated by the Member (the "**Optional Pension**"). This option is subject to the following conditions:
- (a) it may be exercised not earlier than six months before the Member's pension becomes payable (or would have become payable but for its deferral under Rule 5.8(c) of the General Rules or where the Member continues in Pensionable Service beyond Normal Pension Age);
  - (b) the Optional Pension shall be equal in value to the part of the Member's pension surrendered, calculated on a basis certified as reasonable by the Actuary;
  - (c) the option may not be exercised so that the annual amount of a Spouse's or Dependant's Optional Pension would be less than the limit specified in **Rule 13.2** at the time of surrender;
  - (d) confirmation by the Actuary that the aggregate annual amount of the Optional Pension together with any pension contingently payable on the death of the Member in respect of the Member under the Scheme shall not exceed the annual amount of the Member's pension after surrender;



- (e) if the Spouse or nominated Dependant dies before the Member but after the first instalment of the Member's pension has become payable or after the option was exercised, the Member's pension after surrender shall not be affected;
- (f) if (i) the Spouse or nominated Dependant or the Member dies before the first instalment of the Member's pension has become payable or (ii) the Spouse or nominated Dependant or the Member dies on the same date as the application is made, any option exercised by the Member under this **Rule 7.4** shall lapse and be of no effect;
- (g) the exercise of the option shall be subject to such restrictions as the Trustee considers appropriate to ensure that the Member's pension is not less than their GMP;
- (h) any pension payable to a Dependant or Spouse under this **Rule 7.4** shall be payable from the day after the date of the Member's death until the date of the Dependant's or Spouse's death;
- (i) the amount of the Optional Pension shall be such amount as the Trustee, having obtained the advice of the Actuary, decides;
- (j) the amount of the pension surrendered under this **Rule 7.4** shall not exceed:
  - i) one third of the Member's pension; or
  - ii) the amount as calculated in **Rule 7.4(d)** above which would in the opinion of the Trustee, having obtained the advice of the Actuary, make the Member's pension, after deduction of the amount surrendered, equal to the aggregate of the annual pension under **Rules 9** and **10** and the Optional Pension payable to the Spouse or Dependant on the Member's death; and
- (k) if the Member re-enters Pensionable Service after having exercised the option in this **Rule 7.4** and after attainment of Normal Pension Age the option to allocate under this **Rule 7.4** shall remain in force.

*Exchanging pension for a lump sum at retirement*

- 7.5 A Member who is entitled to a pension under this Schedule may, before their benefits come into payment, exchange part of their pension for a lump sum up to an amount equal to the maximum which can be paid as an Authorised Payment provided that:
- 7.5.1 if and to the extent that the Member wishes to exchange part of their pension for a PCLS, the provisions of **Rule 7.6** below shall apply; and
  - 7.5.2 if and to the extent that the Member wishes to exchange part of their pension for a lump sum which exceeds the maximum lump sum which the Member can receive from the Scheme in accordance with the provisions of **Rule 7.5.1** above and **Rule 7.6** below but which is still an Authorised Payment, the amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee.
- 7.6 A Member may only exchange their pension, or part of their pension, under **Rule 7.5.1** on the following terms:

- 7.6.1 the Member cannot exchange part of their Pre-2024 Scale Pension for a lump sum greater than the Pre-2024 Maximum Lump Sum;
- 7.6.2 the Member cannot exchange part of their CARE Pensions for a lump sum greater than the Post-2024 Maximum Lump Sum;
- 7.6.3 if the Member chooses to exchange pension for a lump sum from the Scheme which is lower than the Maximum Scheme PCLS which may be paid from the Scheme, the lump sum must comprise an amount in relation to the Pre-2024 Benefits and an amount in relation to the Post-2024 Benefits where such amounts are in the same proportion as:

Pre-2024 Maximum Lump Sum / Post-2024 Maximum Lump Sum:

- 7.6.4 the part of the Member's pension which constitutes their CARE Pensions may be exchanged for a lump sum at a rate of £12 for every £1 of annual pension which is exchanged;
- 7.6.5 to the extent that the Member chooses to exchange part of their Pre-2024 Scale Pension, the amount of the pension exchanged shall be determined by the Lead Company on the advice of the Actuary and after consultation with the Trustee;
- 7.6.6 the Member may only elect to use the value of their additional voluntary contributions (if any) which they have paid under the Additional Benefits (Defined Contribution) Rules and/or the value of their Shift Pay Pension Plan Account (if any) towards payment of the lump sum at retirement which they are able to receive under the terms of this **Rule 7.6** subject to the following conditions:
  - (a) the Member must exchange their CARE Pensions under the terms of this **Rule 7.6** for a lump sum which is at least equal to the Notional Post-2024 Scale Lump Sum;
  - (b) the Total DC Value which may be used to pay the lump sum which the Member may receive under this **Rule 7.6** shall not exceed the Maximum DC Lump Sum;
  - (c) the Member may only apply their Pre-2024 Maximum DC Lump Sum towards the payment of their Pre-2024 Maximum Lump Sum;
  - (d) the Member may only apply their Post-2024 Maximum DC Lump Sum towards the payment of their Post-2024 Maximum Lump Sum; and
  - (e) if and to the extent the Member has not received a total lump sum under the provisions of this **Rule 7** which is equal to the total PCLS which the Member can receive from the Scheme and the Member's Total DC Value has not been paid in full, the Member may elect for the balance of their Total DC Value to be paid as a lump sum on such terms as the Lead Company shall determine provided that it does not cause the total lump sum payable to the Member under this **Rule 7** to exceed the Member's total PCLS.

7.7 For the purposes of this **Rule 7**:

7.7.1 **"Commutation Factor"** means such factor as is applicable on the terms as the Lead Company shall determine on advice of the Actuary and after consultation with the Trustee;

7.7.2 **"Maximum DC Lump Sum"** means the amount calculated as follows:

Total Unadjusted Maximum Lump Sum + 25% of the Member's Total DC Value

7.7.3 **"Maximum Scheme PCLS"** means the maximum PCLS which could be paid to the Member from the Scheme in accordance with legislation taking account of all entitlements under all Benefit Structures (without reference to any restrictions or calculations applicable to the actual lump sum under the Scheme Rules) at the relevant time, less:

(a) the Member's Pre-2024 Scale Lump Sum; and

(b) the total lump sums which the Member has at the time of calculating the Maximum Scheme PCLS received or is entitled to be paid, in either case, in connection with or as an earlier benefit crystallisation event (or relevant benefit crystallisation event) from their additional contribution arrangements under Schedule 6 (Additional Benefits (Defined Contribution) Rules) of the Scheme and/or Shift Pay Pension Plan Rules up to 25% of the total value of those arrangements.

For the purposes of calculating the deduction in paragraph (b) above, this shall only include those lump sums (if any) which have been paid to the Member or which the Member is entitled to be paid from the additional contribution arrangements referred to in paragraph (b), in either case, in connection with or as an earlier benefit crystallisation event (or relevant benefit crystallisation event) prior to the relevant calculation of the Maximum Scheme PCLS and which are not being applied towards the payment of the lump sum at retirement which the Member is able to receive under the terms of **Rule 7.6**.

The Maximum Scheme PCLS shall not be less than zero;

7.7.4 **"Notional Post-2024 Scale Lump Sum"** means the lump sum calculated as:

$3/80 \times \text{the Member's Pensionable Final Earnings} \times \text{the Member's Reckonable Service with effect from the CARE Commencement Date.}$

7.7.5 **"PCLS"** means a "pension commencement lump sum" as defined in the Finance Act 2004;

7.7.6 **"Post-2024 Benefits"** in relation to a Member means their CARE Pensions;

7.7.7 **"Post-2024 Maximum DC Lump Sum"** means the amount calculated as:

$\text{Maximum DC Lump Sum} \times (\text{Unadjusted Post-2024 Maximum Lump Sum} / \text{Total Unadjusted Maximum Lump Sum})$

7.7.8 **"Post-2024 Maximum Lump Sum"** means the amount calculated as:



Maximum Scheme PCLS x (Unadjusted Post-2024 Maximum Lump Sum / Total Unadjusted Maximum Lump Sum)

7.7.9 **"Pre-2024 Benefits"** in relation to a Member means their Pre-2024 Scale Pension and Pre-2024 Scale Lump Sum;

7.7.10 **"Pre-2024 Maximum DC Lump Sum"** means the amount calculated as:

Maximum DC Lump Sum x (Unadjusted Pre-2024 Maximum Lump Sum / Total Unadjusted Maximum Lump Sum)

7.7.11 **"Pre-2024 Maximum Lump Sum"** means the amount calculated as:

Maximum Scheme PCLS x (Unadjusted Pre-2024 Maximum Lump Sum / Total Unadjusted Maximum Lump Sum)

7.7.12 **"Total DC Value"** means the total value of the Member's additional voluntary contribution arrangements under Schedule 6 (Additional Benefits (Defined Contribution) Rules) of the Scheme and (where applicable) their Shift Pay Pension Plan Account;

7.7.13 **"Total Unadjusted Maximum Lump Sum"** means the aggregate of the Member's Unadjusted Pre-2024 Maximum Lump Sum and their Unadjusted Post-2024 Maximum Lump Sum;

7.7.14 **"Unadjusted Post-2024 Maximum Lump Sum"** means the amount calculated as:

$$(\text{Valuation Factor} \times \text{CARE Pensions}) / (3 + \text{Valuation Factor} / 12)$$

where, for these purposes, the Member's CARE Pensions shall not take account of any exchange for a lump sum at retirement;

provided that if the Member elects to use any amount of their Total DC Value to pay the lump sum which the Member is entitled to receive under **Rule 7.5.1** (as calculated under **Rule 7.6**), the Member's Notional Post-2024 Scale Lump Sum shall be deducted from their Unadjusted Post-2024 Maximum Lump Sum;

7.7.15 **"Unadjusted Pre-2024 Maximum Lump Sum"** means the amount calculated as:

$$((\text{Valuation Factor} \times \text{Pre-2024 Scale Pension} - 3 \times \text{Pre-2024 Scale Lump Sum}) / (\text{Pre-2024 Scale Pension} \times (3 \times \text{Commutation Factor} + \text{Valuation Factor}))) \times \text{Pre-2024 Scale Pension} \times \text{Commutation Factor}$$

where, for these purposes, the Member's Pre-2024 Scale Pension shall not take account of any exchange for a lump sum at retirement;

7.7.16 **"Valuation Factor"** means 20 or such other factor as is the 'relevant valuation factor' for the purposes of the Finance Act 2004 at the relevant time.

8. **Lump Sum Death Benefits**

8.1 On the death in Service of an Active Member, a lump sum shall be payable equal to 2.5 times Pensionable Final Earnings at the date of death.

8.2 For the purposes of **Rule 8.1**, where in the 1,095 days of Pensionable Service immediately preceding the Member's death the Member was employed as a Part-time Employee:

(a) the Member's Pensionable Final Earnings shall be calculated by reference to the actual Pensionable Earnings in whichever period of 365 consecutive days during those 1,095 days produces the highest rate (and so that paragraph (i) of the definition of Pensionable Final Earnings shall not apply); and

(b) the period of 365 consecutive days referred to in (a) above must end on the date of the death of the Member or on any date which is any multiple, not exceeding 8 multiples, of 91 days before the date of death of the Member.

8.3 On the death of a Pensioner, before the 5<sup>th</sup> anniversary of the commencement of their pension, a lump sum shall be payable equal to the difference between:

(a) five times the annual rate of the Member's pension in payment to them at the date of their death, including any increase under **Rule 11**; and

(b) the total of any lump sums and pension payments already made to the Member as at the date of their death;

where the amount calculated under (b) is less than the amount calculated under (a) and provided that, where the Member has made an election to exchange pension for other benefits under **Rule 7**, the annual rate of the pension in (a) above shall be deemed to be the annual rate of pension to which they would have been entitled but for the election under **Rule 7**.

8.4 On the death of a Deferred Pensioner before their benefits are brought into payment, if the Trustee so decides, a lump sum shall be payable of an amount equal to:

8.4.1 such Pre-2024 Scale Lump Sum as is calculated under **Rule 6.2** in relation to the Member's benefits prior to the CARE Commencement Date; plus

8.4.2 three times the level of the CARE Pensions which the Member would have received under this Schedule 3A (Post-2024 CARE Benefit Structure) if they had been entitled to receive such pension immediately before the date of their death and the CARE Pensions had been exchanged in accordance with the provisions in **Rule 7.6** for a pension commencement lump sum (as defined by the Finance Act 2004) equal to three times the CARE Pensions.

8.5 Lump sums payable under this **Rule 8** shall be held on the Discretionary Trusts.



9. **Spouse or Adult Dependant's Pension**

9.1 On the death in Service of an Active Member who has completed at least two years of Pensionable Service, the Member's Spouse (or, where the Member was unmarried at the date of their death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive an immediate annual pension equal to:

9.1.1 50% of the pension the Member would have received in relation to Pensionable Service prior to the CARE Commencement Date if it had been brought into payment (without any reduction for early payment) immediately prior to the date of the Member's death, save that the Member's pension shall be calculated subject to the proviso in the definition of Pre-2024 Scale Pension; plus

9.1.2 37.5% of the pension the Member would have received in relation to Pensionable Service with effect from the CARE Commencement Date had they retired due to Ill-Health under **Rule 4** immediately before the date of their death.

9.2 On the death of a Pensioner, the Member's Spouse (or, where the Member was unmarried at the date of their death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive a pension equal to:

9.2.1 where there are no Children in the care of the Member's Spouse or of the Adult Dependant to whom a pension is paid under this **Rule 9**:

(a) an immediate pension payable for the period of 137 days following the Member's death equal to two-thirds of the annual rate of the Member's pension immediately before their death in relation to Pensionable Service prior to the CARE Commencement Date; and

(b) thereafter a pension equal to one-half of the annual rate of pension (including any increase under **Rule 11**) being paid to the Member (subject to the proviso in the definition of Pre-2024 Scale Pension as appropriate) immediately before their death in relation to Pensionable Service prior to the CARE Commencement Date;

9.2.2 where there are such Children, a pension equal to one-half of the annual rate of pension (including any increase under **Rule 11**) being paid to the Member (subject to the proviso in the definition of Pre-2024 Scale Pension as appropriate) immediately before their death in relation to Pensionable Service prior to the CARE Commencement Date; plus

9.2.3 37.5% of the annual rate of the pension payable to the Member at the date of death in relation to Pensionable Service with effect from the CARE Commencement Date, subject, if applicable to the following:

(a) the provisions of **Rule 5.3** and **6.7**;

(b) where the Member retired on account of Ill-Health under **Rule 4**, any enhancement to the Member's pension under **Rule 4.4** shall be taken into account only where a deduction from the Member's Pre-2024 Scale Lump Sum was made in accordance with **Rule 4.8**. In all other cases, the annual rate of pension shall be the annual rate of pension which would have been

payable to the Member immediately preceding their death but ignoring any enhancement under **Rule 4.4**; and

- (c) where the Member has exercised their option under **Rule 7.4** to provide an Optional Pension, the annual rate of the pension shall be deemed to be the annual rate of pension to which they would have been entitled but for the exercise of the option under **Rule 7.4**.

9.3 On the death of a Deferred Pensioner, the Member's Spouse (or, where the Member was unmarried at the date of their death and the Trustee in its absolute discretion so decides, an Adult Dependant) shall receive an immediate annual pension equal to:

9.3.1 one-half of the Member's preserved pension at the date of their death in relation to Pensionable Service prior to the CARE Commencement Date and subject to the proviso in the definition of Pre-2024 Scale Pension as appropriate; plus

9.3.2 37.5% of the Member's preserved pension at the date of their death in relation to Pensionable Service with effect from the CARE Commencement Date.

9.4 The references to "Pensionable Service" in this **Rule 9** for the purposes of calculating the level of pension which is payable in respect of the Member shall exclude any deemed service that was either accrued by the Member through the purchase of added years or that was credited to the Member by the Trustee on receipt of a transfer payment from another scheme, unless otherwise agreed in respect of any contributions made or transfer value received, in either case, before the CARE Commencement Date or the Lead Company determines otherwise.

## 10. **Children's Pension**

10.1 On the death in Service of an Active Member the Member's Children (up to a maximum of two) shall each receive an annual pension calculated as:

10.1.1 the following proportion of the pension in relation to Pensionable Service prior to the CARE Commencement Date the Member would have received had the pension been brought into payment immediately prior to the Member's death:

- (a) 25% for each Child in the care of the Member's Spouse or of an Adult Dependant who is in receipt of a pension under **Rule 9.1**; and

- (b) 33% for each other Child, plus

10.1.2 the following proportion of the pension in relation to Pensionable Service with effect from the CARE Commencement Date which the Member would have received if they had retired due to Ill-Health immediately before the date of their death:

- (a) 30% for each Child in the care of the Member's Spouse or of an Adult Dependant who is in receipt of a pension under **Rule 9.1**; and

- (b) 50% for each other Child.

