Rule change consultation

November 2017
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NEST’s governing documentation comprises the NEST order and NEST rules. The NEST order sets out NEST’s legal structure, and gives the Trustee a number of powers, while the scheme rules provide further powers and more detail about how NEST works in practice.

The Department for Work and Pensions proposes to amend the order from April 2018 to give the NEST Trustee a discretion to allow contractual/consensual enrolment into NEST and to allow individuals to join the scheme via a bulk transfer with consent. The latter complements the existing joining event of a bulk transfer without consent. We’re proposing to amend the rules to reflect those changes.

In addition to these new joining events, we’re also proposing a new ‘leaving event’, for employers. This takes the form of a power to allow the Trustee to terminate the participation of an employer who has not contributed to the scheme for a period of time and so is clearly no longer using it, but has not officially given notice to terminate their participation. Such employers could be re-admitted to the scheme again at any time, should they wish to start using NEST to meet their duties.

At the same time, we propose to take the opportunity to streamline our rules regarding the payment of death benefits to reflect the removal, to a large extent, of different treatment pre and post age 75 as a result of the ‘freedom and choice’ changes. We’re also considering some changes which would enable those NEST members concerned about inheritance tax on death benefits to opt in to a ‘discretionary regime.’ We propose to make these changes, with the exception of the discretionary regime on death benefits, at the same time as the order changes, in April 2018, but to build in flexibility as to when contractual/consensual enrolment would come into effect. If we decide to go ahead with the rule change to introduce an ‘opt in’ discretionary regime on death benefits, this will be brought in at a later stage – to give us time to make the appropriate changes to our processes - probably towards the end of 2018.

We’d welcome your views as to whether the changes we’re proposing may have unforeseen consequences, particularly in relation to our proposal to introduce a discretionary regime for death benefits.

We’d also welcome opinions on whether the drafting of the rule changes generally achieves the desired outcome, as articulated in this document.

We’d like to thank all respondents in advance for their continued engagement with NEST and for helping us continue to develop a scheme which we hope will help millions enjoy a better retirement.
The legal structure of NEST

The National Employment Savings Trust (‘NEST’) was established by a piece of legislation known as an order.

NEST is a trust-based occupational pension scheme and the NEST order is the equivalent of a trust deed, the legal document which is used to establish trust-based schemes.

The order sets out NEST’s legal structure and can only be amended by Parliament. It defines the role and powers of the Trustee and includes details about how the scheme works, such as who’s eligible to join and how employers can use the scheme.

The order is supported by a set of scheme rules. The NEST rules provide more detail about the Trustee’s powers and how the administration of NEST works in practice.

As the NEST rules aren’t a statutory instrument, they don’t need to be amended by Parliament if any changes have to be made.

Some of the rule changes we’re proposing in this consultation flow from amendments that are proposed to the NEST order. The consultation relating to those changes can be found here.

Power to change the rules

Article 15 of the NEST order gives NEST Corporation (the trustee of NEST) the power to make, cancel, change or re-introduce any rules made by it or the Secretary of State.

The procedure for publishing and consulting on proposed changes to the scheme rules, which this consultation will follow, is set out in section 72 of the Pensions Act 2008.

This section of the Pensions Act 2008 also says that the Trustee of NEST must consult its Members’ Panel and Employers’ Panel before making, cancelling or re-introducing any rules.

The Members’ Panel and Employers’ Panel have been advised of these proposed rule changes and will be formally consulted during this public consultation.

To find out more about how the panels work, please go to nestpensions.org.uk/panels.
The consultation process

Structure of the consultation document

This consultation is arranged into two chapters.

The first chapter outlines the changes that we propose to make to the NEST rules in response to changes proposed to the NEST order. These allow for two new ways to join NEST, namely contractual/consensual enrolment into NEST and the joining event of bulk transfer with consent. It also proposes a change to allow us to terminate the participation of employers who are no longer contributing to the scheme.

In the following chapter we detail changes to death benefits:

- to streamline our rules regarding the payment of death benefits to reflect the effective removal of different treatment pre and post age 75 as a result of the ‘freedom and choice’ changes; and
- which would enable those NEST members concerned about inheritance tax on death benefits to opt in to a ‘discretionary regime.’

We propose to make these changes, with the exception of the discretionary regime on death benefits, at the same time as the order changes, in April 2018. However we’ll build in flexibility as to when contractual/consensual enrolment would come into effect. If we decide to go ahead with the rule change to introduce an ‘opt in’ discretionary regime on death benefits, this will be brought in at a later stage, probably towards the end of 2018.

The proposed drafting to give effect to the changes can be found in the marked up version of the NEST rules, included as a technical annex to this document.

How to respond

This consultation will begin on Monday 13 November and run until Friday 29 December 2017.

You can submit your response by email or by post.

Email: rules.consultation2017@nestcorporation.org.uk

Post: Julie Peaple
   Director of Pensions and Public Law
   NEST Corporation
   Riverside House
   2a Southwark Bridge Road
   London
   SE1 9HA

When you respond, please let us know whether you’re doing so as an individual or as the representative of an organisation.

If you’re responding on behalf of an organisation, then please make it clear who the organisation represents.
How we deal with consultation responses

In line with section 72 of the Pensions Act 2008 we’ll carefully consider your responses before deciding how we amend the NEST rules.

We’ll publish a summary of respondents’ comments together with our response to them within three months of the end of the consultation period.

If the amendments we make are different from the amendments proposed, we’ll publish details of any significant differences.

Confidentiality

Please be aware that we may share the information you send us with the Department for Work and Pensions (DWP).

Under the Freedom of Information Act 2000, we could publish or disclose all of the information contained in your response, including personal information.

We accept the information you provide for this public consultation exercise on the understanding that you consent to it being disclosed and published.

If you want us to keep the information in your response to the consultation confidential you should explain why as part of your response. However, we can’t guarantee that it will be possible to do this.

Further questions and feedback

If you have any comments on the consultation process in general or if you want clarification on any of the issues raised, you can get in contact through the email or postal address on the previous page.

We have paper copies of this consultation available on request and will also consider any requests for alternative formats. Please send your request to the postal address on the previous page. You can download a copy from nestpensions.org.uk
Chapter 1

New joining events and terminating employer participation

Background

On 7 July 2016, the Department for Work and Pensions (DWP) issued a ‘Call for Evidence’ on the evolution of NEST. This sought views on, among other things, a proposal to allow employers to enrol their workers into NEST via contractual enrolment. The Government responded to that Call for evidence on 2 March 2017 advising that there was an overall consensus from respondents that NEST’s legislative framework should be adapted to allow employers to use it for contractual enrolment. The Government therefore advised that they would proceed to allow employers to contractually enrol workers into NEST. They have accordingly consulted on draft legislation to amend the NEST order. At the same time, they are proposing to allow a new joining event of bulk transfer with consent to complement the change to the order made in April 2017 to allow joining via a bulk transfer without consent.

The purpose of this chapter is to consult upon the technical changes to the NEST rules required to align them with the order, once amended.

We also propose to take the opportunity to introduce a power to terminate the participation of employers who have not made any contributions for a period of time, for example one year. This is to address the fact that some employers may stop using NEST as their automatic enrolment scheme but not formally notify NEST that they wish to terminate their participation under rule 6.4.1. Such employers could be re-admitted to the scheme at any point, should they wish to start using it again to meet their employer duties. We understand that other master trusts have and use a similar power in circumstances where employer contributions have terminated to avoid having ‘dormant employers’ in the scheme.

Current position on joining events and employer participation

The NEST (order and) rules currently only allow for the following joining events (see articles 18 and 19 of the NEST Order and rule 8.2):

For members:
- automatic enrolment and automatic re-enrolment of eligible jobholders;
- opt in of non-eligible jobholders;

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1 NEST: Evolving for the Future. Fairness, simplicity and confidence. A call for evidence. 7 July 2016
2 NEST: Evolving for the Future. Government Response. 2 March 2017
3 Draft National Employment Savings Trust (Amendment) Order 2018
joining by notice of entitled workers;
- direct joining by self-employed people and single person directors;
- admission in advance of the duties applying for those who would otherwise meet the definition of ‘worker’ and where both the employer and the worker wish the worker to become a member of the scheme; and
- joining via a bulk transfer without consent.

For employers:

- where they wish to comply with their duties under the Pensions Act 2008
- where their duties do not yet apply and the worker has consented to being admitted.

The NEST rules (rule 7) provide that the minimum statutory contributions provided for in the Pensions Act 2008 must be paid in respect of those who join via automatic enrolment or re-enrolment, opt in, notice or in advance of the duties applying.

Rule 6.4.1 provides for an employer to notify NEST if they wish to stop using the scheme. However, there is no provision for the Trustee to terminate an employer’s participation in cases where they have not made any contributions for a significant period of time and so are clearly no longer using the scheme.

What are we proposing?

Contractual/consensual enrolment

We’re proposing to provide for contractual/consensual enrolment as a new means of joining NEST by adding a new rule 8.2.8. This will complement the changes the Government is proposing to make to articles 18 and 19 of the NEST order to allow for new ways for members to join the scheme and for employers to be admitted to participation. This is provided for in new rule 8.2.8.

We also propose to add a new rule 71.1(b) to ensure that minimum statutory contributions are payable in respect of such joiners. This means that contractual/consensual enrolment into NEST will provide an alternative means by which employers can meet their duties under the Pensions Act 2008 e.g. by using contractual/consensual enrolment to make sure all relevant workers are already members of a qualifying scheme when the duties start to apply to them, or otherwise to ease the overall administration of enrolment. All other occupational pension schemes are able to offer this.
Bulk transfer with consent

We propose to provide for a bulk transfer with consent as a new means of joining NEST by adding some additional wording to rule 8.2.6. The rule currently provides for the joining event of bulk transfer without consent. This will complement the change the Government is proposing to article 19 of the NEST order to allow for this, which in turn complements the existing joining event of bulk transfer without consent.

Consultation question
Do you agree that the changes proposed to rules 7 and 8 in the technical annex, when taken together with the Government’s proposed changes to the NEST order, adequately provide for these two new ways of joining the NEST scheme?

Termination of employer participation

We propose to add a new rule 6.4.5 to provide a power for the Trustee to terminate an employer’s participation in the scheme, by giving notice, in the event that the employer has not made any contributions for a certain period of time e.g. a year. The employer would still be able to recommence the payment of contributions during the notice period, in which case its participation in the scheme would not be terminated.

