

**THE UNITED REFORMED CHURCH  
MINISTERS' PENSION FUND**

**CONSOLIDATED TRUST DEED AND RULES  
INCORPORATING AMENDMENTS UP TO AND INCLUDING 1 DECEMBER 2017**

The United Reformed Church Ministers' Pension Fund was established by an interim trust deed dated 29 May 1980.

The last full edition of the Rules was adopted by a Deed dated 5 December 2014 and the Rules have been subsequently amended by Deed of Amendment dated 1 December 2017 (included in this consolidation as Appendix 1).

**Note: this is a consolidated copy and is not the formal Trust Deed and Rules.**



## INDEX

### Page

1. DEFINITIONS AND INTERPRETATION.....	4
2. MEMBERSHIP .....	9
3. TRANSFERS IN.....	10
4. PARTICIPATING BODIES' CONTRIBUTIONS.....	11
5. CONTRIBUTING MEMBERS' CONTRIBUTIONS.....	11
6. RETIREMENT BENEFITS.....	12
7. DEATH BENEFITS .....	16
8. LEAVING BENEFITS .....	20
9. BREAKS AND ABSENCE .....	22
10. OTHER RULES AFFECTING THE PAYMENT OF BENEFITS.....	22
11. TAX LIMITS.....	25
12. TRUSTEES.....	26
13. TRUSTEES' MEETINGS.....	27
14. TRUSTEES' PROTECTION.....	27
15. MANAGEMENT OF THE FUND.....	28
16. AMENDMENT .....	33
17. TRANSFERS AND BUY-OUTS .....	34
18. WINDING-UP .....	35
Schedule 1.....	37
Schedule 2.....	39
Schedule 3.....	40
Schedule 4.....	43

# TRAVERS SMITH

10 Snow Hill London EC1A 2AL  
+44 (0)20 7295 3000 | [www.traverssmith.com](http://www.traverssmith.com)

---

**THIS TRUST DEED** is made on

2014

**BETWEEN:**

- (1) **THE UNITED REFORMED CHURCH** (the "**URC**"); and
- (2) **THE UNITED REFORMED CHURCH MINISTERS' PENSION TRUST LIMITED** (the "**Pension Trustee**").

**BACKGROUND:**

- (A) The United Reformed Church Ministers' Pension Fund (the "**Fund**") was established by an interim trust deed dated 29 May 1980 and is currently governed by a Definitive Trust Deed with Rules attached as approved by the General Assembly of the URC in 1993 as amended (the "**Current Trust Deed**" and the "**Current Rules**").
- (B) Under Clause 9 of the Current Trust Deed the URC (acting in General Assembly) may at any time alter or modify all or any of the provisions of the Current Trust Deed with the consent of the Pension Trustee.
- (C) Under Rule 34.1 of the Current Rules the URC (acting in General Assembly) may revoke, add to or alter the Current Rules, provided no amendment shall be made until a report on its financial effect on the Fund has been obtained from the Actuary. A report on the financial effect on the Fund of this Deed has been received by the URC.
- (D) The URC wishes to revoke the Current Trust Deed and Rules in its entirety and replace it with the Rules attached to this Deed (the "**New Rules**"). The New Rules set out the benefits payable to or in respect of any person who is or has been a beneficiary under the Fund and also contain various provisions and powers presently set out in the Current Trust Deed. Any person admitted as a Contributing Member up to and including [date] will remain a Contributing Member subject to and in accordance with the New Rules.
- (E) The amendments made by this deed are not regulated modifications of the Fund within the meaning of section 67A(2) of the Pensions Act 1995.

**IT IS AGREED AND DECLARED** that with effect from 1 January 2015:

1. The URC replaces the Current Trust Deed and Rules with the New Rules and the Pension Trustee consents to the replacement of the Current Trust Deed as evidenced by its execution of this deed.
  2. The types, timings and amounts of all benefits payable under the Fund are determined in accordance with the New Rules save that the adoption of the New Rules is not itself intended to result in the recalculation of:
    - 2.1 the amount of any pension in payment; or
    - 2.2 any other benefit that has already been paid,
-

but, for the avoidance of doubt, this Clause 2 does not prevent increases to pensions in payment in accordance with the New Rules.

**THIS DEED** has been executed and delivered by the parties on the date written at the top of the first page.

**EXECUTED** as a deed by )

**the UNITED REFORMED CHURCH** )

acting by following duly authorised persons )

Witness signature: .....

Witness name: .....

Witness address: .....

.....

.....

Witness occupation: .....

Witness signature: .....

Witness name: .....

Witness address: .....

.....

.....

Witness occupation: .....

**EXECUTED** as a deed by )

**UNITED REFORMED CHURCH** )

**MINISTERS' PENSION TRUST LIMITED** )

acting by )

Director: .....

Director/Secretary: .....

## UNITED REFORMED CHURCH MINISTERS' PENSION FUND

### MAIN SECTION

#### 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

**1.1.1** In these Rules, the following words and phrases have the following meanings:

**Actuary:** the person appointed as actuary of the Fund under Rule 15.4.2.

**Auditor:** the person appointed as auditor of the Fund under Rule 15.4.3.

**Administrator:** the scheme administrator within the meaning in section 270 of the Finance Act 2004.

**Assembly:** the General Assembly of the URC.

**Authorised Payments Regulations:** means the Registered Pension Schemes (Authorised Payments) Regulations 2009.

**Cash Equivalent:** means the cash equivalent of a member's benefits as determined in accordance with Chapter IV of Part IV of the Pension Schemes Act.

**Cash Transfer Sum:** has the meaning in Section 101AB of the Pension Schemes Act.

**Child:** means a lawful or adopted child of the member.

**Civil Partner:** in respect of a member, a person who has entered into a civil partnership with the member which is recognised under the Civil Partnership Act 2004 (and which has not been dissolved or annulled by a court).

**Congregational Fund:** the Congregational Ministers' Pension Fund established by a Trust Deed dated 1 June 1959.

**Contributing Member:** means a member paying contributions under Rule 5.1.

**CRCW:** a commissioned Church Related Community Worker.

**Dependant:** a person who was, in the opinion of the Pension Trustee, at the date of the member's death, financially dependent on the member, had a financial relationship with the member of mutual dependence or was dependent on the member because of mental or physical impairment.

**Disclosure Regulations:** the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

**Finance Act:** the Finance Act 2004.

**Former Spouse:** an individual to whom a Pension Credit has been allocated in relation to the Fund.

**HMRC:** Her Majesty's Revenue and Customs.

**Fund:** the United Reformed Church Ministers' Pension Fund.

**Ill-Health:** means incapacity to undertake the duties of a minister or CRCW or such similar occupation acceptable to the URC.

**Inland Revenue Limits:** the limits which in the opinion of the Pension Trustee would have applied to benefits and contributions, if the tax regime in force before 6 April 2006 had continued to apply on and after that date, in order not to prejudice the Fund's exempt approved status under the tax regime, assuming that HMRC practice (as summarised in the practice note IR12 and in HMRC Updates) and any concessions granted in relation to the Fund by HMRC would have continued on the same basis as applied immediately before 6 April 2006.

**Insurance Company:** means an insurer within the meaning in Section 180A of the Pension Schemes Act.

**Investment Regulations:** the Occupational Pension Schemes (Investment) Regulations 2005.

**Normal Pension Age:** the member's 68<sup>th</sup> birthday.

**Participating Bodies:** any body admitted to participate in the Fund in accordance with Rule 15.1, and the participating body in relation to any member means that participating body he/she is serving.

**Plan for Partnership in Ministerial Remuneration:** the unified scheme for the remuneration of stipendiary ministers and CRCWs serving the United Reformed Church.

**Pension Schemes Act:** the Pension Schemes Act 1993.

**Pensions Act:** the Pensions Act 1995.

**Pensions Act 2004:** the Pensions Act 2004.

**Pension Commencement Lump Sum:** has the meaning in Paragraph 1 of Part 1 of Schedule 29 to the Finance Act.

**Pensionable Service:** comprises: (1) all service while a Contributing Member of the Fund or the Congregational Fund or the Presbyterian Fund; (2) any service after age 21 but before joining the Congregational Fund which was recognised pastoral service rendered to churches within the former Congregational Church in England and Wales; and (3) any period credited as Pensionable Service in respect of a transfer payment received from another pension arrangement. For the avoidance of doubt, a Contributing Member may remain in Pensionable Service until the date on which he or she actually retires on pension.

**Pensionable Stipend:** the Stipend applying at the date on which his or her Pensionable Service ends.

**Pension Trustee:** United Reformed Church Ministers' Pensions Trust Limited or any other trustee of the Fund from time to time.

**Policy:** means a policy of insurance or annuity contract. The policy must satisfy the requirements of Section 19 of the Pension Schemes Act and any other applicable legislative requirements.

**Pre-2013 Member:** means: (1) a member in Pensionable Service on 31 December 2012; (2) a member who had been in Pensionable Service at any time prior to 31 December 2012 and in relation to whom the Pension Trustee exercises its discretion under Rule 2.4.3 or Rule 2.4.4 upon him re-entering Pensionable Service after 31 December 2012.

**Presbyterian Fund:** means the Ministers & Widows & Orphans Pension Fund of the former Presbyterian Church of England.

**Preservation Regulations:** the Occupational Pension Schemes (Preservation of Benefits) Regulations 1991.

**Qualifying Service:** in respect of a member means the aggregate of any periods of Pensionable Service in the Fund, membership of the Congregational Fund or the Presbyterian Fund together with any period granted at entry in respect of a transfer value received from any other pension fund provided that in no other form shall any period of service preceding payment from this Fund of a refund of contributions or a transfer value in respect of such period constitute Qualifying Service. Qualifying Service shall not be interrupted if there is a break in Service in exercise of rights under Part VIII of the Employment Rights Act 1996 (maternity leave and paternity leave) and the Member returns to Pensionable Service within one month of returning to work or the break does not exceed one month or the break corresponds to the Member's absence from Service in furtherance of a trade dispute (as defined in Section 35 of the Jobseekers Act 1995) or the break in Service is of any length and before the break the Member had already completed two years' service.

**Recognised Transfer:** has the meaning in section 169 of the Finance Act 2004.

**Registered Pension Scheme:** a scheme registered for the purposes of Part 4 of the Finance Act 2004.

**Relatives:** (1) the surviving spouse of the member; (2) any child or remoter issue (whether lawful or adoptive) of the member; (3) the spouse or the surviving spouse of any such child or remoter issue; (4) the father or mother (whether lawful or adoptive) of the member and the surviving spouse of such father or mother; and (5) any person (except such member and his/her issue) who is the child or the remoter issue (whether lawful or adoptive) of such father or mother or the surviving spouse of any such person.

**Relevant Two Year Period:** has the meaning in paragraph 13 of Part 2 of Schedule 29 to the Finance Act 2004.

**Retail Price Index:** means the General Index of Retail Prices published by the Central Statistical Office.

**Revaluation Requirements:** means the revaluation requirements in Chapter 2 of Part IV of the Pension Schemes Act 1993.

**Serious Ill-Health Lump Sum:** has the meaning in paragraph 4 of Part 1 of Schedule 29 to the Finance Act.

**State Pension:** means a pension paid by the state in accordance with the Social Security Contributions and Benefits Act 1992 or any other legislative provision.

**Statutory Debt Legislation:** sections 75 and 75A of the Pensions Act 1995 and regulations made under those sections.

**Stipend:** the annual stipend determined by the URC at that time as defined in the Plan for Partnership in Ministerial Remuneration.

