

**THE FLEXIBLE PENSION SCHEME RULES
(2009 EDITION)**

Rules

1. Interpretation and definitions
2. Constitution
3. Provider
4. Administrator
5. Limitation of Liability and Expenses
6. Amendments to the Deed and Rules
7. Appointment and Removal of Trustees
8. Eligibility
9. Contributions and application of contributions
10. Pension Date
11. Benefits
12. Lump sum to Member
13. Death of Member before Pension Date
14. Death of Member on or after Pension Date
15. Transfers to the Scheme
16. Transfers out of the Scheme
17. Conditions for all Transfers
18. Investments and Deposits
19. Scheme Rules and Arrangements
20. Determination of the Scheme
21. Withdrawal of registration of an Arrangement made by a Member
22. Powers to operate Scheme as closed Scheme
23. Pension credit benefits
24. Miscellaneous Provisions
25. Protected payments and safeguarded rights

Rule 1

INTERPRETATION AND DEFINITIONS

In these Rules unless the contrary intention appears:

- 1.1 pronouns and adjectival pronouns denoting the masculine gender shall be construed as including the feminine
- 1.2 words in the singular shall be construed as including the plural and words in the plural as including the singular
- 1.3 reference to any enactment include reference to that enactment as amended or extended by or under any other enactment
- 1.4 the headings are for convenience or reference only and are not to be construed as part of the Rules.
- 1.5 The following expressions shall have the following meanings:

"**Actuary**" means a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries or a person with other actuarial qualifications being a proper person to act in this capacity employed to advise the Administrator regarding the Scheme.

"**Administrator**" means the party appointed from time to time under Rule 4 and who is identified under Clause 5 of the Trust Deed.

"**Annuitant**" means a person other than a Member who, under a Member's Arrangement, has an entitlement to an annuity from the Scheme.

"**Annuitant's Fund**" means the value from time to time of those funds deriving from a Member's Fund which have been set aside for the purchase of an annuity for a particular Annuitant.

"**Appropriate Personal Pension Scheme**" means a personal pension scheme that has received an Appropriate Scheme Certificate.

"**Appropriate Scheme Certificate**" means a certificate issued by HM Revenue & Customs in accordance with the Pension Schemes Act 1993 and any regulations made thereunder.

"**Arrangement**" means an arrangement made by a Member with the Scheme for the provision of benefits in accordance with these Rules.

"**Civil Partner**" shall mean a civil partner of the Member as defined in Section 1 of the Civil Partnership Act 2004.

"**Contracted-out**" has the same meaning as in the Pension Schemes Act 1993.

"**Dependant**" in respect of a Member means:

- (a) his widow, widower or Civil Partner
- (b) his child, either natural or adopted, under the age of 23, or over age 23 and, in the opinion of the Administrator and the Trustees at the date of death of the Member, dependent upon the member because of physical or mental impairment
- (c) such other person who in the opinion of the Administrator is (or was at the date of death of the Member) dependent or interdependent on him for all or any of the necessities of life.

"**Employee**" means a present or former employee of an Employer.

"**Employer**" means a current or former employer of the Member.

"**Guaranteed Minimum Pension**" has the same meaning as in the Pension Schemes Act 1993.

"**Index**" shall mean the Government's Index of Retail Prices.

"**Insurer**" means an insurance company as described in Section 275 of the Finance Act 2004.

"**Manager**" means the person defined in Rule 18.1.

"**Member**" means a person who is eligible and has been invited by the Administrator to become a Member of the Scheme

"**Member's Fund**" means the aggregate of the accumulated value of :

- (a) the contributions paid to the Scheme by or in respect of the Member
- (b) any transfer payment received in respect of the Member
- (c) any Pension Credits attributable to the Member
- (d) the income or gains, whether realised or not, attributable to the investment of any of the above receipts but excluding
 - (i) the value of any premiums applied to any life insurance contracts by the Trustees on the Member's life and
 - (ii) any administrative expenses costs or fees together with any actual or prospective liabilities of the Administrator and
 - (iii) any Pension Debit applicable to the Member and
 - (iv) any investment losses, whether realised or unrealised, relating to investments made in respect of (a) to (d) (i) (ii) and (iii) above.

"**Minimum Contributions**" are contributions comprising:

- (a) payment of age-related rebates by HM Revenue & Customs, and

- (b) tax relief paid by HM Revenue & Customs in respect of the Member's share of the age-related rebate.

The age-related rebate in (a) is the contracted-out rebate percentage of the Member's earnings between the lower and upper earnings limits.

"**Minimum Pension Age**" means before 6 April 2010 the Member's 50th birthday and thereafter the attainment of age 55 unless the Member satisfies the requirements set down in Schedule 36 of the Finance Act 2004 or any other requirements of HM Revenue and Customs which would enable benefits to commence at an earlier age.

"**Money Purchase Benefits**" means benefits calculated by reference to payments made by, or in respect of, a Member. It does not include benefits calculated by reference to the Member's final or average salary.

"**Non-Protected Rights**" means the part of the Member's Fund under an Arrangement that is not Protected Rights or Safeguarded Rights.

"**Non-Protected Rights Fund**" is as referred to in Rule 25.2.

"**Pension Credit**" means a credit under Section 29(1) (b) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

"**Pension Credit Rights**" means rights and benefits arising from a credit under Section 29(1) (b) of the Welfare Reform and Pensions Act 1999 under corresponding Northern Ireland legislation.

"**Pension Date**" means the date determined under Rule 10.

"**Pension Debit**" means a debit under Section 29(1) (a) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

"**Pension Sharing Order**" means any order or provision mentioned in Section 28(1) of the Welfare Reform and Pensions Act 1999 under corresponding Northern Ireland legislation.

"**Protected Payments**" are defined in Rule 25.1.

"**Protected Rights**" and "**Protected Rights Fund**" are defined in Rule 25.3.

"**Protected Rights Regulations**" means the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 (SI 1996/1537).

"**Provider**" means the person identified in the Trust Deed or its replacement under Rule 3 of the Trust Deed.

"**Rules**" means the rules of the Scheme as amended from time to time.

"**Safeguarded Rights**" means rights as described in Section 68A (2) of the Pension Schemes Act 1993.

"**Safeguarded Rights Fund**" means Scheme assets representing Safeguarded Rights.

"Safeguarded Rights Regulations" means the Pension Sharing (Safeguarded Rights) Regulations 2000 (SI 2000/1055).

"Section 9(2B) rights" means rights derived through Section 9(2B) of the Pension Schemes Act 1993.

"Tax Year" means a period beginning on 6 April and ending on the next following 5 April.