Consultation question
Do you have any views regarding how long an employer should be ‘dormant’ before the Trustee gives notice that it plans to terminate their participation?
Chapter 2

Changes concerning death benefits

Background

Streamlining the pre and post 75 rules on death benefits

The current NEST rules on death benefits are overly complex in terms of their treatment of pre and post age 75 deaths and we propose streamlining them. While they provide that the Trustee will only pay a lump sum death benefit where the member died before 75, the option of a dependants’ annuity is factored in in respect of deaths on or after 75. So for deaths on or after 75 the Trustee will either pay a lump sum or a dependants’ annuity depending on the circumstances. The reason for this is that in the past, before the recent ‘freedom and choice’ changes, dependants’ annuities had better tax treatment than lump sums where the member died on or after 75. We didn’t want to deny dependants the option of this more tax efficient means of payment.

We propose removing the option of a dependants’ annuity in the case of deaths on or after 75, because:

- The key reason for having the option – the fact it has favourable tax treatment as compared to the post 75 lump sum – has largely disappeared. Post the ‘freedom and choice’ changes, both a dependants’ annuity and a lump sum are taxed as income whereas the lump sum was previously taxed at 55 per cent for deaths on or after 75.

- It is administratively burdensome to set up the annuity and unless there is a significant pot size the income which would be produced is often very low, particularly if the dependant is younger than the age 75 or over member.

- To do so would not be out of line with the market

Should we remove this option, there will no longer be a need to provide separately for deaths before 75 and those on or after 75. We could instead have one rule dealing with deaths at any age which provides that we will pay a lump sum. Who we would pay it to depends on what we decide in regards to discretion, which we deal with in the next section of this paper.

Introducing trustee discretion

Traditionally pension scheme trustees have used discretion when deciding who should receive a lump sum death benefit from a member’s pension arrangement. This means, for each case, the trustees make an assessment as to which beneficiary/ies will receive a payment on death of the member, typically using a member’s expression of wish form and other personal information.

Tax rules mean that, usually, where payment of the lump sum is not at the discretion of the member but instead subject to the trustee’s discretion, the value of the lump sum won’t be counted as part of the deceased’s estate for inheritance tax.
purposes on their death.
When NEST was first established in 2011, it was decided that exercising discretion on death benefits was not the right option for NEST, given the need to deliver a low cost scheme to millions. This was because, among other things, the size of member pots in the early years of auto enrolment was likely to be very low and the potential cost of assessing individual cases was likely to be disproportionately high. These costs would have to be covered by member charges. Our analysis at the time also suggested that NEST’s target membership were less likely to be subject to inheritance tax than members of existing pension schemes.
As a result, the NEST rules were drafted so as to give members an opportunity to complete a binding nomination form, with their pension pot being paid to whoever they nominated. In the event of there being no nomination, the pot is usually paid to the member’s personal representatives with the exception of some cases involving pots of not more than £5000. This means that, if a NEST member dies, the lump sum currently forms part of their estate for inheritance tax purposes with the result that, depending on the value of their estate, inheritance tax may be payable.
In light of restrictions on the scheme being lifted, we have decided to review this approach. Now that we can accept higher contributions and transfers, there is an increased risk that our approach of not applying discretion, resulting in potential IHT liabilities, will impact more of our members than we had previously considered. This could also deter employers from choosing NEST. They may not wish to use it for their higher paid workers – those more likely to be subject to inheritance tax in the future – and may prefer to use one scheme for all workers. This was the very situation that the lifting of the restrictions on NEST was designed to address.
However, we still need to manage the administration and cost risk that exercising discretion presents us with. We’re therefore proposing an ‘opt in’ mechanism for exercising discretion as outlined below.

**Current position on death benefits**

**Streamlining the pre and post age 75 rules on death benefits**
We’ve set out a full description of the current rules on death benefits, rules 18.1 and 18.2, in appendix 1.

**Trustee discretion**
There’s no discretion regarding who benefits are paid to. Excluding the dependants’ annuity dealt with above, benefits are either paid to a nominated beneficiary or beneficiaries, the deceased’s personal representatives or as the Trustee determines, in cases involving pots of no more than £5000. This latter case is not an exercise of discretion because the trustee has determined an order of priority.

**What are we proposing?**

**Streamlining the rules on death benefits**
We propose amending rules 18.1 and 18.2 to dispense with the different treatment for death before 75 and on or after 75. We propose to amend rule 18.1 so that it caters for all deaths, whether before or on or after
age 75, in cases where the member has not 'opted into discretion' by completing an expression of wish form. This means that in respect of any death, where there has been no opt in:

- A lump sum will be paid to a nominated beneficiary or nominated beneficiaries.
- If there is more than one nominated beneficiary, the money in the member’s pot will be paid to them in equal shares, unless the member’s nomination provides otherwise.
- If there is/are no nominated beneficiary(ies) or they cannot be traced or have died or ceased to exist, a lump sum shall be paid to the deceased’s personal representatives.
- If the position is as above and the member’s pot is no more than £5000, the remaining value shall be paid as the trustee determines.

We propose to amend rule 18.1.5, which deals with pots of not more than £5000, to make it clear that such pots will be dealt with according to an order of priority determined by the Trustee. This is in order to put it beyond doubt that the Trustee is not exercising discretion in these cases.

We also propose to amend rule 18.1 to make it clear that it sets out the process for cases where a member does not choose to 'opt in to discretion,’ see below. Rule 18.2 will deal with cases where a member opts in to discretion.

Finally, we’ve amended rule 18.1.2 to make it clear that a member can revoke a nomination without having to make a new nomination, but also that where a new nomination is made, it automatically revokes any previous nominations. This is to ensure it’s clear that whichever is the most recent nomination or expression of wish form is the form that guides whether rule 18.1 or 18.2 applies.

**Introducing Trustee discretion**

We propose to introduce a new rule 18.2 which will apply where a member has 'opted in to discretion' by completing an expression of wish form, as opposed to a binding nomination form, in which case rule 18.1 i.e. the existing position, will apply. In the event of the death of a member who has completed an expression of wish form, the Trustee will exercise a very narrow discretion, namely whether to pay a lump sum death benefit to the beneficiary or beneficiaries listed on the form or not. If the Trustee decides not to pay to the beneficiary or beneficiaries, the lump sum will be paid to the member’s personal representatives.

The aim of this narrow exercise of discretion is to address the inheritance tax issue that some NEST members may otherwise encounter, without adding significantly to the costs of the membership as a whole by introducing an expensive, administratively complex system. This is important in a scheme such as NEST given the scale of its membership (over 5 million members at present) and the need to be low cost (a key policy aim for NEST).

In addition, requiring members to opt in to discretion, rather than applying it across the board as a default, means that volumes can be managed and that the existing option of a binding nomination can be maintained. This means that members who
aren’t concerned about inheritance tax can nominate and be assured that their pot will go to the person of their choice on death, provided they keep the form up to date.

We appreciate that this is a novel approach and would be unique in the market so there could be issues or unforeseen consequences we’ve not yet identified. Such a narrow operation of discretion means it will be more important than ever for the member to keep their expression of wish form updated as and when their circumstances change – although that is already an issue for NEST in terms of the current binding Nomination forms. There will also be a communications challenge in making sure that members are aware that they have this option.

Consultation question
Do you think the changes to rule 18.1 achieve the streamlining of death benefits, for those members who do not ‘opt in to discretion’, intended?

Consultation question
Do you think our proposed solution to address the inheritance tax issues that some NEST members may encounter on death, achieves the right balance between providing an effective solution for such members and keeping administrative costs down for the membership as a whole? Are there any consequences of such an approach we may not have identified?
Appendix 1

Current position on death benefits

For deaths before age 75:

- A lump sum will be paid to a nominated beneficiary or nominated beneficiaries.
- If there is more than one nominated beneficiary, the money in the member’s pot will be paid to them in equal shares, unless the member’s nomination provides otherwise.
- If there is/are no nominated beneficiary(ies) or they cannot be traced or have died or ceased to exist, a lump sum shall be paid to the deceased’s personal representatives.
- If the position is as above and the member’s pot is no more than £5000, the remaining value shall be paid as the trustee determines.

For deaths on or after 75:

- If there are one or more nominated beneficiaries then:
  - If one or more of them are dependants, the Trustee will either buy them a dependants’ annuity or pay them a lump sum.
  - If one or more of them are not dependants, the Trustee will pay them a lump sum.
- Nominated beneficiaries who are dependants may choose a dependants’ annuity or a lump sum, and if they don’t the Trustee will purchase a dependants’ annuity.
- If there is more than one nominated beneficiary, the amounts will be paid in equal shares, unless the member provided otherwise.
- Dependants for whom an annuity is being purchased, can choose the type of annuity and if they don’t, the Trustee will buy a single life escalating one.
- If there are no nominated beneficiaries or they cannot be traced or have died or ceased to exist, the Trustee will try to identify any dependants. Any identified, can choose between an annuity and a lump sum.
- If the position is as above and no dependants can be identified, the Trustee will pay to the personal representatives.
- If the position is as above but the amount in the member’s pot is no more than £5,000, it will be paid as the Trustee determines.

* Someone who was financially dependent or inter-dependent on the member at the time of death
Technical annex

The NEST rules with proposed amendments
The Trustee of the National Employment Savings Trust makes the following rules, and revokes all previous rules of the National Employment Savings Trust, in exercise of the power conferred on it by article 15 of the National Employment Savings Trust Order 2010 having published a draft of the rules and invited comments on it. The rules shall come into force on [insert date].