**Trivial Commutation Lump Sum:** has the meaning in paragraph 7 of Part 1 of Schedule 29 to the Finance Act.

**Trivial Commutation Lump Sum Death Benefit:** has the meaning in paragraph 20 of Part 2 of the Finance Act.

**Unauthorised Payment:** an unauthorised payment as defined in section 160(5) of the Finance Act.

**URC:** the United Reformed Church.

## 1.2 Interpretation

**1.2.1 General:** In these Rules, where the context allows:

**1.2.2** words in the singular include the plural (and vice versa);

**1.2.3** references to legislation include modifications, pre-enactments and re-enactments of, and regulations made under, that legislation and, if the legislation applies only to part of the United Kingdom, references to it also include any equivalent legislation applicable to other parts of the United Kingdom;

**1.2.4** if a Rule is stated to be subject to legislation or a reference is made to the need to comply with legislation, and such legislation is repealed or ceases to apply to the Fund, then the reference to the legislation is ignored; and

**1.2.5** a reference to a particular Rule includes a reference to any corresponding or comparable provision which it has replaced.

**1.2.6 Benefits "for" a Member:** In these Rules benefits payable "for" a Member include benefits payable to the Member and benefits payable by reason of his or her Membership to the Member's family, Dependants and other persons after the Member's death.

**1.2.7 Headings and footnotes:** Headings above or at the beginning of text, and footnotes to text, are for convenience only and shall not affect the interpretation of that text.



**1.2.8 Law:** The Fund is established under and governed by the law of England and Wales.

**1.2.9 Spouse:** In the Rules any reference to a spouse includes a person of the opposite sex to whom a person is married, a person of the same sex to whom a person is married or a person who is the Civil Partner of a person.

### **1.3 Structure of the Rules**

**1.3.1** Benefits are payable under the Fund in accordance with the following parts of the Rules:

**1.3.1.1** the **Main Section** of the Rules sets out the benefits payable in respect of Pensionable Service on and from 1 June 1971;

**1.3.1.2** **Schedule 1** to the Rules sets out the benefits payable to and in respect of a member who has Pensionable Service before 1 June 1971 and which are payable in addition to his or her benefits under the Main Section;

**1.3.1.3** **Schedule 2** to the Rules modifies the application of the Main Section of the Rules in relation to certain members (referred to in Schedule 2) in consequence of benefit changes made in 1993 and 2006.

**1.3.1.4** **Schedule 3** to the Rules modifies the application of the Main Section and Schedule 1 of the Rules in relation to a member who opted out of the benefit changes adopted by the URC in 1993; and

**1.3.1.5** **Schedule 4** to the Rules modifies the application of the Main Section of the Rules in relation to a member who opted out of the benefit changes adopted by the URC in 2012 (and which took effect from 1 January 2013). The following paragraphs prescribe the application or otherwise of Schedule 4 in relation to a member who opted out of the benefit changes, ceases to be in Pensionable Service after 1 January 2013 and then re-joins the Fund under Rule 2.4.1:

- (a) Where neither Rule 2.4.3 or Rule 2.4.4 applies and the member has two (or more) separate periods of Pensionable Service, Schedule 4 applies to just the period of Pensionable Service that was ongoing at the time the member opted-out of the benefit changes;
- (b) Where Rule 2.4.3 applies, and the member's previous and latest periods of Pensionable Service are aggregated, Schedule 4 applies to just that part of the aggregated Pensionable Service that relates to membership as a Contributing Member up to and including the date on which the member first left Pensionable Service after 1 January 2013; and
- (c) Where Rule 2.4.4 applies, and the period before during and after a period of absence is treated as one period of Pensionable Service under Rule 2.4.5, Schedule 4 applies to that whole period of Pensionable Service.

### **1.4 Fund history**

- 1.4.1** Under Section 22 of the United Reformed Church Act 1972 the Presbyterian Fund and Congregational Fund were amalgamated to form the Fund with effect from 1 June 1980.

## **2. MEMBERSHIP**

### **2.1 Joining the Fund**

- 2.1.1** The following persons may become Contributing Members of the Fund:

- 2.1.1.1** any minister of the URC below Normal Pension Age at the date of ordination or induction into stipendiary service remunerated under the Plan for Partnership in Ministerial Remuneration; and

- 2.1.1.2** any CRCW below Normal Pension Age at the date of commissioning into stipendiary service remunerated under the Plan for Partnership in Ministerial Remuneration.

- 2.1.2** Membership under Rule 2.1.1 commences from the date of commencement of stipendiary service and the member must pay contributions under Rule 5.1 with effect from the first day of the month following commencement of stipendiary service.

- 2.1.3** A person who may become a Contributing Member under the terms of this Rule but who does not join the Scheme at their first opportunity to do so may become a Contributing Member before reaching age 68 if so permitted by the Pension Trustee and URC.

### **2.2 Part-time service**

- 2.2.1** Subject to Rule 2.2.2, for any year of Pensionable Service in which less than the Stipend is received by a Contributing Member because some of his or her service was part-time, only a fraction of that year, calculated as the ratio of stipend received to Stipend, shall rank as Pensionable Service.

- 2.2.2** If a Contributing Member serving full-time reduces his or her commitment to that of part-time service, the Pension Trustee may raise his or her Pensionable Service to the level applicable to a full-time minister or CRCW. When deciding whether to exercise the discretion under this Rule 2.2.2 the Pension Trustee shall have regard to the length of any previous full-time service, to the health of the member, to the fraction of Stipend being paid and to the purpose and pension provision made under any other employment. Where the Pension Trustee decides to exercise its discretion under this Rule 2.2.2, membership of the Fund will continue on normal terms but with contributions payable as if the member was receiving the Stipend.

### **2.3 Opting-out of membership**

- 2.3.1** A Contributing Member may at any time on giving one month's notice in writing to the Pension Trustee opt-out of Pensionable Service.

### **2.4 Re-joining the Fund**

- 2.4.1** A member who has ceased to be a Contributing Member and who is in full-time or part-time service in the URC may re-join the Fund as a Contributing Member of the Fund before reaching his or her 68<sup>th</sup> birthday, subject to this Rule 2.4. Except where Rule 2.4.3 or Rule 2.4.4 applies each period while a Contributing Member shall be treated as a separate period of Pensionable Service.
- 2.4.2** In relation to any member who becomes a Contributing Member under Rule 2.4.1 while already receiving a pension under the Fund in respect of a previous period of Pensionable Service, the Pension Trustee may determine that benefits (for example, but not limited to, benefits payable upon death) are provided on a different basis to those otherwise payable under the Rules.
- 2.4.3** Where a person becomes a Contributing Member under Rule 2.4.1, the Pension Trustee shall have discretion to aggregate, for the purpose of calculating benefits under the Fund, his or her previous period of membership with his or her latest period of membership. The Pension Trustee may only exercise this discretion where the member agrees in writing that he or she will not be entitled to benefits under Rule 8 in respect of any earlier period of membership.
- 2.4.4** Where a member becomes a Contributing Member under Rule 2.4.1 less than 12 months after the date on which his or her previous period of Pensionable Service ended, the period of absence will be treated as Pensionable Service provided that:
- 2.4.4.1** The URC and the Pension Trustee agree to such treatment; and
- 2.4.4.2** The URC and the member pay any contributions that would have been paid under Rule 4.1.1 and Rule 5.1.1 respectively had the member remained a Contributing Member over the period of absence.
- 2.4.5** Where Rule 2.4.4 applies the member will be treated as having one period of Pensionable Service in respect of the period immediately before during and after his or her absence.
- 2.4.6** Where the Pension Trustee exercises its discretion under Rule 2.4.3 or Rule 2.4.4 in respect of a member whose previous period of Pensionable Service included Pensionable Service before 1 January 2013, any pension accrued by reference to such Pensionable Service shall continue to be treated as such for the purpose of calculating benefits, including, without limitation, when calculating any reduction or increase applied in consequence of him or her choosing to take early or late payment of his or her pension.

## **2.5 Closure to new entrants**

- 2.5.1** The URC may at any time by notice in writing to the Pension Trustee direct that membership of the Fund shall be closed to new entrants and from then on no person shall be entitled to become a member without the consent of the URC.

## **3. TRANSFERS IN**

### **3.1 Transfers from other pension schemes and arrangements**

**3.1.1** The Pension Trustee may accept a transfer of assets in respect of any person from another pension scheme or arrangement

### **3.2 Benefits provided**

**3.2.1** If a transfer is received under Rule 3.1.1 the person in respect of whom the transfer was received will be provided with such benefits as the Pension Trustee determines to be appropriate after considering the advice of the Actuary.

**3.2.2** Benefits provided under Rule 3.2.1 must be consistent with the status of the Fund as a Registered Pension Scheme and must comply with applicable law.

## **4. PARTICIPATING BODIES' CONTRIBUTIONS**

### **4.1 Contributions**

**4.1.1** A Participating Body must pay contributions in respect of each Contributing Member in its service. The amount of the contributions will be determined by the URC from time to time, on the advice of the Actuary.

### **4.2 Expenses**

**4.2.1** A Participating Body must contribute to the expenses of administering the Fund. For these purposes the expenses of administering the Fund include the Fund's Pension Protection Fund levy. The share of expenses payable by each Participating Body shall be determined from time to time by the URC on the advice of the Actuary.

### **4.3 Statutory Debts**

**4.3.1** The Pension Trustee may at its discretion enter into any arrangement permitted under the Statutory Debt Legislation to modify any amount that would otherwise be treated as a debt due from a Participating Body under the Statutory Debt Legislation.

## **5. CONTRIBUTING MEMBERS' CONTRIBUTIONS**

### **5.1 Normal contributions**

**5.1.1** Each Contributing Member must pay contributions of a fixed percentage of the Stipend, such percentage being determined by the URC from time to time and notified to the Pension Trustee.

**5.1.2** Where a Contributing Member is in part-time service, the contributions which he or she is required to pay under Rule 5.1.1 are calculated by reference to the proportion of Stipend being paid at that time.

**5.1.3** A member ceases to be liable to pay contributions under Rule 5.1.1 from the date on which he or she leaves Pensionable Service.

### **5.2 Additional Voluntary Contributions**

- 5.2.1** A Contributing Member may pay voluntary contributions in accordance with this Rule 5.2.
- 5.2.2** Subject to Rule 5.2.3 a member paying voluntary contributions is able to suspend, reduce or terminate the payment of those voluntary contributions as he or she sees fit.
- 5.2.3** The Pension Trustee may impose upper or lower limits on the amount of voluntary contributions that can be paid and may determine the frequency with which a member may change the amount of his or her voluntary contributions.
- 5.2.4** Except where Rule 5.2.5 applies, the additional voluntary contributions shall accumulate within the Fund at rates determined each year by the Pension Trustee in the light of the financial experience of the Fund and the advice of the Actuary.
- 5.2.5** Voluntary contributions may, at the discretion of the Pension Trustee, be invested as follows:
- 5.2.5.1** The Pension Trustee may allow the member to select from a range of investment options and give the member the opportunity to change those options from time to time;
- 5.2.5.2** The Pension Trustee can decide how many investment options to offer and may change the investment options offered as it sees fit and if it decides to withdraw an investment option may transfer any funds invested in that option into such other investment option as it deems appropriate in the circumstances;
- 5.2.5.3** The Pension Trustee may select a default investment option which will apply in relation to any voluntary contributions paid by a member who has not selected an investment option;
- 5.2.6** Subject to Rule 5.2.7 when the member receives his or her pension under Rule 6 or Rule 8 as the case may be, the proceeds of the voluntary contributions paid by the member and accumulated in accordance with Rule 5.2.4 or invested in accordance with Rule 5.2.5 will be applied to provide benefits in such form as the Pension Trustee determines after having consulted with the member, including the provision of a Pension Commencement Lump Sum provided that in respect of contributions commenced prior to 1st June 1992 the benefit shall not be less than those provided under a table certified by the Actuary.
- 5.2.7** With the consent of the Pension Trustee a member may defer the application of the proceeds of his or her voluntary contributions until a later date agreed with the Pension Trustee.