"Trivial" means an annual amount which can be commuted into a Trivial Commutation Lump Sum as defined in Schedule 29 of the Act.

"Unauthorised Member Payment" as defined in Section 160(2) of the Finance Act 2004.

Rule 2

CONSTITUTION

- 2.1 This Scheme is a registered pension scheme for the purposes of Section 150(2) of the Finance Act 2004.
- 2.2 At the Administrator's discretion, the Scheme may Contract-Out as an Appropriate Personal Pension Scheme under the Pension Schemes Act 1993. The Scheme is not designed to receive Minimum Contributions from HM Revenue & Customs and no notification may be given by the Trustees, Administrator or by any Member to HM Revenue & Customs for Minimum Contributions to be paid to the Scheme.
- 2.3 The perpetuity period for the Scheme is 80 years from the date on which the Scheme was established.

Rule 3

PROVIDER

- 3.1 The Provider is a person described in Section 154(1) of the Finance Act 2004 or in any regulations made thereunder, as amended by the Finance Act 2007, who has permission under Part IV of the Financial Services and Markets Act 2000 to carry on regulated activity relating to a personal pension scheme.
- 3.2 The Provider may by Deed retire as the provider of the Scheme if:
 - (a) the Trustee consent to such retirement, such consent will not be unreasonably withheld provided at least one month's written notice has been given ; and
 - (b) another person who has the appropriate permission under the Financial Services and Markets Act 2000 has agreed in writing with the Trustees to become the provider of the Scheme; or

- (c) the Provider ceases to be authorised to carry on regulated activity or hold the appropriate permission to fulfill the role under the Financial Services and Markets Act 2000.

Rule 4

ADMINISTRATOR

- 4.1 The Administrator shall be responsible for the management of the Scheme and for the discharge of the duties imposed upon the Administrator by these Rules and by the Finance Act 2004 and any regulations made thereunder.
- 4.2 The power to appoint or remove the Administrator shall vest with the Provider and shall be exercisable by Deed.

Rule 5

LIMITATION OF LIABILITY AND EXPENSES

- 5.1 None of the Provider, Trustees or Administrator nor any director or officer of the Provider, Trustees or Administrator shall be liable for any acts or omissions not due to its own willful neglect or default.
- 5.2 The Provider, Trustees or Administrator shall not be responsible for any loss accessioned by their acting on the advice or opinion (whether or not obtained by them) of the Actuary, and any lawyer, broker, accountant, investment adviser or other suitably qualified person.
- 5.3 The Administrator shall be indemnified out of the Member's Fund against any tax charge or other imposition or penalty of any kind raised against it.
- 5.4 The Administrator and the Trustees may recover any expenses of administering the Scheme from the Member's Fund in accordance with any terms agreed in writing with the Member.
- 5.5 The Administrator shall be entitled to deduct from any payment made to any person under the Scheme a sum equal to any tax for which the Administrator or Trustees may become liable in consequence of such payments.

Rule 6

AMENDMENTS TO THE DEED AND RULES

- 6.1 The Trustees with the consent of the Provider may, by deed or deeds or, where the Trustees deem appropriate, by Trustees' Resolution add to, alter or modify all or any part of the Deed or Rules.

Rule 7

APPOINTMENT AND REMOVAL OF TRUSTEES

7.1 The power to appoint new or additional Trustees or to remove a Trustee from office shall vest in the Provider and shall be exercisable by Deed.

Rule 8

ELIGIBILITY

- 8.1 Membership of the Scheme shall be at the absolute discretion of the Administrator.
- 8.2 An individual who wishes to become a Member of the Scheme shall complete an application in a form prescribed by the Administrator in which the individual agrees to be bound by the Rules and the Administrator, on behalf of the Provider, agrees to administer the Scheme in accordance with the Rules.

Rule 9

CONTRIBUTIONS AND APPLICATION OF CONTRIBUTIONS

Employer's Contributions

9.1 The Employers shall pay such annual or other contributions as they shall decide in respect of their Employees or former Employees.

Member's Contributions

- 9.2 A Member may pay contributions in a tax year up to:
- (a) £3,600 or such other amount set down by Treasury Order issued under Section 190(4) of the Finance Act 2004 or
 - (b) the amount of the Member's relevant UK earnings within the meaning of Section 189(2) of the Finance Act 2004.

Non Members Contributions

9.3 If the Administrator agrees, payments may be made by a person or persons other than the Member, provided the payments are being made on behalf of the Member and the Member or the Member's legal guardian is aware and has consented to the payment.

Payment of Contributions

9.4 The payment of any contribution may be made in money form or in specie in such manner as the Administrator agrees, provided the status of the Scheme as a registered pension scheme is not prejudiced.

Allocation of Contributions

- 9.5 Any contributions paid by or on behalf of the Member shall be allocated to the Member's Fund. In the absence of any direction by the Employer paying the contribution, such contributions shall be allocated entirely at the discretion of the Administrator at such time as they deem appropriate. However, before any such allocation shall be made, the Administrator shall first obtain the Member's consent to the allocation.

Application of Contributions for benefits

- 9.6 The accumulated value of the contributions to the Scheme shall be used to provide benefits in accordance with the Rules, except so far as they are used to meet the administrative costs of the Scheme and to pay commission.

Application of Contributions to provide life insurance

- 9.7 The Administrator may, with the agreement of the Member, apply part of the Member's Fund or any contributions paid in a Tax Year as premiums under a life insurance contract with an Insurer to provide a lump sum on the death of the Member before a specified age which must be before the attainment of age 75.

Excess Contributions

- 9.8 The Administrator must, at the end of that year and in respect of that Member, be satisfied that the limits described in Rule 9.2 have not been exceeded. If these limits have been exceeded (or if in any case HM Revenue & Customs tell the Administrator that they have been exceeded) the Administrator shall arrange for repayment of the tax relief to HM Revenue & Customs and shall make an appropriate adjustment to the value of the Member's Fund. Such adjustment may take account of expenses and interest.

A transfer payment accepted by the Scheme under Rule 15.1 is not a contribution for the purpose of Rule 9.2.

Investment of Contributions

- 9.9 The Trustees are responsible for the investment of any contributions and any transfer payments which form part of the Member's Fund. They may delegate to the Member, or to any person appointed under Rule 9.13 below on behalf of the Member, the power to make investment decisions in relation to the Member's Fund, provided that such decisions come within the range of investment options notified to the Member by the Administrator.
- 9.10 The Member must notify the Administrator in writing, in a form acceptable to the Administrator, of the terms on which, or specific assets in which, the Member's Fund is to be invested. The Administrator must keep proper records as to the allocation of assets to particular Members' Funds. No Member or person claiming under a Member will be entitled to any particular assets in which the Member's Fund is invested.