1. Definitions

In these rules (unless the context otherwise requires):

“1993 Act” means the Pension Schemes Act 1993;

“1993 NI Act” means the Pension Schemes (Northern Ireland) Act 1993;

“1995 Act” means the Pensions Act 1995;

“1995 NI Order” means the Pensions (Northern Ireland) Order 1995;


“2008 Act” means the Pensions Act 2008;

“2008 NI Act” means the Pensions (No. 2) Act (Northern Ireland) 2008;
“annual contribution limit” means the maximum amount of contributions which could be made by, on behalf of or in respect of a member to the Scheme in a tax year and which was in effect in respect of the Scheme immediately prior to 1 April 2017;

“automatic enrolment” means automatic enrolment:

(a) in relation to Great Britain, under section 3 of the 2008 Act; or

(b) in relation to Northern Ireland, under section 3 of the 2008 NI Act,

where a participating employer has nominated the Scheme as the automatic enrolment scheme into which a jobholder is to be automatically enrolled;

“automatic enrolment date” has the meaning given by:

(a) in relation to Great Britain, section 3(7) of the 2008 Act; or

(b) in relation to Northern Ireland, section 3(7) of the 2008 NI Act;

“automatic enrolment scheme” has the meaning given by:

(a) in relation to Great Britain, section 17 of the 2008 Act; or

(b) in relation to Northern Ireland, section 17 of the 2008 NI Act;

“automatic re-enrolment” means automatic re-enrolment:

(a) in relation to Great Britain, under section 5 of the 2008 Act; or

(b) in relation to Northern Ireland, under section 5 of the 2008 NI Act,

where a participating employer has nominated the Scheme as the automatic enrolment scheme into which a jobholder is to be automatically re-enrolled;
“automatic re-enrolment date” has the meaning given by:

(a) in relation to Great Britain, regulations made under section 5(8) of the 2008 Act; or

(b) in relation to Northern Ireland, regulations made under section 5(8) of the 2008 NI Act;

“benefit age” means in relation to a member, the date for the time being determined in accordance with rule 16.1 as the date on which the member intends, or is deemed to intend, to take benefits under the Scheme;

“by notice” means circumstances whereby:

(a) a worker gives notice to the worker’s employer under section 9(2) of the 2008 Act in relation to Great Britain (or under section 9(2) of the 2008 NI Act in relation to Northern Ireland); and

(b) the worker’s employer wishes to comply with its duty in relation to the worker under section 9 of the 2008 Act in relation to Great Britain (or under section 9 of the 2008 NI Act in relation to Northern Ireland) by arranging for the worker to become a member;

“contribution arrangements” means, in relation to a member,

(a) arrangements by the Trustee in respect of that member under article 19(6A) of the Order; or

(b) any other arrangements by the Trustee in respect of that member whereby contributions may be made by, or on behalf or in respect of, that member in relation to an employment (not being admittance to membership under article 19(1) to (3) of the Order or arrangements under article 19(6A) of the Order);
“dependant” has the same meaning as in paragraph 15 of Schedule 28 to the Finance Act 2004;

“dependants’ annuity” has the same meaning as in paragraph 17 of Schedule 28 to the Finance Act 2004;

“employer” means:
(a) in relation to Great Britain, an employer for the purposes of section 88(7) of the 2008 Act; or
(b) in relation to Northern Ireland, an employer for the purposes of section 70(7) of the 2008 NI Act,

who applies to be admitted to participation in the Scheme;

“Employers’ Panel” means the panel referred to in article 6(2)(b) of the Order;

“excess contributions account” means the account established and maintained by the Trustee in accordance with rule 11.6;

“ex-spouse” means a person who is entitled to a pension credit following the making of a pension sharing order. “Ex-spouse” shall include a former civil partner (as defined in the Civil Partnership Act 2004);

“former participating employer” means, in respect of any period, a person that was a participating employer during the period and has terminated its participation in accordance with rule 6.4 with effect from the end of the period;

“general account” means the account established and maintained by the Trustee in accordance with rule 11.4;

“HMRC” means Her Majesty’s Revenue & Customs;

“incapacity” means physical or mental impairment which renders the member incapable of carrying on any occupation;

“investment funds” means the notional funds established by the Trustee under article 29(1) of the Order;

“jobholder” has the meaning given by –
(a) in relation to Great Britain, section 1(1) of the 2008 Act; or
(b) in relation to Northern Ireland, section 1(1) of the 2008 NI Act;

“joining event” means an event listed in rule 8 which applies on the first admission of a person to membership or on the making of contribution arrangements;

“lifetime annuity” has the same meaning as in paragraph 3 of Schedule 28 to the Finance Act 2004;

“lifetime annuity policy” means, in relation to a member, a policy which makes provision for the payment of a lifetime annuity to the member and which, unless the context requires otherwise, may make provision for any other authorised member payment (within the meaning of section 164 of the Finance Act 2004) which may be provided with a lifetime annuity;

“member” means a person who has been admitted as a member of the Scheme under article 19 of the Order and whose pension account has not yet been fully discharged through the provision of one or more benefits under article 32 of the Order;

“membership” means being a member;

“member’s employer” means a participating employer employing the member;

“Members’ Panel” means the panel referred to in article 6(2)(a) of the Order;
“minimum contributions” means contributions made to the Scheme by a participating employer, on behalf of or in respect of a member which satisfy the quality requirement for a money purchase scheme:

(a) in Great Britain, under Part 1 of the 2008 Act; or

(b) in Northern Ireland, under Part 1 of the 2008 NI Act;

“nominated beneficiary” means a person, body corporate, trust, charity, club or society nominated by the member in accordance with rule 18.1.2;

“normal minimum pension age” has the same meaning as in section 279 of the Finance Act 2004, unmodified by part 3 of Schedule 36 of the Finance Act 2004;

“opt-in” means a joining event in respect of a jobholder (“J”):

(a) to whom -

   (i) in relation to Great Britain, section 7 of the 2008 Act applies; or

   (ii) in relation to Northern Ireland, section 7 of the 2008 NI Act applies,

(b) who has by notice -

   (i) in relation to Great Britain, under section 7(3) of the 2008 Act; or

   (ii) in relation to Northern Ireland, under section 7(3) of the 2008 NI Act,

required J’s employer to make arrangements for membership of an automatic enrolment scheme; and
(c) whose employer has nominated the Scheme as the automatic enrolment scheme for the purpose of giving effect to its obligations

(i) in relation to Great Britain, under section 7 of the 2008 Act; or

(ii) in relation to Northern Ireland, under section 7 of the 2008 NI Act;

“opt-out period” means the period prescribed by regulations made:

(a) in relation to Great Britain, under section 8(5) of the 2008 Act; or

(b) in relation to Northern Ireland, under section 8(5) of the 2008 NI Act;

“Order” means The National Employment Savings Trust Order 2010 (S.I. 2010/917) which established the Scheme;

“panels” means the Members’ Panel and the Employers’ Panel;

“participating employer” means an employer that has been admitted to participation in the Scheme under article 18 of the Order and that has not terminated its participation;

“pension account” means an account maintained by the Trustee for a member comprising:

(a) the member’s contributions;

(b) contributions made by any participating employer;

(c) any sums transferred into the Scheme in respect of the member;

(d) investment returns; and

(e) any other amounts paid to the Trustee to be applied to the member’s pension account,

less any expenses and outgoings properly deducted by the Trustee;
“pension credit” means a credit:
(a) in relation to Great Britain, under section 29 of the 1999 Act; or
(b) in relation to Northern Ireland, under Article 26 of the 1999 NI Order;

“pension credit benefits” means the benefits payable to or in respect of an ex-spouse in respect of whom a pension credit is discharged in the Scheme under rule 24.1;

“pension sharing order” means any order or provision as referred to:
(a) in relation to Great Britain, in section 28(1) of the 1999 Act; or
(b) in relation to Northern Ireland, under Article 25 of the 1999 NI Order;

“permitted maximum” has the same meaning as in paragraph 2 of Schedule 29 to the Finance Act 2004, unmodified by Part 3 of Schedule 36 of the Finance Act 2004;

“pre-duty period” means:
(a) in relation to a participating employer, the period starting on the day when rule 7.1.2 applies to that participating employer and ending on the day before the day when sections 2 to 9 of the 2008 Act (or sections 2 to 9 of the 2008 NI Act in relation to Northern Ireland) apply to that participating employer; and
(b) in relation to a member, the period starting on the day when rule 9.2 applies to that member and ending on the day before the day when sections 2 to 9 of the 2008 Act (or sections 2 to 9 of the 2008 NI Act in relation to Northern Ireland) apply to the member’s employer;

“qualifying arrangement” has the same meaning:
(a) in relation to Great Britain, as in paragraph 6(1) of Schedule 5 to the 1999 Act; or
(b) in relation to Northern Ireland, as in paragraph 6(1) of Schedule 5 to the 1999 NI Order;

“qualifying recognised overseas pension scheme” means a scheme as defined in section 169 of the Finance Act 2004;

“registered medical practitioner” has the same meaning as it has for the purposes of Schedule 28 and Schedule 29 of the Finance Act 2004;

“registered pension scheme” has the same meaning as in Chapter 2 of Part 4 of the Finance Act 2004;

“rules” means rules made under section 67 of the 2008 Act;

“Scheme” means the National Employment Savings Trust established by the Order;

“scheme administrator” means the person appointed under rule 3.3;

“self-employed” means that a person is in employment but is not employed by someone else in relation to that employment;

“serious ill-health” means that the member is expected to live for less than one year;
2. Interpretation

2.1 Where terms are used in these rules which are defined in the 2008 Act or the 2008 NI Act, they shall have the same meaning in these rules as that given to them in the 2008 Act or the 2008 NI Act respectively.

2.2 These rules will be construed without reference to the introduction, the list of contents or the headings or the typeface in which they are printed, each of which is included or used for convenience only.

2.3 In these rules:

2.3.1 unless the context otherwise requires, the singular includes the plural and vice versa; and

2.3.2 references to any legislation include (where appropriate) legislation which it replaces, amends or supplements and legislation for the time being in force which replaces, amends or supplements it.

2.4 Where these rules confer a power or impose a duty it is implied, unless the contrary intention appears, that the power may be exercised, or the duty is to be performed, from time to time as occasion requires.

“single person director” means a person who is:

(a) a director of a company; and
(b) employed by the company under a contract of employment,

where the company does not employ any other persons under a contract of employment. For the purposes of this definition, a company includes any body corporate;

“State Pension age” has the same meaning as “pensionable age”:

(a) in relation to Great Britain, for the purposes of section 126 of and Schedule 4 to the 1995 Act; or
(b) in relation to Northern Ireland, for the purposes of Article 123 of and Schedule 2 to the 1995 NI Order;

whenever there is a change to State Pension age, made by legislation, the Trustee shall determine the date it will give effect to that change, for the purpose of these rules;

“tax year” has the meaning given by:

(a) in relation to Great Britain, section 99 of the 2008 Act; or
(b) in relation to Northern Ireland, section 78 of the 2008 NI Act;

“Trustee” means the person appointed as Trustee of the Scheme;
3. Trustee powers

3.1 The Trustee may appoint a secretary to the Scheme on such terms and conditions as it sees fit.

3.2 The Trustee may appoint such professional advisers as the Trustee determines on such terms and conditions as it sees fit.