## **6. RETIREMENT BENEFITS**

### **6.1 Normal Retirement**

- 6.1.1** A Contributing Member who chooses to receive his or her pension at Normal Pension Age shall be entitled to a pension of 1/80th of Pensionable Stipend

for each year of Pensionable Service after 1 June 1971, based on years and months of Pensionable Service.

## **6.2 Late Retirement**

**6.2.1** A Contributing Member who chooses to remain in Pensionable Service after Normal Pension Age shall be entitled upon retirement from service to a pension calculated in accordance with Rule 6.1.1.

## **6.3 Early Retirement**

**6.3.1** A Contributing Member who retires from Pensionable Service after reaching age 55 but before Normal Pension Age shall be entitled to receive immediate payment of a pension calculated in accordance with Rule 6.1.1, but then reduced by an amount advised as appropriate by the Actuary having regard to the period between the date on which the pension commences and the member reaching Normal Pension Age, except that:

**6.3.1.1** Any reduction applied to pension in respect of Pensionable Service up to and including 31 December 2012 shall be calculated only having regard to the period between the date on which the pension commences and the member reaching his or her 65<sup>th</sup> birthday; and

**6.3.1.2** No reduction shall be applied to pension in respect of Pensionable Service up to and including 30 November 2006 if on the date the pension commences he or she has completed 40 years of stipendiary service to the URC (or its constituent denominations).

## **6.4 Postponed Pension**

**6.4.1** A Contributing Member who reaches Normal Pension Age may, instead of choosing to remain in Pensionable Service under Rule 6.2.1, choose to leave Pensionable Service and postpone payment of his or her pension under this Rule 6.4.1. A Contributing Member who initially chooses to remain in Pensionable Service under Rule 6.2.1 may subsequently decide to leave Pensionable Service and postpone payment of his or her pension under this Rule 6.4.1. A member to whom this Rule 6.4.1 applies shall be entitled to a pension calculated under Rule 6.1.1 and then increased:

**6.4.1.1** By the amount the pension would have increased by over the period from the date of leaving Pensionable Service to the date on which the pension commences under Rule 10.1 had the pension commenced on date of leaving Pensionable Service; and

**6.4.1.2** By such additional amount as the Actuary shall advise is appropriate having regard to the period from date of leaving Pensionable Service to the date on which the pension commences.

## **6.5 Ill-Health Retirement**

**6.5.1** A Contributing Member who leaves Pensionable Service before Normal Pension Age due to Ill-Health shall be entitled to an immediate pension calculated in accordance with this Rule 6.5, provided that:

- 6.5.1.1** The Pension Trustee has received evidence from a registered medical practitioner appointed by the Pension Trustee (or at the discretion of the Pension Trustee, some other registered medical practitioner) that the member is, and will continue to be, unable to carry out his or her occupation because of physical or mental impairment; and
- 6.5.1.2** The member agrees to inform the Pension Trustee if he or she commences paid employment.
- 6.5.2** The Pension Trustee must review the state of health of any member who receives a pension on the grounds of Ill-Health at regular intervals and at least once every 5 years unless it considers that it would be inappropriate to do so.
- 6.5.3** Where a member in receipt of a pension paid on the grounds of Ill-Health:
- 6.5.3.1** Does not agree to any medical examination that the Pension Trustee may require for the purposes of a review being carried out in accordance with Rule 6.5.2;
- 6.5.3.2** In the opinion of the Pension Trustee is no longer suffering from Ill-Health; or
- 6.5.3.3** In the case of a member who is not a Pre-2013 Member, and is, in the opinion of the Pension Trustee, capable of undertaking remunerated employment the Pension Trustee may reduce or suspend the payment of the pension for any period or periods before Normal Pension Age.
- The Pension Trustee shall not be required to pay any amounts that were not paid while a pension was reduced or suspended in the event that the pension is increased back to its original level or recommences, but the Pension Trustee must be reasonably satisfied that the benefits (including death benefits) for a member who retires on the grounds of Ill-Health are at least equal in value to the benefits to which he or she would otherwise have become entitled on leaving the Fund under Rule 8.
- 6.5.4** A member who has less than 10 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.1.1, but calculated disregarding any Pensionable Service after reaching his or her 65th birthday.
- 6.5.5** A member who has greater than 20 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.1.1, except that:
- 6.5.5.1** The pension should be calculated disregarding any Pensionable Service after reaching his or her 65th birthday;
- 6.5.5.2** In the case of a member who has not reached his or her 65th birthday, his or her Pensionable Service shall be treated as being of such length as it would have been had he or she remained in Pensionable Service until reaching his or her 65th birthday; and
- 6.5.5.3** Where the member is in part-time service, the prospective Pensionable Service included when calculating his or her pension shall be calculated on the assumption that he or she remains in part-time service until reaching his or her 65th birthday, unless the Pension Trustee has exercised its discretion under Rule 2.2.2.

- 6.5.6** A member who has between 10 and 20 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.5.4 plus an additional amount of pension calculated as follows:

$$\text{(Pension B – Pension A) x (C / 120)}$$

Where:

**Pension A** is the pension calculated under Rule 6.5.4;

**Pension B** is the pension calculated under Rule 6.5.5 (but disregarding the requirement that the member must have completed 20 years' service as a Contributing Member for that Rule to apply); and

**C** is the number of complete months' in excess of 120 that the member has been in service as a Contributing Member.

- 6.5.7** Where this Rule 6.5 applies to a Pre-2013 Member, if it would result in a higher pension than that calculated under whichever of Rule 6.5.4, 6.5.5 or 6.5.6 applies in his or her case, he or she shall instead be entitled to a pension calculated under Rule 6.5.8.

- 6.5.8** The pension under this Rule 6.5.8 is whichever is the higher of:

- 6.5.8.1** A pension calculated under Rule 6.5.5 as if the Pre-2013 Member had retired due to Ill-Health on 1 January 2013 (disregarding the requirement that the member must have completed 20 years' service as a Contributing Member for that Rule to apply). For the avoidance of doubt the pension under this Rule 6.5.8.1 is based on Pensionable Service up to 1 January 2013 and prospective service and Stipend at that date (and the calculation assumes that any change after 1 January 2013 from full-time to part-time service or vice versa had not occurred); or

- 6.5.8.2** Pension B (as defined in Rule 6.5.6) but multiplied by the following fraction: the Pre-2013 Member's service as a Contributing Member up to and including 31 December 2012 divided by the Pre-2013 Member's total service as a Contributing Member up to retirement or reaching his or her 65th birthday if earlier (with each period calculated in complete months). When calculating Pension B for the purposes of this Rule 6.5.8.2, Pension B is calculated assuming that any change after 1 January 2013 from full-time to part-time service or vice versa had not occurred.

- 6.5.9** Where the Pension Trustee has exercised its discretion under Rule 2.4.3 or Rule 2.4.4 (to aggregate periods of membership in the Fund), service as a Contributing Member and Pensionable Service for the purposes of this Rule 6.5 shall include such periods during which the member was entitled to pension under Rule 8.1 as the URC shall direct, provided that the URC must be satisfied that such service was of an appropriate ecumenical nature.

- 6.5.10** A person who retired on the grounds of Ill-Health before 1 January 2013 is entitled to a pension calculated in accordance with Rule 6.5.5 irrespective of the length of his or her Pensionable Service.

## **6.6 Additional Voluntary Contributions**



- 6.6.1** When a pension commences payment under this Rule 6 any voluntary contributions that the member has paid will be applied in accordance with Rules 5.2.6 or 5.2.7 and may include the provision of a Pension Commencement Lump Sum.
- 6.6.2** Subject to Rule 6.6.3 the amount of any lump sum paid in respect of voluntary contributions cannot (when aggregated with any lump sum paid under Rule 6.7.1) exceed the permitted maximum calculated in accordance with paragraph 2 of Part 1 of Schedule 29 to the Finance Act.
- 6.6.3** Where paragraphs 31 to 34 of Part 3 to Schedule 36 of the Finance Act apply to a member the permitted maximum (referred to in Rule 6.6.3) is calculated in accordance with those paragraphs.

## **6.7 Cash Sum**

- 6.7.1** A member (for the avoidance of doubt, including a member entitled to a pension under Rule 8) may choose to exchange part of his or her pension for a Pension Commencement Lump Sum, any such election being made in writing to the Pension Trustee before the date on which the pension is due to commence.
- 6.7.2** Subject to Rule 6.7.3 the amount of any lump sum paid under Rule 6.7.1 cannot (when aggregated with any lump sum paid under Rule 6.6.1) exceed the permitted maximum calculated in accordance with paragraph 2 of Part 1 of Schedule 29 to the Finance Act.
- 6.7.3** Where paragraphs 31 to 34 of Part 3 to Schedule 36 of the Finance Act apply to a member the permitted maximum (referred to in Rule 6.7.2) is calculated in accordance with those paragraphs.
- 6.7.4** The Pension Trustee may direct that the pension (including, unless determined otherwise, any pension payable upon the member's death) otherwise payable to a member (including a member entitled to a pension under Rule 8) is exchanged for:
  - 6.7.4.1** A Serious Ill-Health Lump Sum;
  - 6.7.4.2** A Trivial Commutation Lump Sum; or
  - 6.7.4.3** A lump sum permitted under Regulation 11 or 12 of the Authorised Payments Regulations.
- 6.7.5** The terms on which pension may be exchanged for a lump sum under this Rule 6.7 shall be determined by the Pension Trustee on the advice of the Actuary, subject to any restrictions in the Finance Act or Authorised Payment Regulations.

## **7. DEATH BENEFITS**

### **7.1 Death In Service**

- 7.1.1** Upon the death of a member in Pensionable Service the following benefits are payable:

- 7.1.1.1** Where the member leaves a surviving spouse and/or one or more Children who are Dependant and any such person survives the member by 30 days or longer, a lump sum equal to 3 years' Stipend at date of death or, in any other case, a lump sum equal to 2 years' Stipend at date of death. Upon the death of a member in part-time service who was never paid the full Stipend, the lump sum shall be 3 or 2 times (as the case may be) a proportion of Stipend. For these purposes the proportion used when calculating the lump sum shall be the highest proportion of Stipend that the member was paid in any year in Pensionable Service;
- 7.1.1.2** A surviving spouse will be entitled to a pension for life equal to one half of the pension to which the member would have been entitled at Normal Pension Age, or in the case of a member who dies after Normal Pension Age, one half of the pension to which the member would have been entitled had he or she retired on the day before his or her death. If the surviving spouse is more than 10 years' younger than the member the pension will be reduced on a basis advised by the Actuary. In the case of a member who dies before Normal Pension Age and was in part-time service to which Rule 2.2 applies at the date of his or her death, the pension to which the member would have been entitled upon reaching Normal Pension Age shall be calculated assuming the same average proportion for each future year as the entitlement in years at date of death bears to the number of years of membership as a Contributing Member.

