

member in accordance with Rule 3.1.9.(3) and in relation to any benefits to be provided as reversionary pensions either at that time or at the time of his subsequent death secure the same by effecting with an insurance company a non-commutable single premium annuity policy for such pension such policy to be in the name of and payable to the Trustees and guaranteed to be payable for such period or remainder thereof as the Rules shall allow

- (2) If the Trustees so determine paragraph (1) hereof shall not apply to and moneys may be retained in the Fund for the provision of any increases on pensions after coming into payment referred to in paragraph (2) of Rule 4.1.5. save and except that members pension or reversionary pensions referred to in paragraph (1) hereof shall include any increases on pensions granted to the time when such pensions are secured by effecting an annuity policy and any increases subsequently granted on pensions shall be secured in like manner at the time they are granted

Death before retirement

Insurance Benefits

- 4.1.7. The Trustees shall in respect of each person who is a member or a withdrawing member effect and maintain with an insurance company a policy or policies of insurance of an amount which together with the amount of the Fund Reserve in respect of such member or withdrawing member will be sufficient to provide such of the following target benefits payable on his death while a member or accrued benefits payable on his death while a withdrawing member as shall have been specified in relation to him:-
- (a) a pension for his widow
 - (b) a pension(s) for his dependant(s)
 - (c) an allowance for dependant children
 - (d) a lump sum to be applied pursuant to Rule 4.1.10.

Application of Proceeds of Policy

- 4.1.8. (1) In the event of the death in service of a member or the death of a withdrawing member the proceeds of the policy or policies effected in respect of him pursuant to Rule 4.1.7. together with the Fund Reserve in respect of him shall be applied in providing such of the following target benefits and of such respective amounts having regard to the limits referred to in Rule 3.1.2.:-
- (a) a pension for his widow
 - (b) a pension(s) for his dependant(s)
 - (c) an allowance for dependant children
 - (d) a lump sum
- (2) The Trustees may determine that any pension to be provided pursuant to paragraph (1) hereof shall be subject to specified increases after coming into payment to offset either wholly or partially increases in the Governments Index of Retail Prices
- 4.1.9. (1) Subject to the provisions of paragraph (2) hereof in the event of the death in service of a member or the death of a withdrawing member the Trustees shall procure that any benefit to be provided by way of pension or allowance is secured with an insurance company by a non-assignable and non-commutable annuity policy (on

which no future premiums are payable) in the name of and payable to the Trustees

- (2) If the Trustees so determine paragraph (1) hereof shall not apply and moneys may be retained in the Fund for the provision of any increase in pensions after coming into payment referred to in paragraph (2) of Rule 4.1.8. save and except that any increase in pensions granted shall be secured by an annuity policy as provided in paragraph (1) hereof at the time they are granted

4.1.10. In the event of the death in service of a member or the death of a withdrawing member any lump sum in respect of him will be paid or applied within 2 years of the date of his death to or for the benefit of such one or more of the following and in such proportions as the Trustees shall in their discretion determine:-

- (a) his spouse
- (b) his children
- (c) his dependent children
- (d) his relatives
- (e) his dependants
- (f) his legal personal representatives
- (g) any individual society club charity or other body who or which has been nominated by him in writing
- (h) any individual named as a beneficiary in his Will

Provided that

- (i) if such member or withdrawing member shall have died leaving no person other than the Crown or the Duchy of Lancaster or the Duke of Cornwall for the time being entitled to his estate no payment shall be made to his personal representatives but such lump sum may be retained by the Trustees for better securing the solvency of the Fund
- (ii) in the event of the death of a director with a substantial shareholding on or after his 75th birthday the Trustees may only pay or apply any lump sum to his spouse or if he has no spouse at the time of his death to his legal personal representatives

Withdrawal

Application of member's Fund Reserve

4.1.11. (1) On withdrawal from service of a member there shall be provided the benefits conforming to those specified in the schedule of target benefits in respect of him to the extent permitted by the Fund Reserve (subject to the provisions of Rule 3.1.2.) being:-

- (a) a pension for him for life payable from his normal retirement date
- (b) a reversionary pension for his pensionable widow payable following his death after retirement for the rest of her life
- (c) a reversionary pension for any named dependant of his payable following his death after retirement for the remainder of the life of such dependant
- (d) a lump sum payable on death before retirement
- (e) a pension payable to his widow or named dependant following his death before retirement for the remainder of the life of such widow or dependant

save that the member may by notice in writing to the Trustees exercise the option to or for:-

- (f) commute his pension for a lump sum payable at his normal retirement date
 - (g) surrender part of his pension for a non-assignable and non commutable reversionary pension to be paid to his pensionable widow or any named dependant payable after his death in retirement in consideration of the surrender of part of his pension provided that the reversionary pension hereunder does not exceed the reduced amount of his pension and the pension equivalent of any lump sum commuted in accordance with sub-section (f) of this Rule
 - (h) a reduced pension and to commute part of this reduced pension to be paid to him prior to his normal retirement date (provided the amount payable as a cash sum in commutation of the pension shall be discounted appropriately so that it shall not represent a greater proportion of the value of the pension than it would had it been deferred until normal retirement date) either:-
 - (i) if he so requires after attaining the age of 50 years or
 - (ii) in the event of incapacity at any ageof such amount as will not prejudice approval of the Scheme under Chapter II Part II Finance Act 1970
- (2) If so specified in the schedule of target benefits pensions to be provided pursuant to paragraph (1) hereof shall be subject to specified increases after coming into payment to offset either wholly or partially increases in the Governments Index of Retail Prices

4.1.12. Subject to the provisions of Rule 4.1.13. the Trustees may on the withdrawal from service of a member entitled to benefits pursuant to Rule 4.1.11. apply the whole or part of the Fund Reserve in respect of him in effecting with an insurance company a single premium policy to provide the pension payable and benefits and options required pursuant to Rule 4.1.11. such policy to be in the name of the member or withdrawing member and the effecting of such policy as aforesaid shall be in full discharge of all liability of the Trustees for the payment of such pension and the implementations of such options
Provided that any policy issued by an insurance company under this Rule shall be endorsed to show:-

- (a) that the pensions are non-assignable nor capable of surrender and only commutable for a cash sum to the extent that is expressly provided
- (b) the maximum sums which may be taken as cash respectively by way of pension commutation and in the circumstances of death prior to the commencement of pension
- (c) the circumstances in which benefits can be taken earlier than normal retirement date
- (d) the basis by which any benefits payable earlier than normal retirement date shall be calculated

Transfer in lieu of pension

4.1.13. If following withdrawal from service a member becomes a member of another approved retirement benefits scheme the Trustees may in lieu of the benefits to which he is entitled hereunder at his request and with his written agreement transfer to the administrators of such other approved retirement benefits scheme an amount equal to the Fund Reserve in respect of him