3.3 The Trustee may appoint any person or persons to be the scheme administrator in accordance with sections 270 to 274 of the Finance Act 2004.

3.4 The Trustee may open and maintain in its name a bank account or bank accounts for the Scheme with an institution authorised under the Financial Services and Markets Act 2000 to hold monies belonging to the Scheme. The Trustee may, with the agreement of that institution, set terms for the operation of that bank account or accounts.

4. Administrative provisions

4.1 Trustee may benefit

The Trustee, and any of its members or staff, may be a member and may retain any benefit from the Scheme whether received as a result of being a member or otherwise, including any benefit resulting from the exercise of a discretion by the Trustee. No decision of the Trustee shall be invalidated or questioned on the grounds that the Trustee (or any of its members or staff) had a direct or personal interest in the subject matter of the decision.

4.2 Power to determine questions and matters of doubt

To the extent permitted by law, the Trustee may determine all questions and matters of doubt in relation to the Scheme.

4.3 Alienation

4.3.1 Subject to rules 4.3.3 and 4.3.4, an entitlement to any benefit under the Scheme and a right to any future benefit under the Scheme cannot be assigned, commuted or surrendered, cannot be charged or a lien exercised in respect of it and no set-off can be exercised in respect of it; and any act purporting to do any of such things shall have no effect and shall not be binding on the Trustee.

4.3.2 Rule 4.3.1 is without prejudice to the provisions of the rules permitting a member to decide how an amount equal to the value of the member’s pension account is to be applied to provide benefits to or in respect of the member or permitting the commutation of the member’s pension account.
4.3.3
Where any person has any entitlement to any benefit under the Scheme or any right to any future benefit under the Scheme and that person incurs a monetary obligation to the Scheme arising out of a criminal, negligent or fraudulent act or omission, the Trustee may impose a charge or lien on that person’s entitlement or right or exercise a set-off in respect of it for the purpose of discharging that monetary obligation. This rule is subject to section 91(6) of the 1995 Act.

4.3.4
Where any person has any entitlement to any benefit under the Scheme or any right to any future benefit under the Scheme and that person incurs a monetary obligation to the Scheme arising out of a payment made in error in respect of that person, the Trustee may impose a charge or lien on that person’s entitlement or right or exercise a set-off in respect of it for the purpose of discharging that monetary obligation. This rule is subject to section 91(6) of the 1995 Act.

4.4
Forfeiture

4.4.1
Subject to rules 4.4.2 and 4.4.3, an entitlement to any benefit under the Scheme and a right to any future benefit under the Scheme cannot be forfeited (and for this purpose, the forfeiting of any entitlement or right includes any manner of deprivation or suspension).

4.4.2
The Trustee may forfeit any entitlement to any benefit under the Scheme and any right to any future benefit under the Scheme in the circumstances set out in, or prescribed by regulations made under, sections 92(4) and 92(6) of the 1995 Act or section 93 of the 1995 Act and subject to the requirements of those sections.

4.4.3
If the Trustee forfeits any entitlement to any benefit under the Scheme or any right to any future benefit under the Scheme in accordance with rule 4.4.2, the Trustee may deduct from the member’s pension account an amount equal to the value of the forfeited entitlement or right and transfer such amount to the general account, except that if the forfeiture is in the circumstances set out in section 93 of the 1995 Act and the Trustee determines under section 93(5) that an amount not exceeding the amount forfeited is to be paid to the participating employer, the Trustee shall pay the amount in question to the participating employer instead of crediting it to the general account.

4.5
Costs

In relation to the costs of the setting up, administration and management of the Scheme, the Trustee may determine:

4.5.1
which costs are the general costs of the setting up, administration and management of the Scheme for the purpose of article 27(1) of the Order;
4.5.2 which costs are the costs of providing a service with respect to members’ pension accounts for the purpose of article 27(7) of the Order that are to be met by making further deductions from members’ pension accounts; and

4.5.3 which costs shall be met or contributed to by charges made by the Trustee under paragraph 19 of Schedule 1 to the 2008 Act, otherwise than by way of deductions under article 27 of the Order.

4.6 Taxation and charges

4.6.1 If the Trustee or the scheme administrator is or will become accountable or liable for any tax or charge in respect of any benefit or payment which is to be paid to or in respect of a member, the Trustee or scheme administrator (as appropriate) may deduct the tax or charge from the relevant member’s pension account or from the benefit or payment giving rise to the tax or charge.

4.6.2 If a member or beneficiary under the Scheme is or will become liable for any tax or charge which arises in respect of any contributions payable by or in respect of any member or in respect of any benefit or payment which is to be paid to or in respect of that member or beneficiary, that tax or charge shall be met by the member or other person on whom the liability to the tax or charge falls unless the Trustee determines that:

(a) to the extent permitted by law, that tax or charge shall be deducted from the member’s pension account or from the benefit or payment giving rise to the charge; or

(b) that tax or charge shall be met in such other way as the Trustee may determine.

4.7 Relief at source

To the extent that a member is entitled to be given relief in accordance with section 192 of the Finance Act 2004, the scheme administrator may, to the extent permitted by law:

4.7.1 make a claim to HMRC in respect of that member for any amount treated as income tax paid for the purposes of relief at source;

4.7.2 subsequently receive any amounts paid by HMRC pursuant to a claim under rule 4.7.1 and allocate it to the appropriate member’s pension account;

4.7.3 act on behalf of the member in dealings with HMRC in relation to relief at source in so far as that relief relates to contributions paid or payable to the Scheme; and

4.7.4 do all such things necessary to make good the position in respect of any member who has claimed relief at source at a time when that member was not entitled to do so.

4.8 Notices etc.

Notices of any matter under the rules (including notice of a direction, request or selection) must be given to the Trustee at the time and place and in the form and manner, and with the supporting evidence (if any) as the Trustee may determine.
5. Members’ And Employers’ Panels

5.1 Appointment
The Trustee shall:

5.1.1 appoint to the Members’ Panel such members and such other persons representing the interests of members as it considers appropriate having regard to the membership profile of the Scheme from time to time; and

5.1.2 appoint to the Employers’ Panel such individuals who are, or who represent, a participating employer and such other persons representing the interests of participating employers as it considers appropriate having regard to the profile of participating employers from time to time.

5.2 Selection, appointment and removal
The Trustee shall establish such procedures for attracting, selecting, appointing and removing members of each of the panels as it sees fit.

5.3 Reporting
5.3.1 Each of the panels shall report to the Trustee periodically on the exercise of the panel’s functions in such format and at such intervals as the Trustee may reasonably require, and recorded in the terms of reference to be prepared under rule 5.4 below.

5.3.2 The Trustee shall report to members on the exercise of the panels’ functions in such format and at such intervals as the Trustee sees fit.

5.4 Terms of reference
5.4.1 The Trustee must secure that:

(a) terms of reference are prepared and maintained for each of the panels; and

(b) the terms of reference are reviewed at such intervals, and on such occasions, as the Trustee may reasonably determine and, if necessary, revised.

5.4.2 The terms of reference shall document:

(a) the functions of the panels; and

(b) matters relating to the administration and operation of the relevant panels consistent with their functions.

5.4.3 The Trustee may, having consulted the relevant panel, amend the terms of reference where the Trustee considers this to be necessary or desirable.

5.4.4 The terms of reference and any amendments to them from time to time shall be published in such a way as to be available to any interested person and such publication may be limited to electronic publication.
6. Employer participation

6.1
Subject to rule 6.2

6.1.1
an employer falling within article 18(1) of the Order shall be admitted to participation; and

6.1.2
an employer falling within articles 18(2) and (3) of the Order may be admitted to participation with the agreement of the Trustee

6.2
Participation under rule 6.1 above is conditional on the employer agreeing to the following terms and conditions for admittance of employers to participation in the Scheme.

6.2.1
The employer shall at all times comply with the obligations of a participating employer set out in the Order and the rules (as amended from time to time).

6.2.2
The employer shall at all times comply with the following requirements in relation to the efficient administration of the Scheme:

(a) such requirements about the provision of information in relation to the employer and any person employed by that employer as the Trustee may determine to be necessary or desirable in order to admit that person to membership and enable the Trustee to administer the member’s pension account;

(b) such requirements as the Trustee may determine to be necessary or desirable in order to obtain tax relief on members’ contributions;

; and

6.1.3
any other employer falling within article 18(3A) of the Order that wishes to arrange for a worker to become a member of the Scheme, may be admitted to participation with the agreement of the Trustee.
The agreement referred to in rule 6.2 shall be in such form as the Trustee shall determine and notify to the employer.

The participation of a participating employer in the Scheme shall terminate subject to and in accordance with the following provisions.

6.4.1 A participating employer may terminate its participation in the Scheme by giving notice to the Trustee stating that it wishes to terminate its participation with effect from a date specified in the notice.

6.4.2 The Trustee may determine the form of the notice and, if it does so, then to be valid a notice must be in the form so determined unless the Trustee agrees to accept notice in another form.

6.4.3 For the notice to be valid the date specified in the notice as the date on which the participating employer's participation will terminate must be not earlier than 28 days after the date on which the notice is received by the Trustee unless the Trustee agrees to accept an earlier date.
6.4.4
The Trustee shall notify the participating employer if the notice is not valid. If the notice is valid, then at the later of:
(a) the end of the date specified in the notice as the date on which the participating employer wishes to cease participation, and
(b) the date of payment of any amounts due and unpaid by it,
the participating employer shall cease to be a participating employer and shall become a former participating employer in respect of the period of participation ending with that cessation.

6.4.65
A former participating employer shall have no obligation or liability to the Trustee under the Scheme in relation to any period of participation immediately preceding the termination of its participation except in respect of any act or omission by it that occurred before its participation ceased.

6.4.76
A former participating employer may be re-admitted to participation in the Scheme subject to and in accordance with article 18 of the Order and rules 6.1 to 6.3 and thereby become a participating employer in respect of the period from its re-admittance to participation.

6.4.5
If:
(a) no contributions have been paid to the Scheme by a participating employer on behalf or in respect of any member for such period of time as the Trustee may determine; or
(b) a participating employer notifies the Trustee that it has ceased, or with effect from a specified date will cease, payment of contributions to the Scheme,
the Trustee may by giving notice to the participating employer, which shall be in such form as the Trustee may determine, terminate that participating employer’s participation in the Scheme. Unless the participating employer makes a contribution to the Scheme prior to such date as is notified by the Trustee, the participating employer shall cease to be a participating employer with effect from the date specified in the notice issued by the Trustee, and shall become a former participating employer in respect of the period of participation ending with that termination.
7. Employer contributions

7.1
The following provisions of this rule shall apply subject to rules 12 and 14. If more than one joining event applies to a member at any one time, contributions shall be paid separately by each of the member’s employers in accordance with whichever of rules 7.1 to 7.5 are currently applicable.