- 9.11 The Trustees have the following powers in relation to any assets held on the trusts of the Scheme. The Trustees may exercise these powers in such manner as they think fit, but subject to the provisions of Rule 9.12:
- (a) to invest in, acquire, dispose of, lend or otherwise deal in or undertake to deal in any property, currencies, assets, rights, options, assurances, policies, contracts or interests, tangible or intangible, moveable or immovable in any part of the world, whether or not this involves dealing with the Member's Fund in conjunction with the Member's Fund of any other Member;
 - (b) to invest or apply any part of the Member's Fund in, upon the security of, or in the acquisition of, options relating to all types of real and personal property and contractual or other rights and interests (whether or not secured);
 - (c) to retain moneys of the Member's Fund in cash of any currency or upon current account(s) without being liable for any gain foregone;
 - (d) to borrow, whether on the security of assets of the Member's Fund (including any asset which is purchased in whole or in part by the borrowing) or otherwise upon such terms as they think fit, provided they shall not borrow in aggregate an amount in excess of such sums as are prescribed by the Finance Act 2004 or any regulations;
 - (e) to use any part of the Member's Fund to repair, maintain, demolish, move, store or improve any assets of that Member's Fund, and to insure any assets in it for any amount up to their full replacement value against loss or damage from any risks; and
 - (f) to exercise all powers relating to such properties, assets, rights, options, policies, contracts or interests forming part of the Member's Fund as if the Trustees were absolutely and beneficially entitled to it.
- 9.12 No investments are permitted which would infringe the requirements of the Rules.
- 9.13 The Trustees may from time to time appoint any person nominated by the Member and acceptable to the Trustees to be an investment manager of the whole or any part of a Member's Fund with such powers and discretions and upon such terms as to remuneration, sub-delegation, reports, resignation and otherwise as the Member requests.
- 9.14 The Trustees may, at their discretion, allow the whole or any part of the Member's Fund to be held in the name or names of any persons or person or corporation as nominees or nominee for the Trustees, subject to such conditions and restrictions if any as the Trustees think fit, and to remunerate or pay any charges of such nominees or nominee out of the Member's Fund as may, in the opinion of the Trustees, be proper.

Rule 10

PENSION DATE

General

- 10.1 The Member's Pension Date shall be the date as agreed between the Member and the Administrator, falling between the Minimum Pension Age and the day before the Member's 75th birthday, on which the Member's Fund may be applied to provide benefits in accordance with Rule 11.

Payment of benefits giving effect to a Member's Safeguarded Rights commences on such a date as has been agreed by the Member, but cannot (unless permitted by the Safeguarded Rights Regulations or otherwise) be earlier than his or her 60th birthday or later than his or her 75th birthday.

Incapacitated Member

- 10.2 The Pension Date of a Member who becomes permanently incapacitated may be a date earlier than that on which the Minimum Pension Age is attained. A Member will be treated as permanently incapacitated if the Administrator is satisfied that the Member is, and will continue to be, incapable of carrying on his occupation because of physical or mental impairment and the Member has in fact ceased to carry on that occupation.

Recognised occupation

- 10.3 If a Member is in a recognised occupation, the Pension Date for an Arrangement made in respect of that occupation may be a date earlier than that on which the Minimum Pension Age is attained. The Administrator shall not treat a Member as being in such an occupation unless the conditions in paragraph 23 of Schedule 36 of the Finance Act 2004 are satisfied. This Rule does not apply to a Member in respect of Pension Credit Rights.

Rule 11

BENEFITS

Lifetime annuities

- 11.1 On, or at any time after the Member's Pension Date, the Administrator shall apply such part of the Member's Fund as is agreed with the Member, less any lump sum benefit payable under Rule 12, to the purchase of an annuity with an Insurer of the Member's choice. If the Member fails to make any such choice no later than a date prescribed by the Administrator then the Administrator will select the Insurer from which the annuity is to be secured.
- 11.2 The Member may elect with the consent of the Administrator that only part of the Member's Fund shall vest and be applied in accordance with Rule 11.1, in which case

this Rule 11, Rule 12 and Rule 14 shall apply only to that part of the Member's Fund that has vested. The remainder of the Member's Fund shall be treated for the purpose of these Rules as though the Member had not reached his Pension Date.

- 11.3 The annuity shall be payable for the life of the Member and may be guaranteed for a period of up to ten years, notwithstanding the death of the Member within that period.
- 11.4 The Member may select for the annuity to be:
- (a) a level annuity, a variable annuity or an annuity which increases in payment by a fixed percentage or on some other basis as arranged with the Insurer; and
 - (b) paid in installments not less frequently than annually and paid in advance or arrear.
- 11.5 In the event of the Member failing to select the basis of the annuity under Rule 11.4 above within a time period prescribed by the Administrator, the Administrator shall, at its discretion, determine the basis of the annuity having consideration of all of the circumstances of the Member.
- 11.6 If the Member's annuity has a guarantee under Rule 11.3, the Member may, before commencement of the annuity, elect in writing to the Administrator that such annuity shall cease after his death before the expiry of the guarantee in the event of either:
- (a) the marriage of the Annuitant; and
 - (b) the Annuitant attaining age 18 or ceasing to be in full-time educational or vocational training if later.
- 11.7 The Member's annuity shall not be capable of surrender or assignment, except to the extent necessary for the Trustee to comply with a Pension Sharing Order or in accordance with Rule 11.9.
- 11.8 If the Member's annuity is subject to a Pension Debit, the Administrator shall discharge its liability for the corresponding Pension Credit by paying the amount of the Pension Credit to a qualifying arrangement in accordance with paragraph 1(3) of Schedule 5 of the Welfare Reform and Pensions Act 1999.
- 11.9 A Member's annuity may be assigned during any guaranteed period by will or by the Member's legal personal representatives in the distribution of the estate so as to give effect to a testamentary disposition or to the rights of those entitled on an intestacy or to an appropriation of it to a legacy or to a share or interest in the estate.
- 11.10 When the Protected Rights Fund is used to provide an annuity for a Member, that annuity must comply with Sections 28 to 29 of the Pension Schemes Act 1993 and the Protected Rights Regulations. The Member must notify the Administrator at least one month, but not more than six months, before the date the annuity is due to start if they have decided on an Insurer to provide such an annuity. If the Member agrees to the benefit starting at a different date, the Member can write to the Administrator advising the choice of Insurer at any time from up to one month before that different date. If

there is less than one month between the two dates, then he or she can only choose an Insurer by telling the Administrator so in writing on the same day as he or she agrees to the different date.