## **7.2 Death in Deferment**

- 7.2.1** Upon the death of a member before Normal Pension Age whilst entitled to a deferred pension under Rule 8 which has not come into payment there shall be paid benefits, as follows:
- 7.2.1.1** In the case of a member who dies before reaching his or her 65<sup>th</sup> birthday leaving no surviving spouse, a lump sum shall be payable equal to the member's contributions paid under Rule 5.1 plus compound interest at 3 per cent per annum;
- 7.2.1.2** In the case of a member who dies on or after reaching his or her 65<sup>th</sup> birthday leaving no surviving spouse, a lump sum shall be payable equal to the sum of:
- (a) in respect of any Pensionable Service up to and including 31 December 2012 a lump sum calculated under Rule 7.3.2 as if the member had retired on the day before his or her death; and
  - (b) in respect of Pensionable Service on and from 1 January 2013, the member's contributions paid under Rule 5.1 plus compound interest at 3 per cent per annum.
- 7.2.1.3** In the case of a member who dies before reaching his or her 65<sup>th</sup> birthday leaving a surviving spouse, a pension payable to the spouse for life of one half of the deferred pension calculated under Rule 8. If the surviving spouse is more than 10 years' younger than the member the pension will be reduced on a basis advised by the Actuary.
- 7.2.1.4** In the case of a member who dies on or after reaching his or her 65<sup>th</sup> birthday leaving a surviving spouse:

- (a) in respect of Pensionable Service up to and including 31 December 2012, benefits calculated in accordance with Rule 7.3 as if the member retired on the day before his or her death; and
- (b) in respect of Pensionable Service on and from 1 January 2013 one half of the deferred pension calculated under Rule 8. If the surviving spouse is more than 10 years' younger than the member the pension will be reduced on a basis advised by the Actuary.

### **7.3 Death in Retirement**

**7.3.1** Upon the death of a member who is in receipt of pension and who leaves a surviving spouse to whom he or she was married (or in Civil Partnership with) before the later of the date when his or her Pensionable Service ended or the date on which his or her pension came into payment, the surviving spouse shall be entitled to a pension payable for life. The amount of the pension shall be one half of the pension the member would have continued to receive had he or she not died and had he or she not elected to exchange any pension for a Pension Commencement Lump sum under Rule 6.7.1 (or any predecessor to that Rule). If the surviving spouse is more than 10 years younger than the member the pension will be reduced on a basis advised by the Actuary.

**7.3.2** Upon the death of a member within 5 years of the date on which his or her pension came into payment there will, subject to Rule 7.3.3, also be payable a lump sum equal to the number of monthly pension payments paid deducted from 60 multiplied by the member's then current monthly pension payment.

**7.3.3** Where the lump sum payable in accordance with this Rule 7.3.3 would be higher than the lump sum calculated under Rule 7.3.2, a lump sum will be payable under this Rule 7.3.3 instead of under Rule 7.3.2. Upon the death before Normal Pension Age of a member within one year of the date on which his or her pension came into payment on the grounds of Ill-Health, there will be payable a lump sum equal to the amount that would have been payable under Rule 7.1.1.1 had the member died in Pensionable Service less the aggregate amount of pension already paid to the member.

### **7.4 Death in Postponement**

**7.4.1** Upon the death of a member who chose to postpone payment of his or her pension in accordance with Rule 6.4 or Rule 8.5, benefits will be payable in accordance with Rule 7.3 as if his or her pension had commenced on the day before his or her death.

### **7.5 Additional Voluntary Contributions**

**7.5.1** Subject to Rule 7.5.2 upon the death of a member who has paid additional voluntary contributions, in addition to any lump sum payable under whichever of Rule 7.1, 7.2, 7.3 or 7.4 applies in his or her case, there shall also be paid as a lump sum an amount determined by the Pension Trustee as representing the proceeds of any additional contributions paid by the member under Rule 5.2 and which at the date of the member's death had not already been applied to provide benefits under Rule 5.2.6.

**7.5.2** Where there is a surviving spouse who qualifies for a pension under whichever of Rule 7.1, 7.2, 7.3 or 7.4 applies in his or her case, the surviving

spouse may choose that instead of the payment of a lump sum under Rule 7.5.1, the amount otherwise payable as a lump sum is applied to increase the spouse's pension payable to him or her. The terms on which the additional voluntary contributions are applied to provide additional pension under this Rule 7.5.2 will be determined by the Pension Trustee on the advice of the Actuary.

## **7.6 Children's Pensions**

- 7.6.1** Upon the death of a member who leaves one or more Children under age 23 (or under 24 if still in full time education) an annual pension shall be paid to or for the benefit of any such Child until the earlier of the Child ceasing to be dependent, ceasing to be in full time education or reaching age 24. The Pension Trustee shall determine in its discretion whether any such pension is paid to a Child or to some other person to be applied for the benefit of the Child.
- 7.6.2** The amount of the pension payable under Rule 7.6.1 is calculated as follows:
- 7.6.2.1** If there is one Child qualifying for payment of a pension, £1158 per annum;
- 7.6.2.2** If there is more than one Child qualifying for payment of a pension, £1158 in respect of the oldest Child and £579 in respect of each additional Child that qualifies for payment of a pension.
- 7.6.3** Where there is one Child qualifying for a pension, the whole amount of the pension is paid or applied for the benefit of that Child in accordance with Rule 7.6.1. Where there is more than one Child qualifying for a pension, each Child shall be paid or have applied for his or her benefit in accordance with Rule 7.6.1 the quotient of the whole amount of the pension divided by the number of Children initially qualifying for a pension. No reduction or increase in the amount of the pension is applied on account of the age of the member upon his or her death or on account of the age of the Child.
- 7.6.4** When a Child ceases to qualify for a pension the amount being paid to or applied for his or her benefit ceases to be paid and is not re-apportioned for the benefit of any remaining Child or Children still receiving a pension under this Rule 7.6.
- 7.6.5** The URC must review at least once a year the amounts then being used for the purpose of calculating pensions payable under Rule 7.6.1 and may determine that higher amounts should be used until further notice.
- 7.6.6** A Child shall be dependent for the purposes of this Rule 7.6 so long as he or she is, in the opinion of the Pension Trustee dependent upon the surviving spouse or the estate of the member for the ordinary necessities of life.

## **7.7 Death of Former Spouse before implementation of Pension Sharing Order**

- 7.7.1** If the Former Spouse of a Member dies before the Trustees have implemented the relevant Pension Sharing Order then subject to Inland Revenue Limits the Trustees shall use the cash equivalent of the Former Spouse's benefits under the Pension Sharing Order (calculated in accordance with The Pension Sharing (Pension Credit Benefit) Regulations 2000) to provide such lump sum benefits on discretionary trusts and applied in

accordance with Rule 10.5 and pensions for the Spouse or Dependents of the Former Spouse as it shall decide. For the purposes of this Rule, references to "deceased member" in Rule 10.5 shall be replaced by references to the "Former Spouse". Any pension so payable shall be paid for life or in the case of a Child of the Former Spouse for so long as the Child would qualify for payment of a pension under Rule 7.6.

## **7.8 Trivial Commutation**

**7.8.1** The Pension Trustee may direct that a pension otherwise payable to a under this Rule 7 following the death of a member is exchanged for a Trivial Commutation Lump Sum Death Benefit.

## **8. LEAVING BENEFITS**

### **8.1 Deferred Pension**

**8.1.1** If a member leaves Pensionable Service before Normal Pension Age without:

**8.1.1.1** becoming entitled to immediate payment of a pension;

**8.1.1.2** receiving a refund or transfer of contributions under Rule 8.2;

**8.1.1.3** opting for a refund of contributions or cash transfer sum under Rule 8.3;

**8.1.1.4** exercising his or her right to a Cash Equivalent under Rule 17.1.1 or taking a transfer with the consent of the Pension Trustee under Rule 17.1.2,

he or she shall be entitled upon reaching Normal Pension Age to a pension calculated in accordance with Rule 6.1.1 and then increased from the date on which Pensionable Service ended in accordance with the Revaluation Requirements (or by such higher percentage as is agreed between the URC and the Pension Trustee). Any pension in respect of Pensionable Service up to and including 31 December 2012 shall be increased in respect of the period from his or her 65<sup>th</sup> birthday (or if later, the date of leaving Pensionable Service) to Normal Pension Age (but only if and to the extent that such increases exceed any increase otherwise required in respect of that period of postponement by the Revaluation Requirements):

(a) by the amount the pension would have increased by over that period under Rule 10.1 had the pension commenced upon reaching his or her 65<sup>th</sup> birthday (or if later, the date of leaving Pensionable Service); and

(b) by such additional amount as the Actuary shall advise is appropriate having regard to the period from the date of leaving Pensionable Service to the date on which the pension commences.

**8.1.2** The pension payable under this Rule 8.1 must in the opinion of the Actuary be at least equal in value at the date Pensionable Service ends to the amount that would be paid to the member if he or she were entitled to a refund of contributions under Rule 8.2.1.1.

### **8.2 Refund of Contributions/Transfer of Contributions**

**8.2.1** If a member leaves Pensionable Service having completed less than 3 months' Qualifying Service, he or she may elect for:

**8.2.1.1** a refund of contributions (including any additional voluntary contributions), together with compound interest at 3% per annum; or

**8.2.1.2** a transfer to another pension arrangement of the same amount that would be paid as a refund of contributions Under Rule 8.2.1.1 provided that the transfer would be a Recognised Transfer

and in the absence of making an election within a timeframe determined by the Pension Trustee, will be paid a refund of contributions under Rule 8.2.1.1.

### **8.3 Refund of Contributions/Cash Transfer Sum**

**8.3.1** If a member leaves Pensionable Service having completed at least 3 months' Qualifying Service but less than 2 years' Qualifying Service, he or she may elect to take a refund of contributions under Rule 8.2.1.1 or the transfer of a Cash Transfer Sum to another pension arrangement provided that the transfer would be a Recognised Transfer.

### **8.4 Early Payment of Deferred Pension**

**8.4.1** A member entitled to a pension under Rule 8.1 and who has reached age 55 may instead chose to receive payment of his or her pension before reaching Normal Pension Age. The pension will be calculated in accordance with Rule 8.1 but then reduced by an amount advised by the Actuary having regard to the period between the date on which the pension commences and the member reaching Normal Pension Age, except that:

**8.4.1.1** Any reduction to a pension in respect of Pensionable Service up to and including 31 December 2012 shall be calculated only having regard to the period between the date on which the pension commences and the member reaching his or her 65<sup>th</sup> birthday; and

**8.4.1.2** Where a member's pension commences after reaching his or her 65<sup>th</sup> birthday, any pension in respect of Pensionable Service up to and including 31 December 2012 shall be increased (but only if and to the extent that such increases exceed any increase otherwise required in respect of that period of postponement by the Revaluation Requirements) by:

(a) the amount the pension would have increased by over the period from reaching his or her 65<sup>th</sup> birthday to the date on which the pension commences under Rule 10.1, and

(b) such additional amount as the Actuary shall advise is appropriate having regard to the period from reaching his or her 65<sup>th</sup> birthday to the date on which the pension commences.