10.2 On the death of a Pensioner who leaves no Spouse or Adult Dependant but who leaves one or more Children in the care of some other person, there shall be payable to that person

for the period of 183 days where there is one Child and 368 days where there are two or more Children an immediate pension equal to:

- 10.2.1 two-thirds of the annual rate of the Member's pension immediately before their death in relation to Pensionable Service prior to the CARE Commencement Date; plus
- 10.2.2 50% of the annual rate of the Member's pension immediately before their death in relation to Pensionable Service with effect from the CARE Commencement Date;

subject, if applicable, to the following:

- (a) the provisions of **Rule 5.3** and **6.7**;
- (b) where the Member retired on account of Ill-Health under **Rule 4**, any enhancement to the Member's pension under Rule 4.4 shall be taken into account only where a deduction from the Member's lump sum was made in accordance with **Rule 4.8**. In all other cases, the annual rate of pension shall be the annual rate of pension which would have been payable to the Member immediately preceding their death but ignoring any enhancement under **Rule 4.4**; and
- (c) where the Member has exercised their option under **Rule 7.4** to provide an Optional Pension, the annual rate of the pension shall be deemed to be the annual rate of pension to which they would have been entitled but for the exercise of the option under **Rule 7.4**.

- 10.3 On the death of a Pensioner the Member's Children (up to a maximum of two) shall each receive an immediate annual pension if no pension under **Rule 10.2** is payable or an annual pension commencing on expiry of the period for payment of the pension payable under **Rule 10.2**, in either case, calculated as a proportion of the annual rate of the pension (including any increase under **Rule 11**) being paid to the Member immediately before their death, subject, if applicable to the following:

- 10.3.1 the provisions of **Rule 5.3** and **6.7**;

- 10.3.2 where the Member retired on account of Ill-Health under **Rule 4**, any enhancement to the Member's pension under **Rule 4.4** shall be taken into account only where a deduction from the Member's lump sum was made in accordance with **Rule 4.8**. In all other cases, the annual rate of pension shall be the annual rate of pension which would have been payable to the Member immediately preceding their death but ignoring any enhancement under **Rule 4.4**; and

- 10.3.3 where the Member has exercised their option under **Rule 7.4** to provide an Optional Pension, the annual rate of the pension shall be deemed to be the annual rate of pension to which they would have been entitled but for the exercise of the option under **Rule 7.4**.

- 10.4 The proportion of the pension payable under **Rule 10.3** to each Child shall be:

- 10.4.1 in relation to the pension attributable to Pensionable Service prior to the CARE Commencement Date:

- (a) 25% for each Child in the care of the Member's Spouse or of an Adult Dependant; and



- (b) 33% for each other Child, plus

10.4.2 in relation to the pension attributable to Pensionable Service with effect from the CARE Commencement Date:

- (a) 30% for each Child in the care of the Member's Spouse or an Adult Dependant;
- (b) 50% for each other Child.

10.5 On the death of a Deferred Pensioner the Member's Children (up to a maximum of two) shall each receive an annual pension calculated as:

10.5.1 the following proportion of the Member's preserved pension at the time of their death in relation to Pensionable Service prior to the CARE Commencement Date:

- (a) 25% for each Child in the care of the Member's Spouse or of an Adult Dependant who is in receipt of a pension under **Rule 9.3**; and
- (b) 33% for each other Child.

10.5.2 the following proportion of the Member's preserved pension at the time of their death in relation to Pensionable Service with effect from the CARE Commencement Date which the Member would have received if it had been brought into payment immediately before the date of their death (without any reduction for early payment) save that if the Member had less than 10 years of Pensionable Service, the Member's preserved pension for these purposes shall be calculated on the basis that it is increased by an amount equal to the Member's Average Annual CARE Pension (as defined in **Rule 4.5**) multiplied by either (a) 10 minus the Member's Pensionable Service; or, if less (b) the additional years of Pensionable Service the Member would have completed had they remained in full-time Service for five years after Normal Pension Age:

- (a) 30% for each Child in the care of the Member's Spouse or of an Adult Dependant who is in receipt of a pension under **Rule 9.3**; and
- (b) 50% for each other Child.

10.6 The references to "Pensionable Service" in this **Rule 10** for the purposes of calculating the level of pension which is payable in respect of the Member shall exclude any deemed service that was either accrued by the Member through the purchase of added years or that was credited to the Member by the Trustee on receipt of a transfer payment from another scheme, unless otherwise agreed in respect of any contributions made or transfer value received, in either case, before the CARE Commencement Date or the Lead Company determines otherwise.

11. **Increases to Pensions in Payment and Revaluation**
- 11.1 Subject to the provisions of this **Rule 11** and to the provisions of the 1993 Act relating to increases to preserved benefits and of sections 51 to 55 of the 1995 Act (Indexation) (as amended), all pensions and preserved benefits in excess of GMP shall be increased annually on a compound basis.
- 11.2 The rate of increase shall be:
- (a) in respect of any part of a pension in excess of the GMP that is attributable to Pensionable Service before the CARE Commencement Date such rate as the Lead Company and the Trustee, after consulting the Section Lead Employer, may agree each year but shall not be less than the Indexation Factor; and
  - (b) in respect of any part of a pension attributable to Pensionable Service on or after the CARE Commencement Date will be increased by the amount (where it is greater than zero) by which the Consumer Prices Index or the immediately preceding September exceeds the Consumer Prices Index for the September before that.
- 11.3 Subject to **Rule 11.5**, in the case of a pension which commenced payment or a preserved benefit which was granted under **Rule 6** in the twelve months preceding the date of the pension increase, the level of increase will be such proportion of the full increase which relates to the number of months during the twelve month period since the pension was brought into payment or the preserved pension was granted.
- 11.4 In the case of a Member whose pension has commenced payment or whose preserved benefit was granted under Rule 6 before 31 March immediately following the date on which they left Active Membership, the full increase amount provided for in **Rule 11.2(b)** shall be applied to that part of the pension attributable to Pensionable Service on or after the CARE Commencement Date.
- 11.5 A pension payable under **Rules 9** and **10** to a Spouse, Adult Dependant or Child following the death of a Member to whom a pension has commenced to be paid will be treated for this purpose as having commenced payment when the Member's pension commenced payment.
- 11.6 The payment of increases under this **Rule 11** shall be made in April in each year or at such other time or times as the Trustee shall determine.
- 11.7 Any pension or part of a pension which is derived from any of the following will be increased in accordance with the terms on which that pension (or part) was granted (which may include making no increase):
- (a) benefits deriving from additional voluntary contributions paid by the Member to the GPS prior to 31 March 2007 or a Section pursuant to 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;
  - (b) benefits deriving from contributions paid by the Member under the Additional Benefits (Defined Benefit) Rules;
  - (c) any benefits arising from contributions paid to the GPS prior to 31 March 2007 or a Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of

the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; or

- (d) that part of any pension which constitutes the GMP (if any) of the recipient;

unless the Trustee and the Lead Company, having consulted with the Section Lead Employer, so direct.

- 11.8 Where a Member is under age 55 at the date of their retirement under **Rule 5** or either **Rule 17** of this Schedule or paragraph 3 of Appendix 1 to Schedule 3 (as applicable):

- (a) the pension payable under **Rule 5** or either **Rule 17** of this Schedule or paragraph 3 of Appendix 1 to Schedule 3 (as applicable) shall not be increased in accordance with this **Rule 11** until such date as the Member attains age 55; and

- (b) upon the Member attaining age 55, the pension shall be increased by such amounts as would have applied but for the operation of this **Rule 11.8** and future instalments of the pension shall be automatically subject to the increases in this **Rule 11**.

## 12 **Serious Ill-Health Commutation**

- 12.1 If a Member becomes entitled to payment of a pension and lump sum in exceptional circumstances of serious ill-health the Trustee may pay the Member in lieu of the whole or any part of that pension a lump sum of such amount as it shall determine, calculated on a basis certified as reasonable by the Actuary provided that it is a "serious ill health lump sum" (as defined in paragraph 4 of Schedule 29 to the Finance Act).