- 11.11 Any annuity secured with the Safeguarded Rights Fund must comply with Sections 68A to 68D of the Pension Schemes Act 1993 and the Safeguarded Rights Regulations. If the Member has chosen the Insurer to provide any annuity from the Safeguarded Rights Fund, he or she must notify the Administrator at least one month, but not more than six months, before the date the annuity is due to start. If the Member agrees to the benefit starting at a later date than the age of 60, the time during which he or she can write to tell the Administrator of the choice of Insurer is different. In this case it is any time from the date on which he or she agrees to a later date up to one month before that later date. If there is less than one month between the two dates, then he or she can only choose an Insurer by telling the Administrator so in writing on the same day as he or she agrees to the later date.
- 11.12 The Administrator may apply different time limits from those detailed in 11.10 and 11.11 above in respect of the Non-Protected Rights Fund to allow a Member a longer period in which to make his or her choice of Insurer.

Alternatives to a lifetime annuity

- 11.13 The Member may, with the agreement of the Administrator, defer the purchase of the lifetime annuity in Rule 11.1 by electing to receive either one or more short-term annuities in accordance with Rule 11.14 or income withdrawal in accordance with Rule 11.15 to Rule 11.17 or a combination of both short-term annuities and income withdrawal. The Member shall provide at least one month's written notice to the Administrator when he wishes the deferral to end. The lifetime annuity must be purchased before the Member's 75th birthday unless the Member elects to receive an alternatively secured pension in accordance with Rule 11.18.

Short-term annuity

- 11.14 A short-term annuity may be secured with all or part of the Member's Fund provided it satisfies the following conditions:
- (a) it shall be secured with an Insurer of the Member's choice unless the Member fails to make such a choice within a time period prescribed by the Administrator in which case the Administrator will select the Insurer from which the short-term annuity is to be secured.
 - (b) it shall be payable for a term not exceeding five years and shall end before the Member attains age 75.
 - (c) the annuity may be level, variable or increasing. It shall be paid in installments not less frequently than annually, and may be paid in advance or arrears.

- (d) if the short-term annuity has a guarantee, the Member may, before commencement of the annuity, elect in writing to the Administrator that such annuity shall cease after his death but before the expiry of the guarantee in the event of either:
 - (i) the marriage of the Annuitant, or
 - (ii) the Annuitant attaining age 18 or ceasing full-time education or vocational training if later.
- (e) the amount of annuity falls within the limit in Rule 11.16 below.

Income Withdrawals

- 11.15 Whilst the Member's annuity is deferred under Rule 11.13, the Member may make income withdrawals directly from the Member's Fund up to the Member's 75th birthday. Such withdrawals shall be made at such frequency as the Member and the Administrator agree and can be paid in advance or arrears.
- 11.16 The total amount of the Member's Fund which may be paid as income withdrawals in any twelve month period beginning with the Member's Pension Date shall not exceed 120% of the amount of the annuity on the Member's Pension Date calculated by reference to the amount of the Member's Fund less any lump sum paid under Rule 12 and the tables of annuity rates prepared for this purpose by the Government Actuary's Department.
- 11.17 The Administrator may undertake such review of the limits set out in Rule 11.16 above, provided the review satisfies the conditions of Schedule 28 of the Finance Act 2004.

Alternatively Secured Pension

- 11.18 On attainment of age 75 the Member may elect that the whole of the Member's Fund is applied to alternatively secured pension. The total amount of alternatively secured pension which can be paid in any twelve month period beginning with the Member's 75th birthday shall not exceed such limits as are prescribed by the Finance Act 2004.

An alternatively secured pension may not be guaranteed for any period from when the Member became entitled to it. The remaining alternatively secured pension fund may be used to provide a Dependant's pension for one or more Dependents of the Member.

Scheme Pension

- 11.19 As an alternative to either a lifetime annuity, income withdrawals or alternatively secured pension, the Administrator may, at its discretion, grant a scheme pension to the Member in accordance with Schedule 28 of the Act. The amount of any scheme pension shall be determined by the Administrator, having taken appropriate actuarial advice. At the Administrator's discretion the scheme pension can be level or can increase in payment by a fixed percentage, in line with the Index or on such other basis as is agreed at outset. The scheme pension may, at the Administrator's

discretion, include the provision of a Dependant's pension payable in the event of the death of the Member.

The scheme pension shall be payable at such frequency as is agreed between the Administrator and the Member, but no less frequently than annually, and can be guaranteed for a period of up to ten years from commencement.

- 11.20 Any Dependant's scheme pension shall be payable at such frequency as is agreed between the Administrator and the Member, but no less frequently than annually. It shall commence on the later of the death of the Member or the expiry of the guarantee period.
- 11.21 If the scheme pension has a guarantee under Rule 11.19 above the Member may, before commencement of the scheme pension, elect in writing that such scheme pension shall cease after his death but before the expiry of the guarantee in the event of either:
- (a) the marriage of the Annuitant, or
 - (b) the Annuitant attaining age 18 or ceasing full-time education or vocational training if later.

Rule 12

LUMP SUM TO MEMBER

- 12.1 Within twelve months of the Member's Pension Date, the Member may elect to receive a lump sum. The amount of the lump sum shall not exceed 25% of the amount of the Member's Fund being designated to provide benefits or such greater amount as would exceed the limit for a pension commencement lump sum as defined in paragraph 2 or 3 of Schedule 29 of the Finance Act 2004.
- 12.2 The right to payment of a lump sum is not capable of surrender or assignment except to the extent that the Administrator must comply with a Pension Sharing Order.
- 12.3 A Member who is in exceptional circumstances of serious ill health (proved to the satisfaction of the Administrator) may, with the consent of the Administrator, receive a lump sum equal to the entire value of his entitlements under the Scheme, subject to the conditions of Paragraph 4 of Schedule 29 of the Act.
- 12.4 If, on or after the Member's 60th birthday but before his 75th birthday, a pension payable from the Scheme would be Trivial, the Member may elect to receive a cash sum representing his entire entitlement to benefits under the Scheme.
- 12.5 This Rule 12 applies subject to the requirements of the Protected Rights Regulations and Safeguarded Rights Regulations.

Rule 13

DEATH OF MEMBER BEFORE PENSION DATE

General

13.1 In the event of the Member's death before Pension Date, the Member's Fund shall be applied to provide one or more benefits described below. Where a lump sum is payable under Rule 13.8, the lump sum shall be held on discretionary trust by the Administrator and paid in accordance with Rule 13.9.