**8.4.1.3** No reduction shall be applied to pension in respect of Pensionable Service up to and including 30 November 2006 if on the date the pension commences he or she has completed 40 years of stipendiary service to the URC (or its constituent denominations).

### **8.5 Postponed Payment of Deferred Pension**

**8.5.1** A member entitled to a pension under Rule 8.1 who reaches Normal Pension Age may choose to postpone payment of his or her pension. The Pension payable under this Rule 8.5 will be calculated under Rule 8.1 and then increased:

**8.5.1.1** by the amount the pension would have increased by over the period from Normal Pension Age under Rule 10.1 had the pension commenced at Normal Pension Age; and

**8.5.2** by such additional amount as the Actuary shall advise is appropriate having regard to the period from Normal Pension Age to the date on which the pension commences.

## **9. BREAKS AND ABSENCE**

### **9.1 Maternity and Other Family Leave**

**9.1.1** The Pension Trustee shall ensure that any member who takes a period of maternity, paternity, parental or adoption leave is treated for the purposes of the Fund in accordance with applicable legislative requirements. The Pension Trustee may only treat a member more favourably than the minimum required by applicable legislation with the consent of the URC.

## **10. OTHER RULES AFFECTING THE PAYMENT OF BENEFITS**

### **10.1 Pension Increases**

**10.1.1** This Rule 10.1 only applies to pensions in payment under the following Rules:

**10.1.1.1** Rule 6.1(Normal Retirement Pension);

**10.1.1.2** Rule 6.2 (Late Retirement Pension);

**10.1.1.3** Rule 6.3 (Early Retirement Pension);

**10.1.1.4** Rule 6.4 (Postponed Pension);

**10.1.1.5** Rule 6.5 (Ill-health Retirement Pension);

**10.1.1.6** Rule 7.1(Death in Service);

**10.1.1.7** Rule 7.2 (Death in Deferment);

**10.1.1.8** Rule 7.3 (Death in Retirement);

**10.1.1.9** Rule 7.4 (Death in Postponement);

**10.1.1.10** Rule 7.6 (Dependant Children's Pensions); and

**10.1.1.11** Rule 8 (Leaving Benefits).

**10.1.1.12** Schedule 1 where the pension is payable to or in respect of a former member of the Presbyterian Fund.

**10.1.2** All pensions in payment to which this Rule applies shall increase on 1 January each year by the lesser of the increase in the Retail Prices Index and 5%.

**10.1.3** For the purposes of this Rule the increase in the Retail Prices Index shall be calculated by comparing the value of the Retail Prices Index for the month which is published in the November immediately preceding 1 January in any year and comparing that figure with the value of the Retail Prices Index published for the same month twelve months earlier.

**10.1.4** In the event of any change in the basis or composition of the Retail Prices Index the Pension Trustee on the advice of the Actuary shall make such adjustments as may be appropriate.

## **10.2 Augmentation**

**10.2.1** The Pension Trustee may having considered the advice of the Actuary and having obtained the consent of the URC, do one or both of the following:

**10.2.1.1** Augment the benefits of any person (or class of persons) entitled or contingently entitled to benefits under the Fund; or

**10.2.1.2** Provide benefits from the Fund for persons not otherwise entitled to benefits under the Fund.

**10.2.2** Where the Pension Trustee exercises its powers under this rule the URC and the Participating Bodies shall pay such further contributions into the Fund and in such proportions which the Actuary recommends to the Trustee as necessary to provide the additional benefits.

## **10.3 Payment of Benefits**

**10.3.1** All pensions shall be payable monthly in advance.

**10.3.2** No benefit shall be paid to a member or other beneficiary unless and until satisfactory evidence of his or her age has been provided to the Pension Trustee.

## **10.4 Provision of information**

**10.4.1** Every member and every person for the time being entitled to any pension or allowance under these rules shall from time to time give to the Pension Trustee such information as it may require for the purposes of administering the Fund, including, but not limited to:

**10.4.1.1** His or her postal address; and

**10.4.1.2** The dates and full particulars of all relevant births, marriages, deaths and other events, including where necessary the production of birth, marriage and death certificates; and

**10.4.1.3** In the case of a pensioner or other beneficiary or potential beneficiary evidence of continued survival.

## **10.5 Payment of Lump Sums**

**10.5.1** Where the Rules provide for a lump sum to be payable following the death of a member, the lump sum shall be held on discretionary trusts and applied in accordance with Rule 10.5.2 and Rule 10.5.3.



**10.5.2** Where this Rule 10.5.2 applies, the Pension Trustee has the power to pay or apply the whole or any part of such lump sum to or for the benefit of all or any of the Relatives and Dependants of the deceased member in such shares and in such manner as the Pension Trustee in its absolute discretion thinks fit and whether in a lump sum or by instalments.

**10.5.3** If the Pension Trustee has failed to pay or apply any lump sum in accordance with 10.5.2 before the last day of the Relevant Two Year Period, then, unless at the time of death the deceased member had no Relatives or Dependants, the sum will be paid to the personal representatives of the member and from that date and pending payment will be held on trust for those personal representatives. Where the deceased member had no Relatives or Dependants at the time of death then the sum will revert to the Fund.

## **10.6 Recovery of Tax**

**10.6.1** If the Pension Trustee is liable (or jointly liable with the member) for any tax (including any tax charge payable under the Finance Act) in respect of any benefit, it may deduct from that benefit the amount of any such tax for which it is liable.

## **10.7 Assignment, Surrender etc.**

**10.7.1** Except where permitted under sections 91 to 94 of the Pensions Act, a person entitled to a pension under the Fund or who has a right to a future pension under the Fund may not assign, commute or surrender it.

**10.7.2** Except where permitted under sections 91 to 94 of the Pensions Act, an entitlement to a pension under the Fund or a right to a future pension under the Fund may not be charged, have a lien or set off exercised in respect of it.

## **10.8 Incapacity of Beneficiary**

**10.8.1** If, in the opinion of the Pension Trustee, a member or other beneficiary entitled to benefits under the Fund is incapable of managing his or her own affairs due to mental or any other form of incapacity:

**10.8.1.1** The Pension Trustee may take on behalf of that person any decision or election concerning his or her benefits that would otherwise have fallen to be taken by him or her under the Rules; and/or

**10.8.1.2** May in its absolute discretion, pay any amount that would otherwise have been paid to the member or beneficiary to some other person to be applied for the benefit of the member or beneficiary.

**10.8.2** Before exercising its discretion under Rule 10.8.1.1 or Rule 10.8.1.2, the Pension Trustee must take into account any representations made by:

**10.8.2.1** A person lawfully appointed to take decisions on behalf of the member or beneficiary and/or;

**10.8.2.2** If the Pension Trustee considers it appropriate to do so, a person not so appointed but who is responsible for the care or wellbeing of the member or beneficiary.

## **10.9 State Pension**

**10.9.1** Any pension paid under the Fund is in addition to any State Pension to which the member or beneficiary may be entitled.

## **10.10 Compliance with Laws**

**10.10.1** The Fund shall at all times be administered by the Pension Trustee in compliance with the Preservation Requirements and the Revaluation Requirements and the requirement in this Rule 10.10.1 shall override any other provisions in the Rules that are inconsistent with it.

**10.10.2** Where the URC considers that an amendment is necessary to the Rules in order to allow it to meet its obligations under Part 1 of the Pensions Act 2008 (automatic enrolment), the Pension Trustee shall, where directed by the URC, administer the Fund as if the Rules had been so amended.

## **10.11 Pension Sharing on Divorce**

**10.11.1** Where the benefits of a Member are subject to the provisions of a Pension Sharing Order arising from a divorce the following shall apply:

**10.11.1.1** The benefits payable to the Member in accordance with these Rules shall be reduced by the debit applicable in accordance with Section 29(1)(a) of the Welfare Reform and Pensions Act 1999.

**10.11.1.2** Any Pension Credit or Pension Credit Benefit due to the Member's Former Spouse may be discharged in any manner consistent with the Welfare Reform and Pensions Act 1999, as determined by the Trustees. Any benefits consequently provided under the Fund shall be treated as provided separately from any benefits provided under the Fund for the same individual in another capacity. The Former Spouse shall be regarded as a Member for the purposes of the Rules to the extent considered appropriate by the Trustees.

## **11. TAX LIMITS**

### **11.1 Overriding effect**

**11.1.1** This Rule 11 overrides any other provisions in the Rules that are inconsistent with it except Rule 16 (power of amendment) and any other provision conferring a power to modify the Fund.

### **11.2 Registered Pension Scheme**

**11.2.1** The Fund is intended to be a registered pension scheme for the purposes of Part 4 of the Finance Act. The Pension Trustee shall not be required to take any action if in its opinion doing so could jeopardise the status of the Fund as a registered pension scheme.

### **11.3 Unauthorised Payments**

**11.3.1** Any provision of the Rules which would require the Pension Trustee to make an Unauthorised Payment shall be construed as conferring discretion upon the Pension Trustee to make that payment. However, if the consent of the

URC, a Participating Body, or any other person, is required before the Pension Trustee can make a payment, the discretion conferred by this Rule 11.3.1 to make a payment of that type can be exercised only with the consent of that person.

#### **11.4 Pension for life**

**11.4.1** A pension payable to a member must be payable for life and must not reduce in payment, except in circumstances permitted under paragraph 2(4) of Schedule 28 of the Finance Act.

#### **11.5 Inland Revenue Limits**

**11.5.1** Subject to Rule 11.5.2, if, in the opinion of the Pension Trustee, a payment otherwise due from the Fund would cause Inland Revenue Limits to be exceeded, it shall be reduced to the extent necessary to prevent it from doing so in the manner decided by the Pension Trustee. Accordingly, benefits shall not unless the Pension Trustee decides otherwise with the consent of the URC exceed Inland Revenue Limits. If a combination of payments would cause Inland Revenue Limits to be exceeded, the Trustee shall reduce all or any of them in any manner which they think fit but only to the extent necessary to satisfy the Pension Trustee that Inland Revenue Limits are not exceeded.

**11.5.2** Notwithstanding Rule 11.5.1:

**11.5.2.1** The annual rate of a member's contributions may, with the consent of the Pension Trustee, exceed 15% of remuneration or any other limit imposed by Inland Revenue Limits.

**11.5.2.2** No provision in the Rules shall apply to restrict the payment of benefits after age 75 where the Pension Trustee so determines that benefits may be paid after that age.

### **12. TRUSTEES**

#### **12.1 Fund Held on Trust**

**12.1.1** All contributions, assets of the Fund and income generated by those assets are held by the Pension Trustee upon the trusts of the Fund and must be invested and applied in accordance with the Rules.

#### **12.2 Appointment and removal of Trustees**

**12.2.1** The URC may, by deed, appoint or remove any company as a trustee of the Fund. At any time there may only be one company appointed as Pension Trustee.

**12.2.2** The URC must not exercise the power under Rule 12.2.1 in a way which conflicts with any arrangements made under Sections 241 to 243 of the Pensions Act 2004.

#### **12.3 Remuneration of Trustees**

**12.3.1** The Pension Trustee and any directors of the Pension Trustee can be paid out of the assets of the Fund for acting as a trustee. The amount of any such remuneration must be agreed between the URC and the Pension Trustee.

#### **12.4 Trustees may benefit**

**12.4.1** A director of the Pension Trustee may benefit from the Fund as a member or person entitled to benefit in respect of a member.