## 13 **Trivial Pensions**

- 13.1 If a person's benefit is trivial (within **Rule 13.2**), the Trustee may, under this **Rule 13.1**, pay a person, in lieu of their pension, a lump sum of such amount as the Trustee shall determine, calculated on a basis certified as reasonable by the Actuary. This power may be exercised only if it is consistent with the status of the Scheme as a Registered Pension Scheme.
- 13.2 For the purpose of **Rule 13.1** a person's benefit is trivial in circumstances where the lump sum payable on commutation would be a "trivial commutation lump sum" as defined in paragraph 7 of Schedule 29 to the Finance Act or a "trivial commutation lump sum death benefit" as defined in paragraph 20 of Schedule 29 to the Finance Act, as appropriate.
- 13.3 In the case of Members who do not have any benefits under the Scheme which are attributable to service prior to the CARE Commencement Date, the Trustee may also pay a person, in lieu of their pension, a lump sum of such amount as the Trustee shall determine, calculated on a basis certified as reasonable by the Actuary, where such lump sum is in accordance with Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009. This power may be exercised only if it is consistent with the status of the Scheme as a Registered Pension Scheme.



14      **Temporary Absence**

- 14.1      An Active Member absent from work on full pay or absent from work for reasons of ill-health on full pay shall continue to contribute to the GPS CARE Benefit Section for so long as they are in receipt of remuneration in accordance with the provisions of **Rule 14.2**.
- 14.2      An Active Member absent from work in the circumstances envisaged by **Rule 14.1** shall continue to pay contributions based on the full Pensionable Earnings which would have been payable to them if they were not absent.
- 14.3      An Active Member absent from work in the circumstances envisaged by **Rule 14.1** shall continue to accrue benefits as an Active Member whilst they contribute to the Scheme.
- 14.4      Any period of absence from work of an Active Member for reasons of ill-health or otherwise not on full pay shall not (subject to **Rule 14.5**) count towards their accrual of CARE Pensions but it shall not break the continuity of their Active Membership.
- 14.5      Subject to the provisions of **Rules 14.1** to **14.4** above any Employer of a GPS Section may agree with the Trustee any special provisions (consistent with the status of the Scheme as a Registered Pension Scheme) to apply to Members who are absent from work while remaining in Active Membership. These provisions may apply to one Member only, to a category of Members or to all Members who are in Service with that Employer.
- 14.6      The Trustee shall comply with the provisions of section 75 of the Equality Act 2010 from the date when they came into force relating to continuity of pension benefits during maternity leave.
- 14.7      This **Rule 14** applies where an Active Member is absent from work on full pay or absent from work for family reasons (as referred to in Schedule 5 of the Social Security Act 1989). For the avoidance of doubt, this includes any period of absence where the Member is exercising any of the following statutory entitlements to leave:
- (a)      ordinary or additional maternity leave, adoption leave, or paternity leave;
  - (b)      shared parental leave;
  - (c)      parental leave; or
  - (d)      parental bereavement leave.
- 14.8      During a period of leave for family reasons:
- 14.8.1      the Member shall remain an Active Member throughout the period of leave;
  - 14.8.2      the Member's CARE Pensions shall continue to accrue (where appropriate) for a Member and benefits shall be calculated by reference to the notional Pensionable Earnings (as determined in by the Employer) which would have been paid had the Member not been on leave; and
  - 14.8.3      the Member shall pay any contributions calculated by reference to the Member's actual Pensionable Earnings but at the contribution rate which would be applicable

under **Rule 2.2** in respect of the notional Pensionable Earnings referred to in **Rule 14.8.2** above;

provided that in all cases, the Member's contributions and benefits (including benefits payable in the event of the Member's death) and the contributions payable by the Employer in respect of the Member will be at least the minimum required under any statutory provision.

14.9 Subject to this minimum, contributions and benefits for the period of leave will be as set out in the Employer's family leave policy in force from time to time.

14.10 Where a period of leave for family reasons does not count towards the accrual of CARE Pensions under this **Rule 14**, but the Member returns to work at the end of that period of unpaid leave, the Member will be entitled to continue in Pensionable Service following the return to work, and the Member's Pensionable Service before and after the period of unpaid leave will be treated as continuous.

#### 15. **Re-joining the GPS CARE Benefit Structure**

15.1 An Employee who elects to withdraw from Active Membership under the GPS CARE Benefit Structure or who had elected to withdraw from Active Membership under the GPS Benefit Structure before the CARE Commencement Date while remaining in Service shall be entitled to elect to become an Active Member again and to accrue their benefits under the GPS CARE Benefit Structure if either:

15.1.1 they are aged less than 58 years and this is the first occasion during their current period of Service on which they have made an election; or

15.1.2 they are aged less than 25 or they have not yet been in Service for more than three years.

15.2 Any Employee who ceases to be an Active Member while remaining in Service and does not satisfy the criteria in **Rule 15.1** above may only be readmitted as an Active Member if the Trustee with the consent of the Lead Company so decides and any such readmission shall be subject to such conditions as the Lead Company may decide.

15.3 Any person who does not become an Active Member under the GPS CARE Benefit Structure when first eligible to do so under **Rule 1** and does not satisfy the criteria in **Rule 15.1** above shall only be permitted to become an Active Member at a later date upon such terms as the Trustee, the Lead Company and the Employer shall determine.

15.4 Each Employee who wishes to become an Active Member or be readmitted as an Active Member under this **Rule 15** shall complete and submit to the Trustee an entrance form which the Trustee may prescribe and provide such evidence of age, good health and marital status (if any) as the Trustee may require.



16. **Payment of Pensions to Spouses, Dependants and Children**

- 16.1 No Child shall be entitled to receive pensions under **Rule 10** in respect of more than two Members. Where a Child is eligible to receive more than two pensions under **Rule 10**, the Child will count as eligible in respect of only two Members, in the way which, in the opinion of the Trustee, gives the most favourable overall result for the Child.
- 16.2 The Trustee may, at its sole discretion, treat any other child as a Child for the purposes of **Rule 10** where that child is under the age of 18, is in full-time education or full-time vocational training and the Trustee is satisfied that at the date of the Member's benefits coming into payment or death or withdrawal from a Section either:
- (a) the child had been dependent on the Member for at least two years or (if less) half the child's life; or
  - (b) the Member had formed the intention of legally adopting the child.
- 16.3 When any Child starts or ceases to be a Child the Trustee may, at its sole discretion, reallocate the pensions then payable to any Children to take account of the reduction or increase in the number of Children.
- 16.4 Where a Member dies leaving more than one Child, the pensions payable under **Rule 10** shall not exceed the following percentage of the relevant amount:
- 16.4.1 in relation to benefits attributable to Pensionable Service prior to the CARE Commencement Date:
- (a) 50% if all Children are in the care of the Member's Spouse or if a Spouse's pension is being paid;
  - (b) 58.34% if there is one Child in the care of someone other than the Member's Spouse and no Spouse's pension is being paid; and
  - (c) 66.67% if two or more Children are in the care of someone other than the Member's Spouse and no Spouse's pension is being paid.
- 16.4.2 in relation to benefits attributable to Pensionable Service with effect from the CARE Commencement Date:
- (a) 60% if a Spouse or Adult Dependant's pension is in payment under **Rule 9**; or
  - (b) 100% where no Spouse or Adult Dependant's pension is in payment under **Rule 9**;

Where the total Children's pension is limited by this Rule, the amount payable to each Child shall be scaled down proportionately.

- 16.5 Where in relation to a Member more than two Children are eligible at any time for any benefits, the Trustee shall have discretion to allocate the aggregate amount of benefits payable among all Children in relation to that Member.

- 16.6 A Member may, by submitting a written expression of wishes to the Trustee, indicate how the pensions and lump sum payable under **Rules 8, 9 and 10** should be divided between those persons who are eligible to receive them. No such expression of wishes shall be binding on the Trustee. The Trustee may specify the form the expression of wishes must take.
- 16.7 Unless the context otherwise requires, a pension payable to a Spouse or an Adult Dependant shall be payable for life.
- 16.8 No pension payable to a Member's Spouse shall be less than the Spouse's GMP in relation to any part of the Member's Pensionable Service which was contracted-out (or treated as contracted-out) by reference to the GPS or the Scheme on a salary related basis under section 9(2) of the 1993 Act (as amended) before 6 April 1997.
- 16.9 In addition to the benefits (if any) payable under **Rules 8, 9 and 10** there shall be payable:
- 16.9.1 any benefit arising from a transfer payment received by the Trustee under Rule 11.5 of the General Rules or by the trustee of the GPS under any similar provision previously applicable to the GPS; and
  - 16.9.2 any benefit arising from additional voluntary contributions paid by the Member to the GPS, or from 31 March 2007, a Section under Rule 1.1 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS; and
  - 16.9.3 any benefits arising from contributions paid to the GPS, or from 31 March 2007, a Section in respect of the Member under the Shift Pay Pension Plan Rules or Rule 1.9 of the Additional Benefits (Defined Contribution) Rules or any similar facility previously provided by the GPS;
- save to the extent that increased Pensionable Service has been granted to the Member in respect of those additional voluntary contributions or the transfer payment.