Annuities

- 13.2 As an alternative to receiving a lump sum payment under Rule 13.8, the Member may elect, in writing to the Administrator within such time scale as prescribed by the Administrator, for part of or all of his Member's Fund to be applied to a lifetime annuity with an Insurer of his choice.
- 13.3 Annuities may be paid to one or more Dependants, and may be paid whether or not any annuity is being paid to a surviving spouse or Civil Partner, and shall be payable for life, except as stated in Rule 13.4.
- 13.4 Any annuity payable under this Rule:
- (a) shall be a level annuity, a variable annuity or an annuity which increases in payment by a fixed percentage or on such basis as agreed at the outset with the Insurer;
 - (b) shall be paid monthly, quarterly, half yearly or annually, in advance or in arrears;
 - (c) may cease on marriage;
 - (d) where it is paid solely by virtue of the Dependant being under age 23, shall cease on the attainment of that age;
 - (e) may be guaranteed for a period of up to ten years, notwithstanding the death of the Annuitant within that period.
- 13.5 If the Member does not select an Insurer within a time period specified by the Administrator, then the Administrator in its absolute discretion, having regard to the circumstances of the Dependant, shall secure such an annuity on such terms and with such an Insurer as it thinks fit.
- 13.6 An annuity paid under Rule 13.2 shall not be capable of surrender or of assignment except to the extent necessary for the Administrator to comply with a Pension Sharing Order.

- 13.7 The payment of an annuity under this Rule shall commence as soon as practicable after the death of the Member, but a surviving spouse or Civil Partner may, with the consent of the Insurer, elect that payment of the annuity shall be deferred up until the surviving spouse or Civil Partner attains age 75.

Lump sum

- 13.8 In the event of there being no annuity payable under Rule 13.2 or part of the Member's Fund remains after having secured an annuity payable under Rule 13.2, the Member's Fund outstanding shall be paid as a lump sum in accordance with Rule 13.9. This lump sum shall satisfy the conditions set out in paragraph 15, 20 or 21 of Schedule 29 of the Finance Act 2004.

Payment of lump sum

- 13.9 Any lump sum payable under this Rule shall be paid by the Administrator as soon as practicable. The lump sum shall be paid at the discretion of the Administrator to, or for the benefit of, any one or more of the following in such proportions as it decides:
- (a) any persons (including trustees) whose names the Member has notified to the Administrator in writing prior to the date of the Member's death;
 - (b) the Member's spouse, children and remoter issue;
 - (c) the Member's Dependants;
 - (e) the individuals entitled under the Member's will to any interest in the estate;
 - (f) the Member's legal personal representatives;
 - (g) the trustees of any family settlement or trust.

For this purpose a relationship acquired by legal adoption is as valid as a blood relationship.

If the Administrator has been unable to pay the whole of the lump sum under this Rule within twenty four months of the later of the death of the Member or the date on which the Administrator is notified of the Member's death, the Administrator shall hold such sum on trust for the Member's legal personal representatives absolutely. Any unpaid amount will be transferred to a separate account outside the Scheme until it can be paid.

The Administrator's discretion will be restricted where necessary in respect of any Protected Rights Fund or Safeguarded Rights Fund held for the Member at the date of death so as to ensure compliance with the Protected Rights Regulations or Safeguarded Rights Regulations.

Alternatives to a dependant's annuity

- 13.10 The Annuitant may, with the agreement of the Administrator, defer the purchase of any annuity in Rule 13.2 by electing to receive either one or more short-term annuities in accordance with Rule 13.11 or income withdrawal in accordance with Rule 13.12

to Rule 13.15 or a combination of both short-term annuities and income withdrawal. The Annuitant shall provide at least one month's written notice to the Administrator when he wishes the deferral to end. The lifetime annuity must be purchased before the Annuitant's 75th birthday unless the Annuitant elects to receive an alternatively secured pension in accordance with Rule 13.16.

Short-term annuity

13.11 A short-term annuity may be secured with all or part of the Annuitant's Fund provided it satisfies the following conditions:

- (a) it shall be secured with an Insurer of the Annuitant's choice, unless the Annuitant fails to make such a choice within a time period prescribed by the Administrator in which case the Administrator will select the Insurer from which the short-term annuity is to be secured;
- (b) it shall be payable for a term not exceeding five years and shall end before the Annuitant attains age 75;
- (c) the annuity may be level, variable or increasing. It shall be paid in instalments not less frequently than annually, and may be paid in advance or arrears;
- (d) if the short-term annuity has a guarantee the Annuitant may, before commencement of the annuity, elect in writing to the Administrator that such annuity shall cease after his death but before the expiry of the guarantee in the event of either:
 - (iii) the marriage of the Annuitant, spouse or Civil Partner or
 - (iv) the Dependant attaining age 18 or ceasing full time education or vocational training if later.
- (e) the amount of annuity falls within the limit in Rule 13.13 below.

Income Withdrawals

13.12 Whilst the annuity under Rule 13.10 is deferred, the Annuitant may make income withdrawals directly from the Annuitant's Fund up to the Annuitant's 75th birthday. Such withdrawals shall be made at such frequency as the Annuitant and the Administrator agree and can be paid in advance or arrears.

13.13 The total amount of the Annuitant's Fund which may be paid as income withdrawals in any twelve month period, beginning with the day on which the Member's Fund is designated to provide income withdrawals for the Annuitant shall not exceed 120% of the amount of the annuity on that day calculated by reference to the amount of the Annuitant's Fund and the tables of annuity rates prepared for this purpose by the Government Actuary's Department.

13.14 The Administrator may undertake such review of the limits set out in Rule 13.13 above, provided the review satisfies the conditions of Schedule 28 of the Finance Act 2004.

13.15 If an Annuitant dies before an annuity has been secured under Rule 13.2, the Annuitant's Fund shall be paid as one or more lump sum benefits in accordance with Rule 13.9. For the purposes of this Rule, the word "Member" in Rule 13.9 shall be read as "Annuitant".

Alternatively Secured Pension

13.16 The Annuitant may elect to receive an alternatively secured pension at the age of 75. The total amount of alternatively secured pension which can be paid in each period of twelve months beginning with the Annuitant's Pension Date shall not exceed such limits as are prescribed by the Finance Act 2004.

Scheme Pension

13.17 As an alternative to either a lifetime annuity, income withdrawals or alternatively secured pension, the Administrator may, at its discretion, grant a scheme pension to the Annuitant in accordance with Schedule 28 of the Finance Act 2004. The amount of any scheme pension shall be determined by the Administrator, having taken appropriate actuarial advice. At the Administrator's discretion the scheme pension can be level or can increase in payment by a fixed percentage, in line with the Index or on such other basis as is agreed at outset.