7.1.1
Where in respect of a member a participating employer has elected to use the Scheme to:

- fulfil its duties under:
  - (i) in relation to Great Britain, section 2(1) (by virtue of section), 3(2), 5(2) or 7(3) of the 2008 Act; or
  - (ii) in relation to Northern Ireland, section 2(1) (by virtue of section), 3(2), 5(2) or 7(3) of the 2008 NI Act),

from the date that admission to membership or the making of contribution arrangements in relation to that employer takes effect, the participating employer shall pay and the Trustee shall accept such contributions as may be required in order for the Scheme to meet the quality requirement referred to in Part 1 of the 2008 Act (Part 1 of the 2008 NI Act), or the alternative requirement referred to in Part 1 of the 2008 Act (or Part 1 of the 2008 NI Act), in relation to the member, having regard to the contributions being paid by the member under rule 9.1

(a) [Rule change consultation 2017]

or

(b) arrange for a worker to become a member of the Scheme within article 19(2A) of the Order,
7.1.2 Each participating employer that has been admitted to the Scheme under article 18(3) of the Order must, in respect of each member for whom that participating employer has elected to use the Scheme under article 19(2) of the Order, pay during the pre-duty period, contributions at the rate set out in section 29(1)(a) of the 2008 Act (or section 29(1)(a) of the 2008 NI Act in relation to Northern Ireland), or where the participating employer has elected to use the alternative requirement referred to in section 28(2) of the 2008 Act (or section 28(2) of the 2008 NI Act) contributions at the rate for the first transitional period as set out in regulation 32I of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 (or regulation 32I of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010. From the day after the final day of the pre-duty period, rule 7.1.1 will apply to a participating employer to whom this rule 7.1.2 applied during the pre-duty period.

7.1.3 Where a member is working or ordinarily works in the United Kingdom and is employed by a participating employer to which neither of rules 7.1.1 or 7.1.2 applies, the participating employer may pay such contributions as the participating employer shall notify to the Trustee and the member.

7.1.4 A participating employer may at any time before the member attains age 105, pay, and the Trustee shall accept, additional contributions in respect of any member employed or formerly employed by that participating employer where the member is working or ordinarily works in the United Kingdom.

7.1.5 Each participating employer must, in respect of any member who is absent from employment with that participating employer due to maternity leave, paternity leave, adoption leave, parental leave or family leave, pay such contributions as may be required in order to comply with the relevant provisions of applicable legislation in force from time to time.

7.2 Subject to rules 12 and 14, any contributions paid by a participating employer under rule 7.1 shall be applied to the credit of the relevant member’s pension account.
8. Joining events

8.1 General provisions

8.1.1 A person shall be admitted to membership or the Trustee shall make contribution arrangements in relation to the member in the circumstances set out in rule 8.2 and in accordance with the following rules 8.1.2 to 8.1.5.

8.1.2 Admission to membership or the making of contribution arrangements in relation to the member will be subject in each case to receipt by the Trustee of all information required by the Trustee from the person or the employer in order to admit the person to membership or, as applicable, to make contribution arrangements.

8.1.3 The date on which:

(a) a person is admitted to membership in relation to an employment; or

(b) contribution arrangements are to be regarded as having been made in relation to an employment in respect of a person who is already a member,

(being the date on which that person becomes an active member of the Scheme in relation to that employment for the purposes of Part 1 of the 2008 Act or Part 1 of the 2008 NI Act (as applicable)) shall be such date as the Trustee shall determine and notify to that person, but such admission or the making of contribution arrangements shall be with effect from the relevant date set out in rule 8.2.

8.1.4 Subject to rule 8.1.5, when a person’s admission to membership is by reason of automatic enrolment, automatic re-enrolment or opt-in, and that person gives notice under rule 12.1.1 with the result that section 8(2) of the 2008 Act or section 8(2) of the 2008 NI Act (as applicable) shall apply, the person’s membership shall be treated for all purposes as having been cancelled on that occasion (so that the person shall be treated as not having become a member on that occasion) and the person’s pension account shall be closed after any refund of contributions has been made. Following any cancellation of a person’s membership in accordance with this rule, the person shall be eligible to be admitted to membership on a subsequent occasion in accordance with article 19(1) to (4) of the Order.

8.1.5 When:

(a) a person’s admission to membership is by reason of automatic enrolment, automatic re-enrolment or opt-in;

(b) the person gives notice under rule 12.1.1 in respect of the person’s admission to membership with the result that section 8(2) of the 2008 Act or section 8(2) of the 2008 NI Act (as applicable) shall apply;

(c) before the person’s pension account is closed in accordance with rule 8.1.4, one or more contribution arrangements are made in respect of the person in relation to any other employment or a case as described in article 19(4) of the Order; and
(d) if such contribution arrangements:

(i) are only a case or cases within rule 8.2.1 or rule 8.2.2 and the person does not give notice under rule 12.1.1 in respect of the making of those contribution arrangements (or all of them if more than one are made); or

(ii) are or include arrangements in respect of which the person has no right to give notice, in relation to Great Britain, in accordance with section 8 of the 2008 Act or, in relation to Northern Ireland, in accordance with section 8 of the 2008 NI Act;

then the person’s pension account shall not be closed and the person shall be treated as having been admitted to membership on the occasion of the contribution arrangements referred to in paragraph (c) above being made (or if more than one are made, the first in time to be made of the contribution arrangements in respect of which the person does not give notice under rule 12.1.1).

8.2 Specific joining events

8.2.1 Automatic enrolment and automatic re-enrolment

Admission to membership or the making of contribution arrangements by reason of automatic enrolment or automatic re-enrolment shall take effect from the automatic enrolment date or the automatic re-enrolment date if the employer has complied with its obligations in regulation 6(1) (a) or regulation 13(1) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 or in regulation 6(1) (a) or regulation 13(1) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 in relation to the timing of the making of arrangements and otherwise at a date to be determined by the Trustee.

8.2.2 Opt-in

Admission to membership or the making of contribution arrangements by reason of opt-in shall take effect from the date prescribed in regulations made under section 7(4) of the 2008 Act in relation to Great Britain or section 7(4) of the 2008 NI Act in relation to Northern Ireland if the employer has complied with its obligations in regulation 18(3) of the Occupational and Personal Pension Scheme (Automatic Enrolment) Regulations 2010 or in regulation 18(3) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 in relation to the timing of the making of arrangements and otherwise at a date to be determined by the Trustee.
8.2.3 **Self-employed**
Admission to membership or the making of contribution arrangements in respect of a person who is self-employed shall be with effect from such date as the Trustee may determine.

8.2.4 **Single person director**
Admission to membership or the making of contribution arrangements in respect of a person who is a single person director shall be with effect from such date as the Trustee may determine.

8.2.5 **By notice**
Admission to membership or the making of contribution arrangements by notice shall be with effect from the date notified to the Trustee by the member’s employer.

8.2.6 **By transfer in**
Admission to membership or the making of contribution arrangements by reason of a bulk transfer in whether with or without consent of the individual concerned under either article 19(4A) or article 19(4B) of the Order shall be with effect from such date as the Trustee determines.

8.2.7 **Admission in advance of the duties**
Admission to membership or the making of contribution arrangements under article 19(2) of the Order where:

(a) in relation to Great Britain, sections 2 to 9 of the 2008 Act; or

(b) in relation to Northern Ireland, sections 2 to 9 of the 2008 NI Act,
do not yet apply in relation to a participating employer, shall be with effect from such date as the Trustee may determine.

8.3
[Not in use]

8.4
Active membership

A member by, on behalf or in respect of whom:

8.4.1
Employer contributions under either rule 7.1.1 or rule 7.1.2, and

8.4.2
Member contributions under either rule 9.1 or rule 9.2

are not payable, shall continue to be treated as a member for all purposes of the Scheme, provided they have not opted out under rule 12.1.
9. Member contributions

If more than one joining event applies to a member at any one time, that member shall pay contributions separately in accordance with whichever of rules 9.1 to 9.6 are currently applicable to that member.

9.1 Automatic enrolment, automatic re-enrolment and opt-in

Where a member is admitted to membership or where in respect of a member the Trustee makes contribution arrangements because the member’s employer is using the Scheme to:

- fulfil its duties under:
  
  9.1.1(a) in relation to Great Britain, section 2(1) (by virtue of section 2(3)), 3(2), 5(2) or 7(3) of the 2008 Act; or
  
  9.1.2(b) in relation to Northern Ireland, section 2(1) (by virtue of section 2(3)), 3(2), 5(2) or 7(3) of the 2008 NI Act, or

from the date that admission to membership or the making of contribution arrangements in relation to that employer takes effect, the member shall pay and the Trustee shall accept such contributions as may be required in order for the Scheme to meet the quality requirement referred to in Part 1 of the 2008 Act (or Part 1 of the 2008 NI Act), or the alternative requirement referred to in Part 1 of the 2008 Act (or Part 1 of the 2008 NI Act) in relation to the member, having regard to the contributions being paid by the member’s employer under rule 71.1.
9.2
Admission under article 19(2) of the Order

9.2.1
Each member who is admitted to membership or in respect of whom the Trustee makes contribution arrangements because the member’s employer has elected to use the Scheme under articles 18(3) and 19(2) of the Order, must during the pre-duty period pay contributions as required to ensure that, having regard to the contributions paid by the relevant participating employer under rule 7.1.2, the requirement set out in section 29(1)(b) of the 2008 Act (or section 29(1)(b) of the 2008 NI Act in relation to Northern Ireland) is met.

9.2.2
From the day after the final day of the pre-duty period, rule 9.1 will apply to a member to whom rule 9.2.1 applied during the pre-duty period.

9.3
Other cases
Subject to rule 14, the Trustee shall accept such contributions:

9.3.1
from a member whose currently applicable joining event was under rules 8.2.3, 8.2.4, 8.2.5 or 8.2.6; or

9.3.2
from any other member aged between 16 and 105 who has a pension account, as that member notifies to the Trustee with such notification to be in such form as the Trustee may require.
9.4  
**Additional contributions**  
Subject to rule 14, a member to whom rules 8.2.1, 8.2.2, 8.2.6, or 8.2.7 apply may pay such additional contributions at such rates as the member may notify to the Trustee, with such notification to be in such form as the Trustee may require.