**17. Former BNFL Members and BNFL Transferring Members**

- 17.1 Except as varied by the following provisions of this **Rule 17**, Appendix 1 to Schedule 3 (GPS Benefit Structure) shall apply for the purposes of calculating any benefits payable to and in respect of a Member of this GPS CARE Benefit Structure to the extent that such Member is a Former BNFL Member and/or BNFL Transferring Member as applicable, provided that such provisions shall only be applicable in respect of Pensionable Service prior to the CARE Commencement Date. Any cross-references under or to such Appendix 1 to Schedule 3 shall be construed and applied as a cross-reference to the equivalent provision in this Schedule 3A (GPS CARE Benefit Structure).

**Premature Benefits**

**17.2 Mobile Members aged 50 or over with 5 or more years' Qualifying Service**

- (a) Where a Mobile Member with five or more years' Qualifying Service is aged 50 years or over at the date of their Early Provision of Benefits, the lump sum and pension payable to them under Rule 6 (as modified by this **Rule 17**) shall, subject to **Rule 17.2(b)** below, be paid immediately rather than upon the Member's Normal Pension Age (except that it will not be paid until any unexpired portion of a period of formal notice for which pay in lieu is allowed has expired unless otherwise agreed by the Employer).
- (b) Where a Mobile Member is to receive benefits in the circumstances set out in **Rule 17.2(a)** their pension payable under Rule 3 shall be increased by an amount equal to the Member's Average Annual CARE Pension (as defined in **Rule 4.5**) multiplied by  $6 \frac{2}{3}$ , provided that:
  - (a) the increased benefits shall not exceed the benefits they would have been entitled to had they stayed in full-time Service until age 60;
  - (b) Pensionable Service may not be enhanced to more than double its length;
  - (c) for the purpose of calculating the limit in (a) above, no account shall be taken of any added years being purchased under the terms of the Appendix to Schedule 3 which the Member would have accrued had they not been paid their benefits early; and
  - (d) for the purpose of calculating the limit in (a) above, no account shall be taken of any increase in the elements which make up Pensionable Earnings which are not due to be brought into payment until after the date of early payment of benefits including any increase which would have been due under assimilation arrangements except:
    - (i) any incremental increase due under their current grade within the scale maximum;
    - (ii) any increase in excess of the scale maximum (or when appropriate, the single pay point for the grade) in the pay range for their current grade which is already in payment at the time of their early payment of benefits;



- (iii) any increase which would have been due under assimilation arrangements, provided that such arrangements have been promulgated at the date of their early payment of benefits; and
- (iv) any increase in the elements that make up pensionable pay, which has been promulgated at the time of their early payment of benefits, notwithstanding that it has not been brought into payment at that time.

**17.3 Mobile Members aged under 40 with five years' Qualifying Service and Mobile Members of any age with two but less than five years' Qualifying Service**

A Mobile Member with five years' Qualifying Service aged under 40 at the date of Early Provision of Benefits and a Mobile Member of any age with two but less than five years' Qualifying Service at the date of their Early Provision of Benefits shall receive a preserved pension and lump sum under Rule 6 as if they had resigned voluntarily.

**17.4 Non-Mobile Members aged 50 or over with five years' Qualifying Service**

- (a) A Non-Mobile Member with five or more years' Qualifying Service who is aged 50 years or over at the date of their Early Provision of Benefits may opt to agree with their Employer to receive a lesser compensation payment from their Employer (the amount of the reduction in the compensation payment to be agreed with the Employer) and that **Rule 17.4(b)** shall apply.
- (b) Where **Rule 17.4(a)** applies, the Member's preserved pension and preserved lump sum payable under **Rule 6** shall be brought into payment immediately on the date of their Early Provision of Benefits.

**17.5 Commutation**

- (a) A Member entitled to a pension under **Rule 17.2** or **17.4** above, may, subject to the Scheme Limits Rules and the advice of the Actuary, elect to commute such pension into a lump sum provided that such lump sum (shall be determined in accordance with **Rules 7.5** to **7.7** (inclusive)), together with any lump sum payable under **Rule 17.2** or **17.4** and any compensation payable by the Employer under any applicable compensation scheme may not exceed an amount equal to two years' Pensionable Final Earnings.

If, after such commutation, the pension payable under **Rule 17.2** or **17.4** above is less than the amount specified in **Rule 13.2**, the whole of the pension payable under **Rule 17.2** or **17.4** must be commuted.

The amount of the lump sum obtained by commutation under this **Rule 17.5** shall be such amount as the Trustee, having obtained the advice of the Actuary, shall decide.

- (b) Upon attaining Normal Pension Age, the pension payable to a Member in receipt of a pension reduced under **Rule 17.5(a)** shall increase to the level of the annual pension (including increases under Rule 8 of the General Rules and **Rule 11**) which would have been payable to the Member under **Rules 17.3** or **17.4** above before any commutation under **Rule 17.5(a)**.

- (c) Any pension payable under **Rules 9** and **10** to a Dependant of a Member who has commuted part of their pension under **Rule 17.5(a)** will be calculated using the pension payable to the Member before any commutation under **Rule 17.5(a)**.
- (d) **Rules 7.1** to **7.3** shall not apply to any lump sum payable under this **Rule 17.5**.

#### 17.6 **Early Provision of Benefits with lesser benefits**

Where a Mobile Member aged 50 or over is willing to take Early Provision of Benefits, but the Employer is of the opinion that, having regard to the amount of the financial or other advantages which would accrue to the Employer if the Member were to receive benefits, such retirement could not be justified if the Member were to be paid the full benefits payable under this **Rule 17**, the Member and the Employer may, if each of them thinks fit, agree to the Member's Early Provision of Benefits with such lesser benefits as may be agreed subject to the approval of the Lead Company; provided that where the full benefits would consist of pension and lump sum plus enhancement and a compensation payment from the Employer, such lesser benefits shall consist of either:

- (a) the full benefits less any compensation payment payable; or
- (b) benefits of such amount as would result from calculating the full benefits without taking into account any increase of Pensionable Service under **Rule 17.2** less any compensation payment payable.

#### 17.7 **Transfers of benefits**

A transfer payment will not be made under Rules 11.1 and 11.2 of the General Rules in respect of a Member who has commenced receiving a pension under **Rule 17.2** or **17.4**.

#### 17.8 **Termination for inefficiency or misconduct**

A Member whose Service is terminated on grounds of inefficiency or misconduct will not be regarded as taking Early Provision of Benefits under this **Rule 17**.

#### 17.9 **Invalidity Pensions for Permanently Incapacitated Children of Members**

##### 17.9.1 **Nomination for invalidity pension**

Any Member may nominate for an invalidity pension under this **Rule 17.9** a Child (the "Nominee") who is: (a) permanently incapacitated; and (b) is wholly or mainly dependent on the Member. Any nomination under this paragraph shall be made in writing to the Trustee. A Member may not have more than one valid nomination in force under this paragraph at any one time

##### 17.9.2 **Meaning of permanently incapacitated**

For the purposes of this **Rule 17.9** permanently incapacitated means that, because of a specific mental or physical disability which is likely to be permanent, the Child is unlikely in the opinion of the Trustee to be able to earn his own living.

##### 17.9.3 **Cessation of nomination**

A nomination under this paragraph shall cease to be valid if: (a) the Member revokes it; or (b) the Nominee ceases to be permanently incapacitated; or (c) the Nominee ceases to be

wholly or mainly dependent on the Member, except that at the Trustee's discretion a break in dependence may be disregarded if the Trustee is satisfied that the break is temporary only; or (d) the Nominee dies; or (e) the Nominee marries the Member.

A Nominee will be regarded as ceasing to be wholly or mainly dependent on the Member if the Nominee enters a hospital or institution maintained by the State and ceases to be maintained by the Member.