The scheme pension shall be payable at such frequency as is agreed between the Administrator and the Annuitant, but no less frequently than annually, and can be guaranteed for a period of up to ten years from commencement.

Overriding contracting-out requirement

13.18 Where applicable, benefits on the death of a Member must also comply with, and are subject to, the Protected Rights Regulations or the Safeguarded Rights Regulations.

Rule 14

DEATH OF MEMBER ON OR AFTER PENSION DATE

14.1 If the Member elected in writing to the Administrator before the Pension Date, and the Administrator agreed, an annuity shall be paid to the Member's surviving spouse and/or a Dependant. Such an annuity shall be secured at his Pension Date under a contract issued by an Insurer. The Member or the Annuitant may choose the Insurer by providing written details of the choice to the Administrator no later than a date prescribed by the Administrator. If no Insurer is chosen by the Member or the Annuitant, the Administrator will select the Insurer from which the annuity is to be secured and on such terms as it thinks fit having regard to all of the circumstances of the Annuitant.

14.2 The annuity or annuities payable under Rule 14.1 shall be subject to the conditions in Rules 13.3 to 13.7 except that, if the Member has reached the age of 75 at that date of

his death, the aggregate annual amount of all annuities payable to all Annuitants shall not exceed the highest annual amount of the annuity payable to the Member at the date of death. Any part of the Member's Fund that cannot be used to secure an annuity under this Rule 14 will be used by the Administrator for the purpose of the Scheme.

- 14.3 Where a Member has a Pension Debit and the Administrator has not discharged that order by the date of the Member's death, the annuities paid under this Rule must not exceed the amount of the annuity payable to the Member after deducting the Pension Debit.

Death of Member During Annuity Deferral Period

14.4 If the Member dies after electing to defer his or her annuity under Rule 11.13 but before the annuity is purchased, the Member's Fund may be applied to, or for the benefit of, the Member's surviving spouse, Civil Partner and/or Dependant(s). In the event that there is more than one potential recipient, the Administrator will in its absolute discretion determine the amount of the Member's Fund to be applied to or for the benefit of, each recipient. Each Annuitant may choose, in writing, to receive his or her Annuitant's Fund in the following ways:

- (a) the purchase of an annuity, either immediately, or following a period of deferral during which short-term annuities or income withdrawals shall be made; or
- (b) the purchase of short-term annuities in accordance with Rule 13.11; or
- (c) income withdrawals in accordance with Rule 13.12; or
- (d) payment of the Annuitant's Fund as a lump sum satisfying the conditions set out in paragraph 16, 17, 20 or 21 of Schedule 29 of the Finance Act 2004; or
- (e) a combination of any of the above.

The annuity must be purchased before the earlier of the Member's 75th birthday and the Annuitant's 75th birthday unless the Annuitant elects to receive an alternatively secured pension in accordance with Rule 14.6.

If an Annuitant ceases to be entitled to an annuity due to the remarriage of the Annuitant or where the annuity is payable to the Dependant solely due to their age and they attain age 23, any Annuitant's Fund remaining at that date will be used to meet general administrative expenses of the Scheme.

The Member's Fund shall be applied in accordance with Rule 13.9 where the Member dies before reaching age 75 and is not survived by a spouse, Civil Partner and/or Dependant.

If the Member, having elected to defer his or her annuity under Rule 11.13 dies on or after reaching age 75 but before the annuity is purchased and is not survived by a spouse, Civil Partner and/or Dependant, the Administrator may apply the Member's Fund as a charity lump sum benefit in accordance with paragraph 18 of Schedule 29 of the Finance Act 2004.

Death of Annuitant During Annuity Deferral Period

- 14.5 If an Annuitant, having chosen to receive an annuity under Rule 14.4 (a), dies before the annuity is purchased, the Annuitant's Fund shall be paid as a lump sum in accordance with Rule 13.9. For the purposes of this Rule, the word "Member" in Rule 13.9 shall be read as "Annuitant".

Alternatively Secured Pension

- 14.6 The Annuitant may elect to receive an alternatively secured pension at the age of 75. The total amount of alternatively secured pension which can be paid in each period of twelve months beginning with the Annuitant's 75th birthday shall not exceed such limits as are prescribed by the Finance Act 2004

Scheme Pension

- 14.7 As an alternative to either a lifetime annuity, income withdrawals or alternatively secured pension, the Administrator may, at its discretion, grant a scheme pension to the Annuitant in accordance with Schedule 28 of the Act. The amount of any scheme pension shall be determined by the Administrator, having taken appropriate actuarial advice. At the Administrator's discretion the scheme pension can be level or can increase in payment by a fixed percentage, in line with the Index or on such other basis as is agreed at outset. Such scheme pension can be guaranteed for a period of up to ten years from commencement.
- 14.8 Where a scheme pension has been provided under Rule 11.19 and a surviving spouse's, Civil Partners or Dependant's scheme pension has been promised at the date the scheme pension was granted to the Member, such scheme pension shall be payable immediately upon the death of the Member, unless a guarantee applies, in which case the scheme pension will commence at the expiry of the guarantee. Subject to Rule 11.20, the scheme pension shall be payable for life.
- 14.9 Any scheme pension shall be payable at such frequency as is agreed between the Administrator and the Annuitant, but no less frequently than annually.

Overriding contracting-out requirement

- 14.10 Where applicable, benefits on the death of a Member must also comply with, and are subject to, the Protected Rights Regulations or the Safeguarded Rights Regulations.

Rule 15

TRANSFERS TO THE SCHEME

- 15.1 The Administrator may, upon written request from the Member, accept a transfer payment, in cash or in specie, from the trustees of a Registered Pension Scheme as defined in Section 150(2) of the Finance Act 2004 or from a Qualifying Recognised Overseas Pension Scheme for the purposes of Section 169(2) of the Finance Act 2004 of which a Member was formerly a member.

- 15.2 A transfer payment under this Rule may include Protected Rights, accrued rights to Guaranteed Minimum Pension or Section 9(2B) rights.
- 15.3 If such a transfer is received, then the Administrator must:
- (a) ensure at all times the identification of the Protected Rights or Guaranteed Minimum Pension element or accrued Section 9(2B) rights of any such transfer; and
 - (b) use that part of the transfer payment representing Protected Rights, accrued rights to Guaranteed Minimum Pension or accrued Section 9(2B) rights to provide the Member with Protected Rights under the Scheme.
- 15.4 A transfer payment under Rule 15.1 may include Safeguarded Rights. If such a transfer is received, then the Administrator must use that part of the transfer payment representing Safeguarded Rights to provide the Member with Safeguarded Rights under the Scheme.