#### **12.5 Conflicts of interest and duty**

**12.5.1** No decision or exercise of a power by the Pension Trustee is invalidated solely on the grounds that a director of the Pension Trustee has any personal interest in the outcome or owes a duty which conflicts or might conflict with his or her duty as director of the Pension Trustee.

### **13. TRUSTEES' MEETINGS**

#### **13.1 Exercise of powers**

**13.1.1** Meetings of the Pension Trustee shall be held in accordance with its articles of association.

**13.1.2** Any power or discretion conferred on the Pension Trustee by the Rules shall be exercised by the board of that company in accordance with its articles of association.

### **14. TRUSTEES' PROTECTION**

#### **14.1 Indemnity**

**14.1.1** Subject to Rule 14.1.2 and without prejudice to any right to an indemnity by law given to trustees, the Pension Trustee and each of its current and former directors shall be indemnified by the URC in respect of all liabilities and expenses properly incurred in the execution or purported execution of the trusts of the Fund or of the trust duties, powers or discretions vested in the Pension Trustee and against all actions proceedings costs expenses claims and demands in respect of any matter or things done or omitted in any way relating to the Fund.

**14.1.2** The Pension Trustee or a director of it shall not be indemnified against any breach of trust arising out of fraud or deliberate disregard of the interests of the beneficiaries under the Fund or in respect of any breach of trust that was knowingly or recklessly committed.

#### **14.2 Exoneration**

**14.2.1** Subject to Rule 14.2.2, the Pension Trustee shall not be liable for any breach of trust.

**14.2.2** The Pension Trustee shall be liable in respect of a breach of trust arising out of fraud or deliberate disregard of the interest of the beneficiaries under the Fund or in respect of any breach of trust knowingly or recklessly committed.

#### **14.3 Legal proceedings**

**14.3.1** The Pension Trustee shall not be obliged to bring or defend any legal proceedings in relation to the Fund and failure to bring or defend any such proceedings will not constitute a breach of trust.

#### **14.4 Benefits and other payments made in error**

**14.4.1** The Pension Trustee and its directors shall not be liable in respect of any payment or payments to any person or persons in error.

#### **14.5 Insurance**

**14.5.1** The Pension Trustee may, with the consent of the URC, use Fund assets to purchase insurance to protect the Pension Trustee (and its directors) from liability arising in connection with its role as trustee of the Fund.

### **15. MANAGEMENT OF THE FUND**

#### **15.1 Participating Bodies**

**15.1.1** A church or other body may participate in the Fund and so become a Participating Body if it agrees by deed to be bound by the Rules as a Participating Body. Participation may only take place with the consent of the URC which must also execute the deed.

**15.1.2** Participation shall start when the deed is executed or on such earlier or later date as may be specified in the deed. The new Participating Body must, unless the URC directs otherwise, agree to nominate the URC to make decisions for it where legislation provides that one employer in a multi-employer scheme may act for all the employers participating in the scheme.

**15.1.3** A Participating Body (other than the URC) withdraws from the Fund on the earliest of the following dates (the "Withdrawal Date"):

**15.1.3.1** the date specified in a written notice from the Participating Body to the Pension Trustee that the Participating Body is terminating its liability to contribute to the Fund;

**15.1.3.2** the date specified in a written notice from the URC to the Pension Trustee, copied to the Participating Body, that the Participating Body is to terminate its contributions to the Fund; or

**15.1.3.3** the date that the Participating Body suffers an insolvency event within the meaning in section 121 of the Pensions Act 2004 (and regulations made under that section) or is dissolved.

**15.1.4** If there is any doubt if and when the Withdrawal Date has occurred, this is decided by the Pension Trustee. The Participating Body has no further liability under the Rules of the Fund after the Withdrawal Date (except for paying any arrears of contributions due before the Withdrawal Date) but this does not affect any continuing liability imposed by legislation or any other legal requirement.

**15.1.5** Each member employed by the withdrawing Participating Body and who is a Contributing Member of the Fund on the Withdrawal Date is deemed to have

left Pensionable Service on the Withdrawal Date and he or she becomes entitled to benefits under Rule 8.

## **15.2 Audit**

- 15.2.1** The Pension Trustee shall ensure that audited accounts are prepared for the 12 month period to 31 December each year and must provide the URC with a copy of any such accounts.

## **15.3 Actuarial Valuations**

- 15.3.1** The Pension Trustee and the URC (and other Participating Bodies) must comply with the requirements of sections 221 to 233 of the Pensions Act 2004.
- 15.3.2** The Pension Trustee shall instruct the Actuary to prepare an actuarial valuation or an actuarial report each year, provided that an actuarial valuation must be obtained at least every 3 years. The Pension Trustee will submit a copy of each actuarial valuation or actuarial report to the URC. In this Rule 15.3, actuarial valuation and actuarial report have the meaning in section 224 of the Pensions Act 2004.
- 15.3.3** Where an actuarial valuation reveals a deficit, the Pension Trustee shall, after consulting with the Actuary, consider what action should be taken to render the Fund solvent and shall make a recommendation to the URC as to how this should be achieved. Where any actuarial valuation reveals a surplus, the Pension Trustee shall, after consulting with the Actuary, consider how that surplus should be applied and make a recommendation to the URC. Any such recommendation may include proposed amendments to the Rules.
- 15.3.4** No change shall be made in the rate of contributions except on the advice of the Actuary and by the authority of the URC. For any period during which the URC makes special contributions to meet a deficiency disclosed by an actuarial valuation the Participating Bodies shall also make special contributions at such rate and for such periods as the Pension Trustee on the advice of the Actuary shall deem to be appropriate to the membership of each particular Participating Body.

## **15.4 Secretary, Actuary and Auditor**

- 15.4.1** The Pension Trustee may from time to time as it thinks fit appoint any person to be the Secretary of the Fund. The Pension Trustee will determine the role and duties of any person so appointed.
- 15.4.2** The Pension Trustee shall appoint an Actuary of the Fund who shall be eligible for appointment in accordance with section 47 of the Pensions Act 1995 and regulations made under that section.
- 15.4.3** The Pension Trustee shall appoint an Auditor of the Fund who shall be eligible for appointment in accordance with section 47 of the Pensions Act 1995 and regulations made under that section.

## **15.5 Management Expenses**

**15.5.1** The expenses of the management of the Fund may be provided out of the income of the Fund.

## **15.6 Investment**

### **15.6.1 Investment Powers**

**15.6.1.1** Subject to Rule 15.6.1.2, the Pension Trustee may, in the manner which it thinks fit and as if it were absolutely and beneficially entitled to the assets of the Fund, acquire, dispose of, lend or otherwise deal in or undertake to deal in any property, assets, rights, options, assurances, contracts or interests (whether or not such transactions involve liability, produce income or are authorised by law as investments for trust assets). Without prejudice to the generality of this Rule 15.6.1 assets of the Fund may be invested or applied as follows:

- (a) in the purchase of freehold or leasehold land in any country;
- (b) in the purchase from any insurance company of any annuity or annuities for the life or lives of any person or persons or for any period or periods whether depending upon or calculated by reference to life or not;
- (c) in effecting or paying premiums in respect of any policy or policies of life assurance;
- (d) underwriting or sub-underwriting or guaranteeing the subscription of any funds securities bonds debentures stocks or shares;
- (e) in the purchase of assets of a non-income producing nature and any transaction calculated in the opinion of the Pension Trustee to offset or reduce any risk of loss to the Fund, or to facilitate efficient portfolio management (including the reduction of cost or the generation of additional capital or income with an acceptable level of risk);
- (f) in the purchase of foreign currencies (either at the official rate of exchange or any other rates), contracts for differences and other derivatives (exchange traded and non-exchange traded) for present or future settlement, except that the Pension Trustee may only invest in Derivative Instruments in the circumstances permitted in the Investment Regulations. In this Rule (f), Derivative Instruments has the meaning in the Investment Regulations;
- (g) in connection with any agreement concerning stock lending; and
- (h) in relation to any partnership for the collective investment of funds.

**15.6.1.2** The Pension Trustee cannot invest or otherwise take any action in relation to the assets of the Fund in any manner prohibited by the Pensions Act 1995 or the Investment Regulations.

### **15.6.2 Cash**

- 15.6.2.1** The Pension Trustee may allow cash to remain on deposit or current account in any currency with any deposit taking institution in any part of the world for so long as it determines.
- 15.6.3 Delegation**
- 15.6.3.1** The Pension Trustee may appoint any person to be a fund manager in relation to some or all of the assets of the Fund in accordance with section 34 of the Pensions Act and where required by section 47 of the Pensions Act the Pension Trustee must appoint a person to be a fund manager to the extent required by that section.
- 15.6.3.2** Any person appointed as a fund manager may, subject to the terms of appointment, exercise any of the powers and discretions conferred upon the Pension Trustee by Rule 15.6.
- 15.6.3.3** The Pension Trustee may determine the terms on which any fund manager is appointed, including but not limited to terms relating to:
- (a) the nature and extent of the powers and discretions to be delegated;
  - (b) liability;
  - (c) remuneration; and
  - (d) sub-delegation.
- 15.6.3.4** The Pension Trustee may, subject to section 34 of the Pensions Act, delegate any of the powers and discretions conferred on it by Rule 15.6 to such person or persons and on such terms as to remuneration as it determines appropriate.
- 15.6.4 Binding Fund assets**
- 15.6.4.1** The Pension Trustee may, subject to Rule 15.6.1.2, give guarantees, indemnities, warranties and undertakings binding on the assets of the Fund, including by way of security whether in connection with the appointment of a fund manager under Rule 15.6.3.1 or otherwise.
- 15.6.5 Pooling**
- 15.6.5.1** The Pension Trustee may make arrangements for some or all of the assets of the Fund to be pooled with other trust assets on such terms as the Pension Trustee determines.
- 15.6.6 Insurance**
- 15.6.6.1** The Pension Trustee may purchase insurance in relation to the risk of loss or damage to any asset of the Fund and the premiums in relation to any such insurance may be paid out of the assets of the Fund.
- 15.6.7 Custodian**



**15.6.7.1** The Pension Trustee may appoint any person as custodian of any assets of the Fund on terms determined by the Pension Trustee, including, but not limited to, terms relating to:

- (a) the holding of assets in a nominee name;
- (b) the appointment of a sub-custodian;
- (c) liability; and
- (d) remuneration.

#### **15.6.8 Borrowing**

**15.6.8.1** Subject to Rule 15.6.8.2, the Pension Trustee may borrow money on any terms, including by giving security.

**15.6.8.2** The Pension Trustee may only borrow for the purpose of providing liquidity for the Fund on a temporary basis and in no circumstances shall the total amount borrowed by the Pension Trustee at any one time exceed 1% of the capital value of the Fund.

#### **15.6.9 Pensions Act and Investment Regulations**

**15.6.9.1** The Pension Trustee must prepare and from time to time review a statement of investment principles prepared in accordance with section 35 of the Pensions Act and the Investment Regulations.

**15.6.9.2** When exercising powers and discretions conferred on it by this Rule 15.6.9.2, the Pension Trustee must act in accordance with section 36 of the Pensions Act and regulation 4 of the Investment Regulations.

### **15.7 Delegation**

**15.7.1** Except in relation to investment (where Rule 15.6.3 applies) the Pension Trustee may delegate to any person or persons all or any of their powers or discretions on terms as to sub-delegation or otherwise as it determines.