#### 17.9.4 **Death of a Member**

If a Member dies:

- (a) In service; or
- (b) after leaving employment with a pension under **Rule 3, 4 or 5**, or a preserved pension under **Rule 6**,

and if his nomination is still valid, an invalidity pension shall be payable to the Nominee or to such person for the benefit of the Nominee as the Trustee considers proper.

#### 17.9.5 **Payment of invalidity pension**

An invalidity pension payable under this paragraph will be paid from the day after the Member's death, or (if later) from the date the Nominee reaches the age of 17. The pension will continue in payment until the date of the Nominee's death, except where the Nominee marries in which case the pension will cease unless the Trustee is satisfied that there are compassionate grounds for continuing or restoring it.

#### 17.9.6 **Amount of invalidity pension**

- (a) The annual amount of an invalidity pension payable under this paragraph shall be the aggregate of: (i) 1/80th of the Member's Pensionable Final Earnings multiplied by one-half of his Pensionable Service in relation to the period before the CARE Commencement Date (excluding any added years purchased under **Rule 18**); and (ii) 50% of the total of the Member's CARE Pensions in relation to the period of Active Membership from the CARE Commencement Date. Where **Rule 17.9.4(b)** applies in respect of a preserved pension, the invalidity pension may be increased under **Rule 11** as if it had been awarded at the time the Member left employment.
- (b) Save where a Member has exercised the option set out in **paragraph (c)** below, any added years purchased by the Member shall not count for the purposes of calculating any invalidity pension for permanently incapacitated children under this **Rule 17.9**.
- (c) A Member may, with the consent of the Trustee, exercise an option for any added years purchased by the Member to be taken into account for the purposes of the calculation under **paragraph (a)** above.
- (d) Where a Member exercises the option set out in **paragraph (c)** above, a deduction of 4/80ths of Pensionable Final Earnings for each added year purchased shall be made from the lump sum payable to the Member under **Rule 3, 4 or 5** on his benefits coming into payment.



#### 17.9.7 Contributions for invalidity pension

As from such a date as the Trustee may specify following the date when he makes a valid nomination, a Member in employment shall pay periodical contributions of 2% of his Pensionable Earnings. Subject to **Rule 2**, these contributions shall continue until the Member's Pensionable Service ends or until the date upon which the Trustee is notified that his nomination has ceased to be valid (whichever first occurs).

#### 17.9.8 Additional periodical contributions

Subject to the contributions limits set out in the Scheme Limits Rules, a Member who has made a nomination under **Rule 17.9.1** may opt to pay additional periodical contributions of 2% or multiples of 2% of his Pensionable Earnings provided that the total amount payable by the Member in respect of his other periodical contributions does not exceed 13% of his current Pensionable Earnings.

Such additional contributions will be payable from such a date as the Trustee may specify following the date of the exercise of the option, and shall continue until (whichever first occurs) the Member's Pensionable Service ends or the Trustee is notified that his nomination has ceased to be valid. An option under this **Rule 17.9.8** may be exercised at any time. The Member may at any time make a further option to increase his rate of contributions; but, subject to the provisions of **Rule 17.9.9**, he may not opt to reduce it.

#### 17.9.9 Reduction in rate of contributions

- (a) A Member may opt to reduce the rate of contributions payable under **Rules 17.9.7** and **17.9.8** where either: (a) the Member increased his rate of contributions when he ceased to pay contributions under Rule 2 of Schedule 3 (GPS Benefit Structure) because he had accrued 40 years' Pensionable Service and then subsequently resumed payment of contributions under **Rule 2**; or (b) the Member is permitted by the Trustee to make additional contributions.
- (b) Where a Member has made a nomination under **Rule 17.9.1**, any lump sum payable to the Member under **Rule 3, 4** or **5** on his benefits coming into payment shall be reduced by 2/80ths of Pensionable Final Earnings for each year of Pensionable Service during which the Member did not pay contributions under **Rule 17.9.7**.

#### 17.10 Spouse's Pension - Marriage between benefits coming into payment and death

Where a BNFL Transferring Member either marries or acquires an Adult Dependant either:

- 17.10.1 after the date of his benefits coming into payment under **Rule 3, 4** or **5**; or
- 17.10.2 after the date of termination of their Pensionable Service where the Member is entitled to receive a preserved pension and lump sum under **Rule 6**;

then, for the purposes of calculating any pension payable to their Spouse or Adult Dependant upon their death under **Rule 9.3** the BNFL Transferring Member's Pensionable Service shall be deemed to have commenced on 5 April 1978, or date of joining a Former Scheme if later, in the case of male BNFL Transferring Members or 5 April 1988 or date of joining a Former Scheme if later, in the case of female BNFL Transferring Members and the BNFL Transferring Member's rate of pension before his death shall be recalculated accordingly.

#### 17.11 Elections

A Member may at any time before the earliest of one month before: (a) the date on which payment of the Member's benefits from the Scheme is to commence; (b) the date on which the Member's benefits are bought out or otherwise transferred outside the Scheme; and (c) the Member's 75<sup>th</sup> birthday, make an election in a form and manner satisfactory to the Trustee to be subject to the limits on benefits applicable to a Class A Member.

#### 18. Added Pension

- 18.1 With the consent of the Lead Company and subject to **Rule 2.6**, an Active Member may elect to purchase additional amounts of pension ("Added Pension") to be added to their CARE Pensions on such terms as the Lead Company shall from time to time determine.
- 18.2 The Active Member shall contribute to the Scheme in respect of the Added Pension at the rate determined by the Lead Company on the advice of the Actuary and notified to the Member at the time the option to purchase Added Pension is exercised. Such contributions shall be paid by periodic contributions, as determined by the Lead Company.
- 18.3 The Added Pension payable in respect of the contributions made under **Rule 18.2** shall be as determined by the Lead Company and notified to the Member and the Trustee at the time the option to purchase Added Pension is exercised.
- 18.4 An Active Member may terminate the payment of contributions to purchase Added Pension on written notice to the Lead Company in which case the Added Pension may be adjusted in such manner as the Lead Company on the advice of the Actuary may determine.
- 18.5 If a Member leaves Active Membership before having fully contributed in respect of the Added Pension, the Member may make additional payments on leaving Active Membership or, alternatively, the Added Pension may be adjusted in such manner as the Lead Company on the advice of the Actuary may determine.
- 18.6 If a Member who has been paying contributions to purchase Added Pension for a particular purpose leaves Active Membership in circumstances such that no value will be available in respect of contributions paid under **Rule 18.2**, the Trustee may make a refund of such contributions if it is satisfied that the terms on which the contributions were made require such a refund and that such refund would be an Authorised Payment.
- 18.7 If the Lead Company is satisfied that a Member's circumstances have changed in an unforeseen manner since they started paying contributions under **Rule 18.2** so that to continue paying such contributions would involve the Active Member in substantial financial hardship, the Lead Company may agree that the contributions due under **Rule 18.2** or the Added Pension shall be adjusted in such manner as the Lead Company, on the advice of the Actuary, thinks fit.



DATED

28 March

2025

**DEED OF AMENDMENT**  
**relating to the**  
**COMBINED NUCLEAR PENSION PLAN**

Nuclear Decommissioning Authority (1)

and

Combined Nuclear Pension Plan Trustees Limited (2)

**THIS DEED** is made on

28 March

2025

## **BETWEEN**

- (1) **Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**"); and
- (2) **Combined Nuclear Pension Plan Trustees Limited** (registered number 05872585) whose registered office is at Herdus House Ingwell Drive, Westlakes Science & Technology Park, Moor Row, CA24 3HU (the "**Trustee**").