9.5  
**Subsequent changes**  
Contributions shall be paid by reference to the joining event currently applicable to that member (whether on first admission to membership or due to the subsequent making of contribution arrangements by the Trustee).

9.6  
**Family leave**  
Subject to rule 14, a member shall pay and the Trustee shall accept such contributions from a member who is absent from employment due to maternity leave, paternity leave, adoption leave, parental leave or family leave as may be required under the relevant provisions of applicable legislation in force from time to time.

9.7  
**Finance Act 2004: refund of excess contributions lump sum**  

9.7.1  
Subject to 9.7.2, the Trustee may pay a lump sum to a member from that member’s pension account to the extent that the lump sum is a refund of excess contributions lump sum as defined in paragraph 6 of Schedule 29 to the Finance Act 2004.
9.7.2
The Trustee must ensure that any payment which it makes under rule 9.7.1 does not prevent the Scheme from satisfying the quality requirement under Part 1 of the 2008 Act or Part 1 of the 2008 NI Act.

10. Third party contributions
A person other than a participating employer or the member may pay, and the Trustee may accept, contributions in respect of a member before the member attains age 105 and such contributions shall be applied to the credit of the relevant member’s pension account.

11. Pension accounts, general account and excess contributions account

11.1
Subject to rule 14, the Trustee shall establish and maintain a single pension account for each member to which all contributions paid by or in respect of that member shall be credited.

11.2
The Trustee may make any other entry in the pension account of any member as it may consider necessary or desirable in order to account for any other change in the value of the Scheme assets which is attributable to the member’s interest in the Scheme (including, for the avoidance of doubt, any deduction under article 27 of the Order and any entry to correct any error relating to a member’s pension account).

11.3
Each member’s pension account shall be maintained by the Trustee solely for the purpose of calculating the benefits payable to and in respect of the member concerned, and no member shall have a proprietary right to any of the investments for the time being representing the balance of the member’s pension account.

11.4
The Trustee shall establish and maintain an account, to be known as the general account, to which Scheme monies not attributable to a member’s pension account shall be allocated. The Trustee may transfer an amount from a member’s pension account to the general account in such cases as may be provided for in these rules or where the Trustee determines that such a transfer is appropriate in order to correct any error giving rise to a windfall gain in a member’s pension account. The general account shall be used for such purposes of the Scheme as the Trustee may determine.

11.5
The Trustee may transfer such amount as the Trustee determines from the general account to a member’s pension account for such purposes and in such circumstances as the Trustee from time to time determines are appropriate and not otherwise contrary to the Order or these rules (including, but without limitation, in order to compensate a member for or in respect of any shortfall or discrepancy in their pension account, to meet costs or liabilities arising in respect of the member’s pension account as determined by the Trustee, and any other circumstances which the Trustee determines are concerned with the administration and management of the Scheme).
12. Ceasing payment of contributions

12.1 Right to opt-out

12.1.1 Those members whose most recent joining event was automatic enrolment, automatic re-enrolment or opt-in may give notice:

(a) in relation to Great Britain, in accordance with section 8 of the 2008 Act; or

(b) in relation to Northern Ireland, in accordance with section 8 of the 2008 NI Act,

at any time within the opt-out period.

12.1.2 On giving notice under rule 12.1.1 to opt-out of the Scheme, section 8(2) of the 2008 Act or section 8(2) of the 2008 NI Act (as applicable) shall apply. Any refund of contributions pursuant to section 8(2)(b) of the 2008 Act or section 8(2)(b) of the 2008 NI Act (as applicable) shall be refunded in such manner as the Trustee shall determine.

11.6 The Trustee shall establish and maintain an account, to be known as the excess contributions account, which shall hold contributions paid prior to 1 April 2017 by, on behalf of or in respect of, a member, which exceeded the annual contribution limit at the time such contributions were received by the Scheme and which were not rejected, refunded or applied to the member’s pension account in accordance with the rules in force at the time. Such amounts shall be capable of being refunded in accordance with rule 14 on the grounds that at the time they were paid, prior to 1 April 2017, they exceeded the annual contribution limit in force at that time.

Any payments made to the Scheme which the Trustee determines have been paid in genuine error shall not be held in or otherwise allocated to the excess contributions account and the Trustee shall determine how to treat such amounts (which may include paying such amount(s) to the member and/or employer concerned).
12.2
Right to cease payment of contributions

12.2.1
Without prejudice to rule 12.1 any member, or any member’s employer on behalf of the member, may at any time give notice to the Trustee in such form and in such manner as the Trustee may determine to cease paying contributions to the Scheme. If the member’s notice, or the member’s employer’s notice on their behalf, is to cease paying contributions under rules 9.1 or 9.2, then from the date that such notice takes effect, any corresponding obligation on the member’s employer to make contributions under rules 7.1.1 or 7.1.2 will also cease.

12.2.2
A member who gives notice, or whose member’s employer gives notice on their behalf, under rule 12.2.1 may subsequently and from time to time recommence the payment of contributions in accordance with rule 9 where any of those provisions apply. If rule 8.2.2 applies in relation to that member on such recommencement, the obligation on its participating employer to contribute under rule 7.1.1 will also recommence. There shall be no restriction on the number of times that a member can cease and recommence paying contributions to the Scheme.
13. Entitlement to benefits under the Scheme

A member shall be entitled to benefits under the Scheme in respect of the member’s pension account payable in accordance with rules 16, 18 or 23 but subject to rules 4.3, 4.4, 4.5, 4.6, 12 and 17.

14. Annual contribution limit

14.1 Any contributions paid to the Scheme before 1 April 2017 by, on behalf or in respect of, a member, which are held by the Trustee in the excess contributions account on 1 April 2017 will be subject to rule 14.2 unless the Trustee determines that rule 14.4 applies.

14.2 Any contributions subject to this rule shall:

14.2.1 in the case of contributions made to the Scheme by a member, or by a member’s employer on behalf of the member, be applied to the pension account of the member in the next following tax year or any subsequent tax year, as determined by the Trustee, unless the member requests the Trustee, in such form and within such timescale as the Trustee shall determine, to refund the amounts concerned to the member, subject to any terms and conditions as the Trustee may from time to time determine;

14.2.2 in the case of contributions made to the Scheme by any other person in respect of the member, be applied to the pension account of the member in the next following tax year, or any subsequent tax year as determined by the Trustee provided that:

(a) minimum contributions must not be refunded whether under this rule 14 or any other provision of the rules; and

(b) the Trustee shall determine the arrangements which shall apply as regards the order in which contributions may be refunded under this rule 14.

14.3 No interest shall be paid on any refund of excess contributions under this rule.

14.4 The Trustee may determine not to refund contributions under this rule 14 if the annual contribution limit in effect at the relevant time was exceeded by an amount determined by the Trustee to be disproportionate to the cost of making a refund. In such case, the Trustee shall apply the contributions to the pension account of the member at such time as the Trustee shall determine.
15. Investment

15.1 Consolidation etc. of investment funds

15.1.1 If the Trustee decides to exercise the powers conferred by article 29(3) of the Order, it must notify the members affected by that decision, explain the effect of that decision and invite the members so affected to choose an alternative investment fund.

15.1.2 In the absence of any instructions from the member following notification under rule 15.1.1, the Trustee shall allocate the assets referable to the relevant member’s pension account to the investment funds referred to as default investment funds in article 29(5) of the Order.

15.2 Investment funds: general

15.2.1 The composition of the underlying investments attributed to each investment fund shall be determined by the Trustee.

15.2.2 No member shall be afforded any choice in relation to the composition of any underlying investment attributed to any investment fund.

16. Payment of benefits

16.1 Determination of benefit age

16.1.1 A member’s benefit age:

(a) will be determined in accordance with rule 16.1.2 when the member is first admitted to membership;

(b) may be changed by the member in accordance with rule 16.1.3; and

(c) will be automatically changed in the circumstances set out in and in accordance with rules 16.1.4, 16.1.5 and 16.1.6.

16.1.2 When a member is first admitted to membership, the member’s benefit age will be:

(a) such date as the member shall notify to the Trustee (in such form as the Trustee may require) being a date not earlier than the date the member attains normal minimum pension age (or the date the member is admitted to membership, if later) and not later than the day immediately before the member attains age 105; or

(b) in the absence of a notification under (a) above,

(i) in the case of a member born on or before 5 December 1953, who has not yet attained age 65, the date the member attains age 65;

(ii) in the case of a member born after 5 December 1953, who has not yet attained State Pension age, the date the member attains State Pension age;
(iii) in the case of a member who has already attained the relevant age in (i) or (ii) above, but has not yet attained age 75, the member’s benefit age will be the day the member attains age 75;

(iv) in the case of a member who has already attained age 75, the member’s benefit age will be the day immediately before the member attains age 105.

16.1.3 A member’s benefit age may be changed by the member giving notice to the Trustee in such form, within such time limits and subject to any other restrictions as the Trustee may reasonably determine.

16.1.4 If a member attains benefit age without the member’s pension account being applied to provide benefits under rule 16, then unless the benefit age is the day immediately before the member attains age 105, benefit age for the member will become:

(a) in the case of a member who was born on or before 5 December 1953 and whose benefit age is under 65, the date the member attains age 65; or

(b) in the case of a member who was born on or before 5 December 1953 and whose benefit age is on or after the date the member attains age 65, but before the date the member attains age 75, the day the member attains age 75; or

(c) in the case of a member who was born on or before 5 December 1953 and whose benefit age is on or after the date the member attains age 75, the day immediately before the member attains age 105; or

(d) in the case of a member who was born after 5 December 1953 and whose benefit age is under State Pension age, the date the member attains State Pension age; or

(e) in the case of a member who was born after 5 December 1953 and whose benefit age is on or after the date the member attains State Pension age, but before the date the member attains age 75, the day the member attains age 75; or

(f) in the case of a member who was born after 5 December 1953 and whose benefit age is on or after the date the member attains age 75, the day immediately before the member attains age 105.

16.1.5 If:

(a) a member’s benefit age has been changed under either rule 16.1.4(a) or 16.1.4(d); and

(b) the member attains that later benefit age without the pension account being applied to provide benefits under rule 16,

benefit age for the member will become the day the member attains age 75.