Rule 16

TRANSFERS OUT OF THE SCHEME

- 16.1 Where a member becomes a member of another registered pension scheme as defined in Section 150 of the Finance Act 2004 or a Qualifying Recognised Overseas Pension Scheme (“the Receiving Scheme”), the Administrator may at the written request of the Member make a transfer in cash or in specie as the Administrator at its discretion decides to the Receiving Scheme subject to the following conditions:
- (a) The amount of the transfer shall be determined by the Administrator after seeking actuarial advice where appropriate;
 - (b) The Receiving Scheme shall be a registered pension scheme under Section 150 of the Finance Act or a Qualifying Recognised Overseas Pension Scheme for the purposes of Section 169(2) of the Finance Act 2004;
 - (c) Any expenses which may be payable by the Administrator in consequence of the transfer may be deducted in arriving at the amount of the transfer.
- 16.2 A Member may withdraw the application for a transfer payment by notice in writing to the Administrator at any time prior to the Administrator being committed to a third party in carrying out the transfer.
- 16.3 A Member may choose that different parts of the Member’s Fund be transferred to one or more Receiving Schemes, but they must choose that the whole of the Member’s Fund be transferred unless the Administrator agrees to allow a partial transfer.
- 16.4 A Member in respect of whom a transfer is made shall not be entitled to any benefit under the Scheme unless only a partial transfer is made, and the Administrator shall not be in any way responsible for, or required to inquire into, the use and application

of the part of the Member's Fund so transferred. The Scheme will be discharged from any obligation to provide any benefits in respect of those rights transferred.

- 16.5 In respect of any written request to transfer Protected Rights, the whole of the Protected Rights Fund of a Member must be transferred. The transfer of such rights must be either to an Appropriate Personal Pension Scheme, an occupational pension scheme or an overseas scheme or arrangement and it must be in accordance with the Protected Rights (Transfer Payment) Regulations 1996 (SI 1996/1461).
- 16.6 Where Safeguarded Rights are transferred, the transfer must comply with the Safeguarded Rights Regulations.

Rule 17

CONDITIONS FOR ALL TRANSFERS

- 17.1 All transfer payments to be accepted or made under these Rules shall, subject to Rule 17.2, be effected by a direct payment between the Administrator and the scheme administrator or trustee of the other scheme.
- 17.2 All transfer payments accepted from a deferred annuity contract shall be effected by a direct payment between the insurance company which issued that contract and the Administrator.
- 17.3 A transfer payment may be accepted or made via a financial intermediary with the agreement of both the Administrator and the administrator or trustees of the other scheme, provided any payment through such a financial intermediary shall not contravene HM Revenue & Customs requirements.
- 17.4 Where the Administrator makes a transfer payment to a receiving scheme or arrangement for a Member subject to a Pension Debit, the transfer payment will be the reduced amount after the Pension Debit has been deducted under Rule 11.8. The Administrator must give full details of the Pension Debit to the receiving scheme/arrangement.

Rule 18

INVESTMENTS AND DEPOSITS

- 18.1 The rights under the Scheme of a Member or any beneficiary are solely those rights given to them by these Rules and any Arrangements made there under. For the purposes of this Rule the Manager shall mean the person who holds the investments or deposits for the purposes of the Scheme. Such investments or deposits are held to the order of the Trustees, and the Manager shall have no legal or beneficial interest in the said investments or deposits.

Loans

18.2 The Manager shall not, either directly or indirectly, enter into any loan or agreement to lend money to a Member or any person connected with a Member. The Manager shall ensure that no loan from any source made to a Member shall in any way affect the return on the investments in the Scheme, and shall not allow the Member to charge or grant as security any assets of the Scheme in relation to any investment made by the Member personally.

Borrowing

18.3 The Scheme may borrow money in order to purchase or develop assets held as an investment for the purposes of the Scheme, or to replace such borrowing at a future date, or to provide liquidity in order to pay any benefits under the Scheme, provided such borrowing satisfies the requirements of Section 182 of the Finance Act 2004.

Other investments

18.4 The Manager shall not hold directly as an investment residential property or land connected with such a property, or personal chattels capable in any way of private use unless the Administrator determines otherwise.

18.5 Notwithstanding Rule 18.4 above, the Manager may lease any commercial property to any business or partnership carried on by a person connected with a Member provided that the transaction is carried out on commercial terms, evidenced by a lease and supported by a professional valuation.

Rule 19

SCHEME RULES AND ARRANGEMENTS

19.1 The provisions of these Rules shall override those of any other documents constituting the Scheme which conflict with or have the effect of changing the meaning of any of the provisions in the Rules.

19.2 The Member's Fund shall constitute a single arrangement unless the Member and the Administrator agree otherwise. Notwithstanding the above, any transfers into the Scheme in respect of benefits already in payment shall be treated as creating separate arrangements for the Member or in respect of any Protected Rights or Safeguarded Rights.

Rule 20

DETERMINATION OF THE SCHEME

20.1 The Scheme shall be wound up and the trusts thereof shall be determined:

- (a) at the expiration of the Perpetuity Period unless there shall have been legislation making it lawful for the trusts of the Scheme to continue for an indefinite time or in perpetuity, or

- (b) if the Provider, having given notice to the Administrator, passes a resolution to wind up the trusts of the Scheme; or
- (c) if HM Revenue & Customs withdraw the registration of the Scheme under Section 157 of the Finance Act 2004.

20.2 The Administrator shall notify the Members in writing of the winding up of the Scheme within three months of either the resolution having been passed under Rule 20.1(b) or the date on which notification of the withdrawal of the registration under Rule 20.1(c) is received. Such notice shall include details of the Member's rights and options including the rights to a transfer payment under Rule 16.

20.3 On the determination of the Scheme, if a Member does not make a choice under Rule 16, the Administrator will transfer the Member's Fund to a registered pension scheme or such other vehicle as the Administrator deems appropriate and the Member's consent to such transfer will not be required.

Rule 21

WITHDRAWAL OF REGISTRATION OF AN ARRANGEMENT MADE BY A MEMBER

19. If HM Revenue & Customs withdraw the registration under the Finance Act 2004 in relation to a Member's Arrangement, the Administrator shall inform the Member of such withdrawal within three months of the later of the date on which the Administrator receives the notice of withdrawal issued by HM Revenue & Customs and the date on which the notice is received that the General Commissioners have dismissed any appeal against the decision of HM Revenue & Customs or have ruled that the decision is to have effect from a different date.