## **BACKGROUND**

- 1 This deed is supplemental to the definitive trust deed dated 28 March 2012 (the "**Trust Deed**") and all deeds and documents supplemental thereto by which the Combined Nuclear Pension Plan (the "**Scheme**") is currently governed.
- 2 The Lead Company is the principal employer of the Scheme and the Trustee is the current trustee of the Scheme.
- 3 Clause 7.1 of the Trust Deed requires the Scheme to be divided into segregated Sections so that assets and liabilities in one Section are accounted for separately to the assets and liabilities in other Sections. Clause 7.3 provides that the Lead Company may create additional sections of the Scheme. Clause 7.7 gives power to the Lead Company to direct the Trustee to combine any two or more sections of the Scheme, subject to certain conditions being satisfied.
- 4 This deed relates to the following sections in the Scheme:
  - (a) the Magnox Section;
  - (b) the LLWR Section; and
  - (c) the GPS Nexia Section.
- 5 By a Deed of Participation dated 27 June 2007, Nuclear Restoration Services Limited (registered number 02264251 and then known as Magnox Electric Limited) was admitted to the Scheme as a participating employer and two new sections were created, termed the Magnox North Section and the Magnox South Section. These sections were subsequently combined by a Deed of Combination dated 4 January 2011 and renamed the Magnox Section. Further to that, the RSRL Section (created on 1 November 2009) and the DSRL Section (created on 1 November 2009) were combined with the Magnox Section by way of Deeds of Combination of Sections dated 1 April 2015 and 1 April 2023 respectively.
- 6 The LLWR Section was created on 1 April 2008 when Nuclear Waste Services Limited (registered number 05608448 and then known as LLW Repository Limited) was admitted to the Scheme as a participating employer.
- 7 On 1 April 2012 the GPS Pension Scheme and the Scheme merged, and five new sections were created (the names of each section were set out in Appendix 3 to the Merger Deed dated 28 March 2012). One of the sections so created was called the GPS Nexia Section. By a Deed of Participation dated 28 March 2012, United Kingdom National Nuclear Laboratory Limited (registered number 03857752 and then known as National

Nuclear Laboratory Limited) was admitted to participate in the GPS Nexia Section of the Scheme with effect on and from 1 April 2012.

- 8 Clause 25.1 of the Trust Deed gives the Lead Company the power from time to time and at any time, after having consulted the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed (including retrospectively) subject to the conditions set out in Clause 25.4 of the Trust Deed (as amended). The Lead Company confirms that none of those conditions apply to the amendments being made by this deed and consent of the relevant members is not required for the purposes of this deed.
- 9 The Lead Company wishes to use its power of amendment under Clause 25 of the Trust Deed to change the name of the Magnox Section, the LLWR Section and the GPS Nexia Section with effect on and from 1 April 2024 (the “**Effective Date**”).
- 10 In accordance with Clause 25 of the Trust Deed, the Lead Company has consulted with the Trustee in respect of the changes to be made by this deed.
- 11 The Lead Company and the Trustee are satisfied that none of the changes set out in this deed are “regulated modifications” as defined in section 67 of the Pensions Act 1995 or are prohibited by section 37 of the Pension Schemes Act 1993.

## OPERATIVE PROVISIONS

- 1 In exercise of the powers conferred on it by Clause 25 of the Trust Deed and all other enabling powers, the Lead Company amends the names of the following sections of the Scheme with effect on and from the Effective Date:
  - (a) the name of the Magnox Section of the Scheme will become the Nuclear Restoration Services Section;
  - (b) the name of the LLWR Section of the Scheme will become called the Nuclear Waste Services Ltd Section; and
  - (c) the name of the GPS Nexia Section of the Scheme will become the GPS United Kingdom National Nuclear Laboratory Section.
- 2 The Lead Company confirms that (as noted in recital 10) it has consulted with the Trustee in respect of the amendments set out in this deed.
- 3 By executing this deed the Trustee confirms its acknowledgment of the amendments as set out in this deed.
- 4 This deed will bind the respective successors in office to the Lead Company and the Trustee, and any references in this deed to the Lead Company and / or the Trustee will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.
- 5 This deed shall be governed by and interpreted in accordance with English law and subject to the exclusive jurisdiction of the English Courts.
- 6 This deed may be signed in any number of counterparts and this has the same effect as if the signatures on counterparts were on a single copy of this deed. Each counterpart, when executed and delivered, shall constitute an original of this deed, but all the executed and delivered counterparts shall together constitute a single instrument.

This document has been executed as a deed and is delivered on the date stated at the beginning of it.

**THE COMMON SEAL of NUCLEAR  
DECOMMISSIONING AUTHORITY** was affixed  
in the presence of

a director

FRANK RAINFORD  
Name of Director

and

a director or its secretary

KATE BOWLER  
Name of Director OR Secretary

Executed as a deed by **COMBINED NUCLEAR PENSION PLAN TRUSTEES LIMITED** acting by

a director

.....  
Signature of Director

Mark Condron

Name of Director

and a director or its secretary

.....  
Signature of Director OR Secretary

Jeremy Gilmour

Name of Director OR Secretary

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DATED

24 June

2025

**DEED OF AMENDMENT**  
**relating to the**  
**COMBINED NUCLEAR PENSION PLAN**

Nuclear Decommissioning Authority

(1)

and

Combined Nuclear Pension Plan Trustees Limited

(2)

THIS DEED is made on

24 June 2025

**BETWEEN**

- (1) **Nuclear Decommissioning Authority** a statutory body set up under section 1 of the Energy Act 2004 (the "**Lead Company**"); and
- (2) **Combined Nuclear Pension Plan Trustees Limited** (company number 05872585) whose registered office is at Herdus House Ingwell Drive, Westlakes Science & Technology Park, Moor Row, CA24 3HU (the "**Trustee**").

**BACKGROUND**

- 1 This deed is supplemental to the definitive trust deed dated 28 March 2012 (the "**Trust Deed**") and all deeds and documents supplemental thereto by which the Combined Nuclear Pension Plan (the "**Scheme**") is currently governed.
- 2 The Lead Company is the principal employer of the Scheme and the Trustee is the current trustee of the Scheme.
- 3 Clause 25.1 of the Trust Deed gives the Lead Company the power from time to time and at any time, after having consulted the Trustee, to amend or alter by deed all or any of the trusts powers and provisions of the Trust Deed (including retrospectively) subject to the conditions set out in Clauses 25.3 and 25.4 of the Trust Deed (as amended). Clause 25.3 of the Trust Deed provides that any amendments or alterations to: the GPS Benefit Structure, the New Joiners Benefit Structure which relate to GPS Members or provisions of the Trust Deed and Rules granting a power, discretion or right to a GPS Member or to the Trustee in respect of such Members or persons claiming through them shall only be made with the consent of the Trustee.
- 4 The Lead Company wishes to use its power of amendment under Clause 25 of the Trust Deed, with effect from the date of this deed (the "**Effective Date**"), to allow certain members, subject to the consent of the Lead Company, to elect to receive their pension prior to their Normal Retirement Date whilst remaining in Service.
- 5 In accordance with Clause 25.1 of the Trust Deed, the Lead Company has consulted with the Trustee in respect of all the changes to be made by this deed (as recorded by the Trustee's execution of this deed).
- 6 In accordance with Clause 25.3 of the Trust Deed (and to the extent required), the Lead Company has obtained the Trustee's consent to the changes to be made by this deed (as recorded by the Trustee's execution of this deed).
- 7 The Lead Company and the Trustee are satisfied that none of the changes set out in this deed are "regulated modifications" as defined in section 67 of the Pensions Act 1995 or are prohibited by section 37 of the Pension Schemes Act 1993.
- 8 The Lead Company and the Trustee are satisfied that the amendments being made to this deed do not require employees or member representatives to be consulted with for the purposes of section 259 of the Pensions Act 2004.

**OPERATIVE PROVISIONS**

- 1 In exercise of the powers conferred on it by Clause 25 of the Trust Deed and all other enabling powers, the Lead Company amends the Trust Deed as follows, with effect on and from the Effective Date:
  - 1.1 In Schedule 2 CPS Benefit Structure,



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- (a) Add the following new Rule 6.1A immediately after Rule 6.1:

"6.1A An Active Member may, at any time after he reaches Minimum Pension Age, with the consent of the Lead Company, elect to cease Active Membership (but remain in Service) and receive the following benefits:

(a) an immediate annual pension of 1/80th of his Pensionable Final Earnings multiplied by the length of his Reckonable Service; plus

(b) a lump sum of 3/80ths of his Pensionable Final Earnings multiplied by the length of his Reckonable Service,

reduced as determined by the Trustee on the advice of the Actuary to reflect their payment before Normal Pension Age. A Member's right to elect under this Rule is in addition to (and distinct from) his right to give notice under Rule 5.3 of the General Rules."

- (b) Delete Rule 16 and replace it with the following new Rule 16:

**"16 REJOINING THE SCHEME**

An Employee who does not become an Active Member under the CPS Benefit Structure when first eligible to do so, or an Employee who elects to withdraw from Active Membership under the CPS Benefit Structure while remaining in Service shall be entitled to elect to become an Active Member again and to accrue benefits under the CPS Benefit Structure if:

(a) he continues to meet the eligibility requirements set out in Rule 1;

(b) either:

(i) he is aged less than 58 years and this is the first occasion during his current period of Service on which he has made such an election; or

(ii) he is aged less than 25 or he has not yet been in Service for more than 3 years; and

(c) he is not in receipt of an early retirement pension having made an election under Rule 6.1A.