16.1.6 If:

(a) a member’s benefit age has been changed under either rule 16.1.4(b) or 16.1.4(e); and

(b) the member attains that later benefit age without the pension account being applied to provide benefits under rule 16,

benefit age for the member will become the day immediately before the member attains age 105.
16.2 Commencement of benefits at benefit age

On reaching benefit age a member shall be entitled to have an amount equal to the value of the member's pension account applied to provide benefits for or in respect of that member in accordance with rules 16.4 or 16.6.

16.3 Early commencement of benefits

16.3.1 A member may give notice to the Trustee (in such form and within such time limits as the Trustee may reasonably require) requesting that the member's pension account be applied to provide benefits for or in respect of that member before the member's benefit age.

16.3.2 The Trustee shall comply with such request provided that:

(a) such benefits will only be paid on or after the member reaches normal minimum pension age; or

(b) the member:
   (i) provides evidence to the Scheme administrator from a registered medical practitioner which states that the member is (and will continue to be) suffering from incapacity; and
   (ii) certifies, in such form as the Trustee may require, that the member has in fact ceased to carry on any occupation.

16.4 Benefits

16.4.1 Subject to rule 16.6, a member who becomes entitled to have their pension account applied under rules 16.1 to 16.3 shall have the following options:

(a) the member may direct the Trustee to pay a cash equivalent transfer value in accordance with rule 23.2; or

(b) the member may direct the Trustee to apply the member's pension account to purchase a (but only one) lifetime annuity policy in the member’s own name, such lifetime annuity policy to be selected by the member.

16.4.2 [Not in use]

16.4.3 A member may immediately before exercising the options at rule 16.4.1(b) above elect in such form and manner as the Trustee may determine to commute part of the member’s pension account (not exceeding the permitted maximum) for a lump sum.

16.4.4 The Trustee shall make such arrangements for the payment of the lump sum under rule 16.4.3 (including payment by an annuity provider as agent of the Trustee) as it sees fit.

16.4.5 The Trustee may make such arrangements and provide such information to members as it shall see fit (subject to any restrictions imposed by law) in relation to the selection of an annuity and the provider of such annuity.
16.5 Authorised lump sum payments
The Trustee may make such lump sum payments from a member’s pension account, subject to such terms and conditions as it shall from time to time determine, provided that any such payments must be authorised for the purposes of Part 4 of the Finance Act 2004.

16.6 Total commutation and lump sums
16.6.1 Subject to rule 17.3, the Trustee may commute a member’s pension account for a lump sum if:

(a) the member provides evidence to the scheme administrator from a registered medical practitioner which states that the member is suffering from serious ill-health and the payment would be a serious ill-health lump sum for the purposes of paragraph 4 of Schedule 29 to the Finance Act 2004; or

(b) the requirements of either regulation 11 or 12 of The Registered Pension Schemes (Authorised Payments) Regulations 2009 are met.

16.6.2 Subject to rule 17.3, the Trustee may:

(a) pay the member’s pension account in full as a single lump sum; or

(b) pay partial lump sums from the member’s pension account,

(in either case subject to such terms and conditions as the Trustee may from time to time determine) provided that any such lump sum(s) payable under this rule 16.6.2 must be an uncrystallised funds pension lump sum for the purposes of paragraph 4A of Schedule 29 to the Finance Act 2004.

16.7 Discharge of Trustee’s liability
Following the purchase of an annuity in accordance with rule 16.4 and/or the payment of a lump sum under rules 16.4.3, 16.5 or 16.6 (which in the case of a lump sum paid under rule 16.6.1 must extinguish the member’s entitlement to benefits under the Scheme), the Trustee shall be discharged from all further liability to provide the benefits secured by the annuity policy or in respect of which the member has received a lump sum payment.

17. Unclaimed benefits
17.1 [Not in use]
17.2 [Not in use]
17.3 If a member’s pension account remains unclaimed after that person has attained (or, if the member had been alive, would have attained) age 105 and the Trustee cannot trace the member, the benefit shall cease to be payable and the member’s pension account shall become part of the general account.

17.4 The Trustee may later decide to pay any such benefit if claimed by the member and the Trustee thinks fit to make the payment. The Trustee may determine in each case whether interest is payable on any such payment.
18. Death benefits

18.1

Death of a member before age 75

18.1.1

On the death of a member before age 75 the Trustee shall pay a lump sum equal to the value of the member’s pension account to the member’s nominated beneficiary or nominated beneficiaries in accordance with rule 18.1.3 or, if applicable, in accordance with rule 18.1.4.

18.1.2

A member may only nominate a nominated beneficiary by completing such nomination form as the Trustee may prescribe. A member may revoke a nomination only by completing and delivering to the Trustee in such fresh nomination form as the Trustee may prescribe.

18.1.3

The lump sum referred to in rule 18.1.1 shall be paid to such nominated beneficiary or nominated beneficiaries that the member most recently notified to the Trustee in accordance with rule 18.1.2. If the member’s most recent nomination is of more than one nominated beneficiary but the member has not indicated in the nomination form how the lump sum should be shared between them, the lump sum shall be paid to the nominated beneficiaries in equal shares.

18.1.4

If:

(a) the member does not notify the Trustee of any nominated beneficiary; or

(b) any nominated beneficiary cannot be identified or traced by the Trustee, having taken reasonable steps to do so; or

This rule 18.1 shall apply on the death of a member unless the member has completed and submitted to the Trustee an expression of wish form for the purposes of rule 18.2. A member may not nominate a nominated beneficiary under this rule 18.1 at any time after having submitted an expression of wish form for the purposes of rule 18.2 whether or not such expression of wish form is later modified or revoked by the member.

at any time prior to the member’s death. A nomination under this rule 18.1 shall also be treated for all purposes as having been revoked if the member completes and submits to the Trustee either: (a) a new nomination form in accordance with this rule 18.1; or (b) an expression of wish form in accordance with rule 18.2 below.
(c) a nominated beneficiary has predeceased the member or, in the case of a body corporate, trust, charity, club or society has ceased to exist before the member’s death, then, the lump sum payable under rule 18.1.1 (or the share of it payable to the nominated beneficiary who cannot be traced or who has predeceased the member or which has ceased to exist) shall be paid to the deceased member’s personal representatives.

18.1.5 If after the application of rule 18.1.3 and rule 18.1.4 the remaining total value of the member’s pension account amount due from the Scheme under rule 18.1.1 is not more than £5,000 then the Trustee may pay or apply the remaining value of the member’s pension account as it shall determine.

18.1.6 If the death benefit payable under rule 18.1.1 is not claimed within six years of the date of the member’s death, that benefit shall be forfeit and the remaining balance in the member’s pension account shall be transferred to the general account.

18.2 Death of a member on or after age 75 shall

in accordance with such order of priority which the Trustee has determined shall apply for the purposes of the distribution of any amount under this rule 18.1.5.

This rule 18.2 shall apply on the death of a member who has completed and submitted to the Trustee an expression of wish form in such format as the Trustee shall prescribe. An expression of wish form under this rule 18.2 shall be treated for all purposes as having been revoked if the member completes and submits to the Trustee a new expression of wish form in accordance with this rule 18.2.
18.2.1
On the death of a member on or after age 75 the Trustee shall apply a sum equal to the value of the member’s pension account to pay benefits in accordance with rules 18.2.2 to 18.2.10.

18.2.2
If there is a nominated beneficiary or nominated beneficiaries, the Trustee shall apply the member’s pension account as follows:

(a) where one or more of the nominated beneficiaries is a dependant, to purchase one or more dependants’ annuity policies or pay one or more lump sums to the dependant or dependants nominated by the member, in accordance with rule 18.2.3 and rule 18.2.5; or

(b) where one or more of the nominated beneficiaries is not a dependant, to pay one or more lump sums to the nominated beneficiary or nominated beneficiaries, in accordance with rule 18.2.4 and rule 18.2.5.

18.2.3
Each dependant referred to in rule 18.2.2(a) may choose to receive either:

(a) a dependants’ annuity; or

(b) a lump sum if the payment would be a:

(i) trivial commutation lump sum for the purposes of paragraph 20 of Schedule 29 of the Finance Act 2004; or

(ii) an uncrystallised funds lump sum death benefit for the purposes of paragraph 15 of Schedule 29 to the Finance Act 2004, but only in respect of amounts in excess of payments allowed under paragraph 20 of Schedule 29 of the Finance Act 2004.

On the death of a member where this rule 18.2 applies, an amount equal to the value of the member’s pension account on death will be applied by the Trustee to provide a lump sum which will be payable on the terms set out in rule 18.2.2.

18.2.2
Subject to rule 18.2.3, the Trustee may pay any lump sum benefit which is payable from the Scheme on the death of any person to or for the benefit of one or more of that person’s beneficiaries in such shares as are stated in the expression of wish form, or if no shares are specified, and the Trustee determines to pay the lump sum to the person’s beneficiaries, the lump sum benefit shall be paid to the beneficiaries in equal shares.

If a beneficiary has died either prior to the death of the member or otherwise prior to any decision of the Trustee regarding the distribution of the lump sum benefit under this rule 18.2 or if the Trustee determines not to pay an amount to or for the benefit of one or more of the beneficiaries, the amount which would otherwise have been paid to or for the benefit of such individual(s) shall be applied for the benefit of the other beneficiaries who the Trustee determines shall receive a payment under this rule 18.2 in proportion to the shares set out in the expression of wish form (or divided equally if no shares have been specified).

If the Trustee determines that the lump sum benefit payable under this rule 18.2 shall not be paid to or for the benefit of any of the beneficiaries, the lump sum benefit shall instead be paid to the deceased member’s personal representatives.

To the extent that the lump sum death benefit would be paid under this rule 18.2 to the deceased person’s personal representatives and there are no persons with an interest in his estate other than the Crown, the Duchy of Lancaster or the Duchy of Cornwall, such amount shall not be payable. In that event, the lump sum otherwise payable will instead be transferred to the general account.
If a dependant does not make a selection, the Trustee shall select a dependants’ annuity policy.

18.2.4
If the Trustee has taken reasonable steps to confirm that the member has no dependants, each nominated beneficiary referred to in rule 18.2.2(b) that is a charity shall be paid a charity lump sum death benefit as defined in paragraph 18(1A) of Schedule 29 of the Finance Act 2004. In any other case an uncrystallised funds lump sum as defined in paragraph 15 of Schedule 29 of the Finance Act 2004 will be paid under rule 18.2.2(b).