### **15.8 Disclosure**

**15.8.1** The Trustee shall comply with all requirements to provide members of the Fund with information contained in the Pension Schemes Act, Pension Act, Pensions Act 2004 or the Disclosure Regulations.

**15.8.2** This Rule 15.8 shall not entitle any person to information that is not relevant to his or her rights under the Fund.

### **15.9 Administration**

**15.9.1** The Pension Trustee is responsible for the administration of the Fund but may delegate the day-to-day administration of the Fund to any person or persons on such terms as to remuneration as it determines appropriate.

- 15.9.2** The Pension Trustee is the scheme administrator within the meaning in section 270 of the Finance Act in relation to the Fund.
- 15.9.3** No person taking decisions on behalf of the URC in relation to the Fund (whether in a committee established by the URC for that purpose or in General Assembly or Mission Council of the URC) shall incur personal liability to the Trustee.

## **16. AMENDMENT**

### **16.1 Amendment power**

- 16.1.1** Subject to rest of this Rule 16, the URC may at any time alter or modify all or any of the provisions of this Deed or the Rules.

### **16.2 Restrictions**

- 16.2.1** No alteration or modification may be made to the Rules until a report on its financial effect on the Fund has been obtained from the Actuary.

- 16.2.2** Any person who became a member before 10th July 1993 and whose pecuniary rights are adversely affected to an appreciable extent by any such alteration or modification, may elect before or within 3 months of the coming into effect of any such alteration or modification of the Rules to be subject to the Rules that were in force prior to the change. Except that this Rule 16.2.2 does not apply to any alteration or modification to the Rules necessitated by changes in the State Pension Scheme or to ensure that the registration of the Fund is not withdrawn by the Inland Revenue.

- 16.2.3** No alteration or modification shall be made to the Rules which would have the effect of:

- 16.2.3.1** altering the main purpose of the Fund from that of providing pensions and other relevant benefits for members of the Fund; or

- 16.2.3.2** providing for the return of contributions or transfer of any part of the Fund to local churches, committees or any other financial authorities, other than any residual balance on the Fund being wound up in accordance with Rule 18; or

- 16.2.3.3** reducing pension rights accrued prior to the alteration or modification; or

- 16.2.3.4** causing the registration of the Fund to be withdrawn by the Inland Revenue.

### **16.3 Trustee consent**

- 16.3.1** The following Rules may not be amended without the consent of the Pension Trustee:

- 16.3.1.1** Rule 12.1;

- 16.3.1.2** Rule 12.2;

- 16.3.1.3** Rule 12.3;

- 16.3.1.4** Rule 14; and

**16.3.1.5** Rule 16.3.

## **17. TRANSFERS AND BUY-OUTS**

### **17.1 Individual Transfers Out**

**17.1.1** A member who has a right to a Cash Equivalent may exercise that right in accordance with Sections 93 to 101 of the Pension Schemes Act.

**17.1.2** A member who does not have a right to a Cash Equivalent may, with the consent of the Pension Trustee, take a transfer payment to another pension arrangement or insurance company. Any such transfer payment:

**17.1.2.1** May relate to all or a specified part of his or her benefits under the Fund (where a transfer payment relates to only part of a member's benefits the Pension Trustee must determine at the time of transfer what if any benefits will be payable upon the death of the member);

**17.1.2.2** Must in the opinion of the Actuary be equivalent in value to the member's benefits in the Fund and cannot be less than the amount that would be paid to him or her as a refund of contributions under Rule 8.2.1.1;

**17.1.2.3** Must be a Recognised Transfer.

**17.1.3** After making a transfer payment in accordance with this Rule 17.1 the Pension Trustee shall be discharged from liability to pay the benefits to which the transfer payment relates.

### **17.2 Bulk Transfer Out**

**17.2.1** The Pension Trustee may make a transfer of cash or other assets to another pension arrangement in respect of all or a specified group of members (and other beneficiaries) provided that:

**17.2.1.1** Any member or other beneficiary either consents to the transfer of his or her benefits or the transfer is taking place in circumstances where consent is not required under the Preservation Regulations;

**17.2.1.2** Except where the Pension Trustee and URC decide otherwise, the transfer payment is, in the opinion of the Actuary, equivalent in value to the benefits in respect of those members and other beneficiaries included in the transfer; and

**17.2.1.3** The transfer would be a Recognised Transfer.

**17.2.1.4** After making a transfer payment in accordance with this Rule 17.2, the Pension Trustee shall be discharged from liability in relation to those members and other beneficiaries in relation to whom the transfer was made.

### **17.3 Buy-Out**

**17.3.1** The Pension Trustee may, with the consent of the URC, make a transfer to an Insurance Company in respect of one or members or other beneficiaries provided that:

**17.3.1.1** The Insurance Company will issue each member or beneficiary with a Policy;

- 17.3.1.2** Any member or other beneficiary included in the transfer consents to the transfer or their consent is not required under the Preservation Regulations (or any other applicable legislation);
- 17.3.1.3** The transfer payment is sufficient to provide benefits that are equivalent in value to the benefits in respect of those members and other beneficiaries included in the transfer; and
- 17.3.1.4** The transfer would be a Recognised Transfer.
- 17.3.1.5** After making a transfer payment in accordance with this Rule 17.3, the Pension Trustee shall be discharged from liability in relation to those members and other beneficiaries in relation to whom the transfer was made.

## **18. WINDING-UP**

### **18.1 Determination of the Fund**

- 18.1.1** With the consent of the URC the Pension Trustee may determine the Fund if it is of the opinion that:
  - 18.1.1.1** the objects for which the Fund was established no longer exist; or
  - 18.1.1.2** the administration of the Fund can no longer be conveniently carried out.
- 18.1.2** In this Rule 18 the date on which the Pension Trustee exercises the power under Rule 18.1 to determine the Fund, is referred to as the Determination Date.

### **18.2 Effects of determination**

- 18.2.1** If the Fund is determined under Rule 18.1:
  - 18.2.1.1** the trusts upon which the assets of the Fund were formerly held shall cease; and
  - 18.2.1.2** the Fund shall be wound up in accordance with Rule 18.3.

### **18.3 Winding-up**

- 18.3.1** This Rule 18.3 is subject to:
  - 18.3.1.1** any overriding legislation which prescribes the manner in which the assets of the Fund should be applied on winding-up; and
  - 18.3.1.2** the ability of the Pension Trustee to make a bulk transfer of all of the assets and liabilities of the Fund under Rule 17.2 as an alternative to winding-up the Fund and applying the Fund assets in accordance with the rest of this Rule 18.3.
- 18.3.2** When this Rule 18.3 applies the assets of the Fund shall, subject to Rule 18.3.3, be applied in the following order:
  - 18.3.2.1** firstly, to pay the costs, charges and expenses of winding-up the Fund[, including the cost of purchasing insurance to protect the Trustee from liability in respect of any person claiming entitlement to benefits (or entitlement to

greater or different benefits) under the Fund after the application of Fund assets under this Rule;

- 18.3.2.2** secondly, to make provision for the continued payment of pensions in payment at the Determination Date and any contingent pensions payable to surviving Spouses and Children;
- 18.3.2.3** thirdly, to make provision for the payment of pensions for all other members and any contingent pensions payable to surviving Spouses and Children. For the purposes of this Rule 18.3.2.3 any member in Pensionable Service on the Determination Date shall be treated as having become entitled to benefits under Rule 8 on the date immediately preceding the Determination Date;
- 18.3.2.4** fourthly, if the assets of the Fund exceed the amount required to meet in full the liabilities specified in this Rule 18.3, the excess assets shall be applied by the Pension Trustee after taking advice from the Actuary to increase pensions and benefits having regard to the respective interests of the various recipients in the Fund, provided that no person shall be provided with benefits in excess of Inland Revenue Limits;
- 18.3.2.5** finally, any balance remaining shall be returned to local churches, Participating Bodies, synods and the URC in such proportions as the URC shall determine on the advice of the Actuary.
- 18.3.3** The Pension Trustee shall, after taking advice from the Actuary, apply so much of the Fund as is attributable to additional voluntary contributions made by a member towards the provision of a pension (including a pension payable to surviving Dependants) for the provision of that pension.

**SCHEDULE 1**  
**BENEFITS IN RESPECT OF PENSIONABLE SERVICE BEFORE 1 JUNE 1971**

**Modifications**

**Rule 6**

1. In addition to the pension payable under Rule 6.1.1 there shall also be payable:
  - 1.1 If on 31 May 1971 the member belonged to the Congregational Fund, £69.37 (or such higher sum as is determined from time to time by the URC) for each year of Pensionable Service completed prior to 1 June 1971; or
  - 1.2 If prior to 1 June 1980 the member belonged to the Presbyterian Fund, one 80th of Pensionable Stipend for each year of Pensionable Service completed prior to 1 June 1971.

**Rule 7.1**

2. In addition to the pension payable under Rule 7.1.1.2:
  - 2.1 If the member was previously a member of the Congregational Fund, there shall also be paid £17.34 per annum for each year of Pensionable Service before 1 June 1971 (or one quarter of any higher amount determined by the URC under paragraph 1.1 above);
  - 2.2 If the member was previously a member of the Presbyterian Fund and was a member of the Widows and Orphans (Continuing Liability) Fund, there shall also be paid £150 per annum. In the event of re-marriage of the surviving spouse, this payment may cease at the discretion of the Pension Trustee.

**Rule 7.2.1.3 and Rule 7.2.1.4**

3. In addition to the spouses pension payable under Rule 7.2.1.3 or Rule 7.2.1.4 if the member was previously a member of the Congregational Fund, there shall also be paid £17.34 per annum for each year of pensionable service before 1 June 1971 (or any higher amount determined from time to time the URC).

**Rule 7.3**

4. In addition to the pension payable under Rule 7.3.1:
  - 4.1 If the member was previously a member of the Congregational Fund, there shall also be paid £17.34 per annum for each year of Pensionable Service before 1 June 1971 (or one quarter of any higher amount determined by the URC under paragraph 1.1 above);
  - 4.2 If the member was previously a member of the Presbyterian Fund and was a member of the Widows and Orphans (Continuing Liability) Fund, there shall also be paid £150 per annum. In the event of re-marriage of the surviving spouse, this payment may cease at the discretion of the Pension Trustee.

**Rule 10**

5. A pension payable to or in respect of a member who was previously a member of the Presbyterian Fund is increased in payment in accordance with Rule 10.1, but Rule 10.1 does not apply to any other pension payable under this Schedule 1.

**SCHEDULE 2**  
**MODIFICATIONS TO MAIN SECTION RULES FOR CERTAIN MEMBERS IN CONNECTION WITH**  
**BENEFIT CHANGES MADE IN 1993 AND 2006**

**Modifications**

**1. Rule 6.1**

**1.1** A Member who was receiving a pension on 1 November 1993 is entitled to a pension calculated in accordance with Rule 6.1.1 but based on Stipend as at 1 November 1993 (and then increased in payment in accordance with Rule 10.1).

**2. Rule 6.2**

**2.1** A Member who had reached his or her 65<sup>th</sup> birthday on 1 November 1993 but remained in the service of the URC or a Participating Body without drawing his or her pension, is entitled to a pension calculated in accordance with Rule 6.1.1 based on Pensionable Service up to his or her 65<sup>th</sup> birthday and Stipend at 1 November 1993, but with the amount of pension then increased over the period before it comes into payment:

**2.1.1** Firstly, by adding the amount in aggregate of any increases that would have been applied under Rule 10.1 if the pension had come into payment upon the member reaching his or her 65<sup>th</sup> birthday; and

**2.1.2** Secondly, by adding such additional amount of pension as the Actuary advises to be appropriate having regard to the period between the date on which the member reached his or her 65<sup>th</sup> birthday and the date on which the member retires.