Any such Employee who does not satisfy the criteria in (a), (b) and (c) above may only be entitled to become an Active Member and to accrue benefits under the CPS Benefit Structure with the consent of the Trustee and the Lead Company and subject to such conditions as they may impose."

1.2 In Schedule 3 GPS Benefit Structure, except in relation to the GPS Nexia Section,

- (a) Add the following Rule 6.6A immediately after Rule 6.6:

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"6.6A The Trustee shall bring a preserved pension and preserved lump sum into payment before Normal Pension Age where an Active Member who has reached the Minimum Pension Age, with the consent of the Lead Company, elects to cease Active Membership (but remain in Service) and receive his pension and lump sum. A Member's right to elect under this Rule is in addition to (and distinct from) his right to give notice under Rule 5.3 of the General Rules."

(b) In Rules 6.7 and 6.8, add the words "or Rule 6.6A" immediately after the words "Rule 6.6".

(c) Delete Rule 15.1 and replace it with the following new Rule 15.1:

"An Employee who does not become an Active Member under the GPS Benefit Structure when first eligible to do so, or an Employee who elects to withdraw from Active Membership under the GPS Benefit Structure while remaining in Service (other than an Employee in receipt of benefits having made an election under Rule 6.6A) shall be entitled to elect to become an Active Member again and to accrue benefits under the GPS Benefit Structure if:

(a) he continues to meet the eligibility requirements set out in Rule 1; and

(b) either:

(i) he is aged less than 58 years and this is the first occasion during his current period of Service on which he has made such an election; or

(ii) he is aged less than 25 or he has not yet been in Service for more than 3 years."

1.3 In Schedule 4 New Joiners Benefit Structure,

(a) Delete Rule 5 and replace it with the following new Rule 5:

**"5 EARLY RETIREMENT**

5.1. An Active Member who leaves Service prior to Normal Pension Age (but after attaining Minimum Pension Age) and who is not in receipt of PHI may elect by notice in writing to the Trustee to be paid benefits as provided in Rule 3.

5.2. An Active Member who is in Service prior to Normal Pension Age (but after attaining Minimum Pension Age) and who is not in receipt of PHI may, with the consent of the Lead Company, elect by notice in writing to the Trustee to withdraw from Active Membership (whilst remaining in Service) and be paid benefits calculated in accordance with Rule 3 but paid prior to Normal Pension Age (with effect from such date as elected by the Active Member and agreed by the Lead Company). A



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Member's right to elect under this Rule is in addition to (and distinct from) his right to give notice under Rule 5.3 of the General Rules."

- (b) Delete Rule 11 and replace it with the following new Rule 11:

**"11 REJOINING THE SCHEME**

An Employee who does not become an Active Member under this Schedule when first eligible to do so, or an Employee who elects to withdraw from Active Membership under this Schedule while remaining in Service (other than an Employee in receipt of benefits having made an election under Rule 5.2) shall be entitled to elect to become an Active Member again on one occasion. On any subsequent occasions, such an election may only be made with the consent of the Trustee and the Employer and subject to such conditions as they may impose."

- 1.4 In Schedule 7 Shift Pay Pension Plan Rules, delete the word "Where" in Rule 1.9 and replace it with the words "Except where a Member's Shift Pay Pension Plan Account has been applied under Rule 1.7 following the exercise of the option under Rule 6.1A of the CPS Benefits Structure, Rule 6.6A of the GPS Benefit Structure, Rule 5.1A of the CPS CARE Benefit Structure or Rule 6.5A of the GPS CARE Benefit Structure, where".

- 1.5 In Schedule 2B Post-2024 CPS CARE Benefit Structure,

- (a) Add the following new Rule 5.1A immediately after Rule 5.1:

"5.1A An Active Member may, at any time after he reaches Minimum Pension Age, with the consent of the Lead Company, elect to cease Active Membership (but remain in Service) and receive the following benefits:

- (a) An annual pension equal to:

(a) the Member's Pre-2024 Scale Pension (where applicable); plus

(b) the total of the Member's CARE Pensions for each Calculation Period; and

- (b) (where applicable) a lump sum equal to their Pre-2024 Scale Lump Sum

reduced as determined by the Trustee on the advice of the Actuary to reflect their payment before Normal Pension Age. A Member's right to elect under this Rule is in addition to (and distinct from) his right to give notice under Rule 5.3 of the General Rules."

- (b) Delete Rule 15.1 and replace it with the following new Rule 15.1:

"An Employee who elects to withdraw from Active Membership under the Post-2024 CPS CARE Benefit Structure or who had elected to withdraw from Active Membership under the CPS Benefit Structure before the CARE Commencement Date while remaining in

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Service shall be entitled to elect to become an Active Member again and to accrue their benefits under the Post -2024 CPS CARE Benefit Structure if:

15.1.1. they are

15.1.1.1 aged less than 58 years and this is the first occasion during their current period of Service on which they have made an election; or

15.1.1.2 aged less than 25 years or they have not yet been in service for more than 3 years; and

15.1.2 they are not in receipt of an early retirement pension having made an election under Rule 5.1A.”

1.6 In Schedule 3A Post-2024 GPS CARE Benefit Structure,

(a) Add the following Rule 6.5A immediately after Rule 6.5:

“6.5A The Trustee shall bring a preserved pension and (where applicable) Pre-2024 Scale Lump Sum into payment before Normal Pension Age where an Active Member who has reached the Minimum Pension Age, with the consent of the Lead Company, elects to cease Active Membership (but remain in Service) and receive his pension and lump sum. A Member’s right to elect under this Rule is in addition to (and distinct from) his right to give notice under Rule 5.3 of the General Rules.”

(b) In Rules 6.6 and 6.7, add the words “or Rule 6.5A” immediately after the words “Rule 6.5”.

(b) Delete Rule 15.1 and replace it with the following Rule 15.1:

“An Employee who elects to withdraw from Active Membership under the GPS CARE Benefit Structure or who had elected to withdraw from Active Membership under the GPS Benefit Structure before the CARE Commencement Date while remaining in Service shall be entitled to elect to become an Active Member again and to accrue their benefits under the GPS CARE Benefit Structure if:

15.1.1. they are

15.1.1.1 aged less than 58 years and this is the first occasion during their current period of Service on which they have made an election; or

15.1.1.2 aged less than 25 years or they have not yet been in service for more than 3 years; and

15.1.2 they are not in receipt of an early retirement pension having made an election under Rule 6.5A.”

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- 2 The Lead Company confirms that (as noted in recital 5) it has consulted with the Trustee in respect of all of the amendments set out in this deed.
  - 3 The Lead Company confirms that (as noted in recital 6) it has obtained the consent of the Trustee (in accordance with Clause 25.3 of the Trust Deed (and to the extent required)) in respect of the amendments to be made by this deed.
  - 4 By executing this deed the Trustee confirms that (as noted in recital 5) it has been consulted with in relation to all of the amendments set out in this deed.
  - 5 By executing this deed the Trustee confirms that (as noted in recital 6) it has consented (in accordance with Clause 25.3 of the Trust Deed (and to the extent required)) to the amendments set out in this deed.
  - 6 This deed will bind the respective successors in office to the Lead Company and the Trustee, and any references in this deed to the Lead Company and / or the Trustee will be treated as including a reference to its respective successors in office and not just to the specific signatories to this deed.
  - 7 This deed shall be governed by and interpreted in accordance with English law and subject to the exclusive jurisdiction of the English Courts.
  - 8 This deed may be signed in any number of counterparts and this has the same effect as if the signatures on counterparts were on a single copy of this deed. Each counterpart, when executed and delivered, shall constitute an original of this deed, but all the executed and delivered counterparts shall together constitute a single instrument.

This document has been executed as a deed and is delivered on the date stated at the beginning of it.

THE COMMON SEAL of NUCLEAR  
DECOMMISSIONING AUTHORITY was affixed  
in the presence of

a director

*KATE BOWYER*  
.....  
Name of Director

and

a director or its secretary

*Alan Cumming*  
.....  
Name of Director OR Secreta

a director

MARK CONDRON

and a director or its secretary

SUSAN ADAMS

Name of Director OR Secretary