Rule 22

POWERS TO OPERATE SCHEME AS CLOSED SCHEME

22.1 The Provider may at any time close the membership of the Scheme. In such circumstances the Administrator shall continue to administer the Scheme for the benefit of the Members or such other persons who become entitled to benefits under the Scheme on such terms and conditions as HM Revenue & Customs agree and for such period as the Provider may think fit, provided such period shall not offend the law relating to perpetuities under Section 69 of the Social Security Act 1973.

22.2 Whilst the Scheme is operated as a closed scheme the Administrator may, at its discretion, continue to accept contributions under Rule 9 or transfer payments under Rule 15 in respect of Members who shall continue to participate in the Scheme.

Rule 23

PENSION CREDIT BENEFITS

- 23.1 The Administrator shall have absolute discretion in the discharge of any liability in respect of any former spouse acquiring a Pension Credit, including:
- (a) inviting the former spouse to become a Member;
 - (b) making a transfer of the Pension Credit Rights to another registered pension scheme or a Qualifying Recognised Overseas Pension Scheme;
 - (c) applying an amount equivalent to the Pension Credit Rights towards the purchase of an appropriate policy with an Insurer of his choice.
- 23.2 If the Administrator invites the former spouse to become a Member, he shall be entitled to all of the rights and benefits of the Scheme as a Member.
- 23.3 Where any Pension Credit Rights are granted in relation to the Scheme, the Member's Fund relating to the Member who was married to the former spouse shall automatically incur a corresponding Pension Debit.
- 23.4 The Administrator may at its absolute discretion reduce either or both the Pension Credit Rights or the Member's Fund subject to the corresponding Pension Debit by an amount representing all, or part of, any costs, charges or expenses incurred in implementing the Pension Credit.

Rule 24

MISCELLANEOUS PROVISIONS

- 24.1 The Administrator may require any Member or any other person to whom an annuity or lump sum is payable to provide such evidence and information at such time as is reasonably required for the purposes of the Scheme. Where the Rules provide a Member or any other person with any choice, the Administrator may impose any requirements as to the period or form of notice to be given by or to the Member, provided these do not conflict with any other requirements set out in these provisions.
- 24.2 If, in the opinion of the Administrator, any person to whom a benefit is payable under the Scheme is unable to manage his or her affairs for any reason, the Administrator may pay the benefit in whole or in part for the maintenance of that person and/or any of his or her Dependants. The receipt of the payee shall be a complete discharge to the Administrator, for the benefit or part thereof so paid.
- 24.3 The Administrator may decide that any person who is entitled to a payment under the Scheme shall cease to have any claim to such payment if at least six years have passed from the date the payment became due and the address of the person is not known to the Administrator who shall have taken all reasonable steps to ascertain the address.

- 24.4 The Administrator will permanently reduce the benefits payable in respect of a Member for whom a Lifetime Allowance Charge (pursuant to Section 214 of the Finance Act 2004) is due by the amount of the Lifetime Allowance Charge. The Administrator may in its absolute discretion require the Member to accept a Lifetime Allowance Excess Lump Sum (as defined in paragraph 11 of Schedule 29 of the Finance Act 2004) in respect of the balance of the Member's entitlement in excess of the Lifetime Allowance.
- 24.5 The pensions or other benefits payable or to be paid under the Scheme or under an annuity purchased by the Administrator are not assignable or surrenderable and shall cease to be paid or payable if the recipient or prospective recipient becomes bankrupt or attempts to alienate, charge or anticipate any benefit or any part of it or does or suffers any act or thing whereby, whether by operation of law or otherwise, if belonging to the recipient absolutely, it would be or become wholly or in part payable to another person. If, through the operation of this provision, a benefit ceases to be paid or payable, the Administrator may, in case of hardship, apply it or any part of it from time to time for the support or maintenance of the recipient or his spouse or children or remoter issue or any of them provided that in no case shall any payment be made to an assignee or purported assignee, provided also that nothing in the Rules shall be deemed to prevent any person from effectively bequeathing by will any money in which he may have a transmissible interest. Notwithstanding the above, the assignment of part or all of the Member's retirement benefits or rights to benefits under the Scheme to his former spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision or the assignment of part or all of the former spouse's benefits or rights to benefits under the Scheme to his former spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision shall be permissible.

Rule 25

PROTECTED PAYMENTS AND SAFEGUARDED RIGHTS

25.1 Restrictions

Special restrictions apply to transfer payments received in respect of the Member covering Protected Rights, Section 9(2B) rights or Guaranteed Minimum Pensions under defined benefit occupational pension schemes or under insurance policies or annuity contracts of the type described in Section 19 of the Pension Schemes Act 1993, payments secured under Section 32A of the Pension Schemes Act 1993 arising from the Protected Rights of a member of an occupational pension scheme being wound up (the "**Protected Payments**") and the benefits resulting from those payments.

25.2 Non-Protected Payments

Any payments other than those specified in Rule 25.1 (and the benefits resulting from such payments) are not subject to the restrictions referred to in Rule 25.1 unless the Trust Deed or the Rules specifically state otherwise. The Scheme assets representing non-protected payments are referred to in these Rules as the "**Non-Protected Rights Fund**". Notwithstanding the above, the Non-Protected Rights Fund does not include Safeguarded Rights.

25.3 Use of Protected Rights

Except to the extent that they are used to meet any administrative expenses or commission payments under the Rules, the Protected Payments under Rule 25.1 and their proceeds under the Scheme must be used to provide the Member with Money Purchase Benefits.

The Member's rights to these benefits are called "**Protected Rights**". The Scheme assets representing these Protected Rights are referred to in these Rules as the "**Protected Rights Fund**".

25.4 Safeguarded Rights

- (a) The Administrator shall make provision for the identification of any Safeguarded Rights which are accepted by the Scheme.
- (b) Except to the extent that they are used to meet any expenses or commission payments under the Rules, any Safeguarded Rights and their proceeds under the Scheme must be used to provide the Member with Money Purchase Benefits.

25.5 Calculation of Protected Rights Fund and Safeguarded Rights Fund

- (a) The values of the Member's Protected Rights Fund and of the Member's Safeguarded Rights Fund must be calculated in a way that is at least as favourable as the way in which any other Money Purchase Benefits of the Member in the Scheme are calculated.
- (b) Where the valuation of the Protected Rights Fund and Safeguarded Rights Fund involves making estimates of the value of benefits, the method and calculation must be certified by an Actuary to be consistent with the requirements of any legislation and with "Retirement Benefits Schemes - Transfer Values (GN11)" published jointly by The Institute of Actuaries and The Faculty of Actuaries and current when the calculation is being made.
- (c) The Administrator must at all times keep such records so as to enable the amount of the Member's Protected Rights Fund and Safeguarded Rights Fund to be identified at any time.