18.2.5
The benefits referred to in rule 18.2.2 shall be paid to such nominated beneficiary or nominated beneficiaries that the member most recently notified to the Trustee in accordance with rule 18.1.2. If the member’s most recent nomination is of more than one nominated beneficiary but the member has not indicated in the nomination form how the balance of the member’s pension account is to be shared between them, it shall be applied in equal shares.

18.2.6
Each dependant in respect of whom a dependants’ annuity policy is purchased under rule 18.2.2 (a) shall have the opportunity to select a dependants’ annuity policy. If the dependant does not select a dependants’ annuity policy, the Trustee shall select a dependants’ annuity policy which makes provision for the payment of a single life non-escalating dependants’ annuity and shall notify the relevant dependant of the selection so made.

18.2.7
If:

(a) the member does not notify the Trustee of any nominated beneficiary; or

(b) no nominated beneficiary can be identified or traced by the Trustee; or

(c) there is no nominated beneficiary that has not predeceased the member or, in the case of a body corporate, trust, charity, club or society that has ceased to exist before the member’s death, then the Trustee will take reasonable steps to identify and trace any dependants. Each traced dependant may choose to receive either:

(i) a dependants’ annuity, or

(ii) a lump sum if the payment would be a:

• trivial commutation lump sum for the purposes of paragraph 20 of Schedule 29 of the Finance Act 2004, or

• an uncrystallised funds lump sum death benefit for the purposes of paragraph 15 of Schedule 29 to the Finance Act 2004, but only in respect of amounts in excess of payments allowed under paragraph 20 of Schedule 29 of the Finance Act 2004.

If a dependant does not make a selection, the Trustee shall select a dependants’ annuity policy. Where there is more than one traced dependant, then the member’s pension account shall be applied in equal shares.

18.2.8
If rule 18.2.7(a), (b) or (c) applies and no dependant or dependants are identified or traced, then, subject to rule 18.2.9, the balance of the member’s pension account shall be paid to the deceased member’s personal representatives.
18.2.9
If after the application of rules 18.2.2. to 18.2.8, the remaining value of the member’s pension account is not more than £5,000, the Trustee may pay or apply the remaining value of the member’s pension account as it shall determine.

18.2.10
Subject to rule 17.3, if any death benefit payable under rule 18.2 is not claimed within 6 years of the date of the member’s death, that benefit shall be forfeit and the remaining balance in the member’s pension account shall be transferred to the general account.

18.3
Discharge of Trustee

On payment of a lump sum or the purchase of an annuity policy under this rule 18 the Trustee shall be discharged from all further liability to provide benefits in respect of the member on whose death the benefit was paid.

18.3.1

18.3.2
If the death benefit payable under rule 18 is not claimed within six years of the date of the member’s death, that benefit shall be forfeit and the remaining balance in the member’s pension account shall be transferred to the general account.

19.1 Requirements of registration

Nothing in these rules shall entitle any person to a payment made to or in respect of that person under the Scheme which is not an authorised payment within the meaning given by the Finance Act 2004 and the Trustee shall be entitled to modify any payments accordingly.

19.2 Unauthorised payments

Notwithstanding rule 19.1, the Trustee may make a payment which by virtue of section 160 of the Finance Act 2004 would be an unauthorised payment.

19.3 Deductions from payments

If any payment due by the Trustee under rule 16 or 18 triggers a tax charge under the Finance Act 2004, the Trustee shall be entitled to modify that payment to take account of the tax charge.

19.4 Pension input periods

19.4.1 Prior to the commencement of the tax year 2016/2017:

(a) The nominated date for each member for the purposes of section 238(1)(a) of the Finance Act 2004 is the 31 March following that member’s relevant commencement date, as defined in section 238(2) of the Finance Act 2004. This rule 19.4.1(a) constitutes a nomination by the scheme administrator for the purposes of section 238(3) of the Finance Act 2004 and notice to each member given by the scheme administrator for the purposes of section 238(4) of the Finance Act 2004; and

(b) The appropriate date for each member for the purposes of section 238(1) (b) of the Finance Act 2004 is the 31 March in each year after the year in which the nominated date referred to in rule 19.4.1(a) falls. This rule 19.4.1(b) constitutes a nomination by the scheme administrator for the purposes of section 238(3) of the Finance Act 2004 and notice to each member given by the scheme administrator for the purposes of section 238(4) of the Finance Act 2004.

19.4.2 With effect from 6 April 2016, the pension input period in respect of the Scheme is the tax year 2016/17 and each subsequent tax year, or such other period as is applicable under the Finance Act 2004.

20. Provision of information

Members and those claiming through them shall provide all information and supporting evidence to establish the benefit and their entitlement to it as the Trustee may require and the Trustee may withhold benefits pending receipt of the required information.

21. Incapacity of beneficiary

If any member, nominated beneficiary or other person entitled to a benefit under the Scheme is, in the opinion of the Trustee, unable by reason of minority, mental disorder or otherwise to manage that person’s own affairs, the Trustee may pay the benefit to any other person for the benefit of that beneficiary and the receipt of the person to whom the benefit is paid shall be sufficient to discharge the Trustee from its obligation to pay the benefit.
22. Transfers in

22.1
The Trustee may accept into the Scheme any transfers made:
22.1.1
in relation to Great Britain, under section 73(2) (a)(i) of the 1993 Act; or
22.1.2
in relation to Northern Ireland, under section 69(2)(a)(i) of the 1993 NI Act in respect of a member (including a member admitted to membership under article 19(4A) of the Order), subject to any requirements or restrictions it may determine.

22.2
The Trustee may accept a transfer of a cash sum:
22.2.1
in relation to Great Britain, within the meaning of section 101AB(3) of the 1993 Act, used in the way described in section 101AE(2)(a) of the 1993 Act in respect of a member; or
22.2.2
in relation to Northern Ireland, within the meaning of section 97AB(3) of the 1993 NI Act, used in the way described in section 97AE(2)(a) of the 1993 NI Act in respect of a member.
22.2.3
The Trustee may accept into the Scheme any other transfer that is consistent with the Scheme’s status as a registered pension scheme, subject to any requirements or restrictions it may determine, and in accordance with the relevant laws.

22.3
Any transfer accepted into the Scheme under this rule 22 or rule 24.3 shall be applied to the credit of the member’s pension account.

23. Transfers out

23.1
The Trustee may make transfers from the Scheme on a bulk basis, subject to the consent of the members affected:
23.1.1
in relation to Great Britain, under section 73(2) (a)(i) and (ii) of the 1993 Act; or
23.1.2
in relation to Northern Ireland, under section 69(2)(a)(i) and (ii) of the 1993 NI Act subject to any requirements or restrictions it may determine.

23.2
Subject to rules 23.3 to 23.5, at the request of a member who has a right to a cash equivalent transfer under section 94(2) of the 1993 Act and has notified the Trustee of their intention to exercise that right in one of the ways listed in section 95(2) of the 1993 Act, the Trustee will transfer the cash equivalent of the entirety of that member’s pension account to a registered pension scheme or a qualifying recognised overseas pension scheme nominated by the member, in accordance with the provisions of Chapter 1 of Part 4ZA of the 1993 Act.

23.3
A request under rule 23.2 must take such form and be made within such time period as the Trustee shall determine.

23.4
The Trustee may require the member to provide details about any scheme nominated under rule 23.2 in such form as the Trustee may determine. The Trustee shall be permitted to delay or to refuse to make any transfer payment if such information is not provided in full to the Trustee or in the form which is required by the Trustee.
23.5 The Trustee shall only effect a transfer under this rule 23 in respect of the entirety of a member’s pension account (including any part of that pension account attributable to a pension credit).

24. Pension sharing on divorce

24.1 Discharge of pension credit derived from the Scheme

This rule 24.1 applies in the circumstances referred to in article 31(1)(a) of the Order, which, for the avoidance of doubt, is where a member’s pension account is subject to a pension sharing order.

24.1.1 Unless the ex-spouse makes a request under rule 24.1.2, the Trustee shall discharge its liability in respect of a pension credit of an ex-spouse by conferring appropriate rights on the ex-spouse under the Scheme:

(a) in relation to Great Britain, in accordance with paragraph 1(2) of Schedule 5 to the 1999 Act; or

(b) in relation to Northern Ireland, in accordance with paragraph 1(2) of Schedule 5 to the 1999 NI Order, provided that such request shall be made within such period of the making of the pension sharing order as the Trustee shall determine.

24.1.2 The Trustee shall at the request of the ex-spouse discharge its liability in respect of a pension credit by paying an amount equal to the pension credit to the person responsible for a qualifying arrangement with a view to acquiring rights under that qualifying arrangement for the ex-spouse:

(a) in relation to Great Britain, in accordance with paragraph 1(3) of Schedule 5 to the 1999 Act; or

(b) in relation to Northern Ireland, in accordance with paragraph 1(3) of Schedule 5 to the 1999 NI Order, provided that such request shall be made within such period of the making of the pension sharing order as the Trustee shall determine.

24.1.3 If an ex-spouse dies after a pension sharing order is made but before it is implemented by the Trustee, death benefits will be payable in respect of the ex-spouse as though the pension sharing order had been implemented in accordance with rule 24.1.1.

24.1.4 For the avoidance of doubt, a pension sharing order will not be regarded as having been implemented for the purposes of rule 24.1.3 until:

(a) in cases to which rule 24.1.1 applies, the pension credit has been credited to the ex-spouse’s pension account; or

(b) in cases to which rule 24.1.2 applies, the amount equal to the pension credit has been paid to the qualifying arrangement.

24.2 Rights and benefits

24.2.1 An ex-spouse in respect of whom a pension credit is discharged under rule 24.1.1 and who is not already a member shall be admitted to membership.

24.2.2 An ex-spouse in respect of whom a pension credit is discharged in the Scheme under rule 24.1.1 shall, so far as is permitted by law, be entitled, in respect of the pension credit, to the same benefits (including death benefits) payable in the same circumstances, as a member admitted to membership under rule 8.
24.3  Acceptance of pension credit rights from another scheme

In accordance with article 31(1)(b) of the Order, the Trustee may accept a payment in respect of a pension credit in accordance with rule 22 for a person who is already a member.

24.4  Identification of benefits

The Trustee shall separately identify within each member’s pension account the pension credit benefits attributable to that member (including any such benefits transferred into the Scheme or into a member’s pension account under rules 24.1.1 or 24.3).