**2.2** A member who had reached his or her 65<sup>th</sup> birthday on or before 30 November 2006 but remained in service without drawing his or her pension, is entitled, upon retirement from service, to a pension calculated in accordance with Rule 6.1.1 but calculated by reference to Pensionable Service completed up to the date of his or her 65<sup>th</sup> birthday and Stipend on that date, but then increased as follows:

**2.2.1.1** Firstly, by adding the amount in aggregate of any increases that would have been applied under Rule 10.1 if the pension had come into payment upon the member reaching his or her 65<sup>th</sup> birthday; and

**2.2.1.2** Secondly, by adding such additional amount of pension as the Actuary advises to be appropriate having regard to the period between the date on which the member reached his or her 65<sup>th</sup> birthday and the date on which the member retires.



**SCHEDULE 3**  
**MODIFICATIONS TO MAIN SECTION RULES FOR 1993 OPT-OUT MEMBERS**

**Modifications**

- 1. Objective:** the aim of this Schedule 3 is to describe the modifications required to the Main Section of the Rules in order to ensure that a member who opted out of the benefit changes adopted by the URC in 1993 is entitled to benefits consistent with him or her having opted out of those changes. In the event of any uncertainty as to the application or effect of this Schedule 3 the Pension Trustee shall determine the manner in which the Main Section of the Rules will be modified so as to give effect to the rights of a member to whom it applies, consistent with that aim.
  
- 2. Definitions**
  
- 2.1** Normal Pension Age: the member's 65<sup>th</sup> birthday.
  
- 3. Rule 5.1.3**
  
- 3.1** A member ceases to pay contributions upon reaching Normal Pension Age.
  
- 4. Rule 6.1**
  
- 4.1** A member is entitled to a pension of 1/80<sup>th</sup> of Pensionable Stipend for each year of Pensionable Service up to 5 April 1978 and 1/100<sup>th</sup> of Pensionable Stipend for each year of Pensionable Service after 5 April 1978.
  
- 5. Rule 6.3.1.1**
  
- 5.1** Rule 6.3.1.1 does not apply.
  
- 6. Rule 6.4**
  
- 6.1** Rule 6.4 applies to a member who postpones taking his or her pension beyond Normal Pension Age (ignoring references to the possibility of the member remaining in Pensionable Service beyond Normal Pension Age as an alternative to postponement).
  
- 7. Rule 6.5**
  
- 7.1** Rules 6.5.4 to Rule 6.5.10 inclusive do not apply and any pension paid on the grounds of Ill-Health is calculated as follows:
  - 7.1.1** In the case of a member who has greater than 20 years' Pensionable Service the pension is calculated under Rule 6.1.1 based on the member's actual Pensionable Service and paid without any reduction for early payment;
  
  - 7.1.2** In the case of a member who has less than 20 years' Pensionable Service the pension is calculated under Rule 6.1.1, but with his or her Pensionable Service increased, to a maximum of 20 years, by the length of his or her prospective Pensionable Service to Normal Pension Age. Where the member is in part-time service, the member's prospective Pensionable Service is reduced by the proportion that Pensionable Service bears to his or her total number of years as a Contributing Member.
  
- 8. Rule 7.1.1.1**

- 8.1** Where Rule 7.1.1.1 applies the lump sum is equal to one times Stipend at date of death irrespective of whether the member leaves a surviving spouse and/or one or more Children who are Dependant. If the member has never been paid the full Stipend the lump sum is calculated in accordance with the final sentence of Rule 7.2.1.1 but with references to 2 and 3 times' Stipend replaced with a reference to one times' Stipend.
- 9. Rule 7.1.1.2**
- 9.1** Where Rule 7.1.1.2 applies to a member in part-time service the member's Prospective Service to Normal Pension Age is Service is reduced by the proportion that actual Pensionable Service bears to his or her total number of years as a Contributing Member.
- 10. Rule 7.2.1.2 and Rule 7.2.1.4**
- 10.1** Rule 7.2.1.2 and Rule 7.2.1.4 do not apply.
- 11. Rule 7.6**
- 11.1** In Rule 7.6.1 the reference to age "23" is replaced with age "18" and there is no requirement for a child to be dependent on any person in order to qualify for the pension. References to an age later than 18 where the child remains in full-time education do not apply.
- 11.2** In Rule 7.6.2.1 and Rule 7.6.2.2 the references to £1158 and £579 respectively are replaced with a reference to "£50" or such higher amount as determined by the URC.
- 11.3** Rule 7.6.5 and Rule 7.6.6 do not apply.
- 12. Rule 8**
- 12.1** In Rule 8.1 the text after "(or by such higher percentage as is agreed between the URC and the Pension Trustee)" is ignored.
- 12.2** Rule 8.4.1.1, Rule 8.4.1.2 and Rule 8.4.1.3 do not apply.
- 13. Rule 10**
- 13.1** Rule 10.1.2, 10.1.3 and 10.1.4 do not apply and subject to 14.2 below, pensions in payment to which Rule 10 applies will re-calculated on any occasion on which the Stipend is increased as if the increased Stipend had been the Stipend applying at the time of original calculation.
- 13.2** A pension payable under Rule 8 is increased on each occasion on which Stipend is increased by the percentage equal to the increase in Stipend.

## **MODIFCIATIONS TO SCHEDULE 1 FOR 1993 OPT-OUT MEMBERS**

- 1. Rule 6**
- 1.1** In paragraph 1.1 "£69.37" is replaced with "£17".

**1.2** Paragraph 1.2 is modified to the effect that the accrual rate in respect of Pensionable Service completed prior to 1 January 1964 is 1.125% of Pensionable Stipend.

**2. Rule 7.1**

**2.1** In Paragraph 2.1 "£17.34" is replaced with "25% of the amount payable under Paragraph 1.1 above".

**3. Rule 7.3**

**3.1** In Paragraph 3 "£17.34" is replaced with "25% of the amount payable under Paragraph 1.1 above".

**SCHEDULE 4**  
**MODIFICATIONS TO MAIN SECTION RULES FOR 2013 OPT-OUT MEMBERS**

- 1. Objective:** the aim of this Schedule 4 is to describe the modifications required to the Main Section of the Rules in order to ensure that a member who opted out of the benefit changes adopted by the URC in 2012 (effective from 1 January 2013) is entitled to benefits consistent with him or her having opted out of those changes. In the event of any uncertainty as to the application or effect of this Schedule 4 the Pension Trustee shall determine the manner in which the Main Section of the Rules will be modified so as to give effect to the rights of a member to whom it applies, consistent with that aim.
- 2. Definitions**
  - 2.1** Normal Pension Age: the member's 65<sup>th</sup> birthday.
- 3. Rule 2.4.6**
  - 3.1** Rule 2.4.6 does not apply.
- 4. Rule 6.3.11**
  - 4.1** Rule 6.3.1.1 does not apply.
- 5. Rule 6.5.3.3**
  - 5.1** Rule 6.5.3.3 does not apply (but, for the avoidance of doubt, the final paragraph of Rule 6.5.3 does apply).
- 6. Rule 6.5.4**
  - 6.1** Rule 6.5.4 does not apply. Instead, a member qualifying for payment of his or her pension on the grounds of Ill-Health shall be entitled to a pension calculated under Rule 6.1.1 except that his or her Pensionable Service shall be treated as being of such length as it would have been had he or she remained in Pensionable Service until reaching his or her 65<sup>th</sup> birthday.
- 7. Rule 6.5.5 to Rule 6.5.10**
  - 7.1** Rule 6.5.5 to Rule 6.5.10 do not apply.
- 8. Rule 7.2.1.2 and Rule 7.2.1.4**
  - 8.1** Rule 7.2.1.2 and Rule 7.2.1.4 do not apply.
- 9. Rule 8.1**
  - 9.1** In Rule 8.1 the provisions after the words "(or by such higher percentage as is agreed between the URC and the Pension Trustee)" do not apply.
- 10. Rule 8.4.1.1 and Rule 8.4.1.2.**
  - 10.1** Rule 8.4.1.1 and Rule 8.4.1.2 do not apply.

# **Appendix 1**

**DATED**

**2017**

**THE UNITED REFORMED CHURCH MINISTERS' PENSION FUND**

**DEED OF AMENDMENT**

THIS DEED OF AMENDMENT is made on

2017

BETWEEN

- (3) UNITED REFORMED CHURCH (the "URC"); and
- (4) THE UNITED REFORMED CHURCH MINISTERS' PENSION TRUST LIMITED (the "Pension Trustee").

WHEREAS:

- (A) The United Reformed Church Ministers' Pension Fund (the "Fund") was established by an interim trust deed dated 29 May 1980 and is currently governed by the Trust Deed and Rules dated 5 December 2014 (the "Trust Deed and Rules").
- (B) The Pension Trustee is the trustee for the time being of the Fund.
- (C) Under Rule 16.1 the Trust Deed and Rules, the URC may alter or modify all or any of the provisions of the Trust Deed and Rules subject to the restrictions in Rule 16.2.
- (D) The URC wishes to alter the Trust Deed and Rules as set out in this Deed. The Actuary has provided a report on the financial effect of the alterations and none of the alterations breaches the restrictions in Rule 16.2.3.
- (E) The amendments made by this deed are not regulated modifications of the Fund within the meaning of section 67A(2) of the Pensions Act 1995.

THIS DEED WITNESSES as follows:

- 3. In exercise of the power in Rule 16.1 of the Trust Deed and Rules the URC makes the following alterations with effect from the date of this Deed:
  - 3.1 In Rule 1 (Definitions), the definition of "*Relatives*" is altered by replacing the penultimate "*of*" with "*or*" in the last sentence of the definition.
  - 3.2 Clause 6.5 is replaced by the following:

**"6.5 Ill-Health Retirement**

**6.5.1** *A Contributing Member who leaves Pensionable Service before Normal Pension Age due to Ill-Health shall be entitled to an immediate pension calculated in accordance with this Rule 6.5, provided that:*

**6.5.1.1** *The Pension Trustee has received evidence from a registered medical practitioner appointed by the Pension Trustee (or at the discretion of the Pension Trustee, some other registered medical practitioner) that the member is, and will continue to be, unable to carry out his or her occupation because of physical or mental impairment; and*

- 6.5.1.2** *The member agrees to inform the Pension Trustee if he or she commences paid employment.*
- 6.5.2** *The Pension Trustee must review the state of health of any member who receives a pension on the grounds of Ill-Health at regular intervals and at least once every 5 years unless it considers that it would be inappropriate to do so.*
- 6.5.3** *Where a member in receipt of a pension paid on the grounds of Ill-Health:*
- 6.5.3.1** *Does not agree to any medical examination that the Pension Trustee may require for the purposes of a review being carried out in accordance with Rule 6.5.2;*
- 6.5.3.2** *In the opinion of the Pension Trustee is no longer suffering from Ill-Health; or*
- 6.5.3.3** *In the case of a member who is not a Pre-2013 Member, and is, in the opinion of the Pension Trustee, capable of undertaking remunerated employment the Pension Trustee may reduce or suspend the payment of the pension for any period or periods before Normal Pension Age.*

*The Pension Trustee shall not be required to pay any amounts that were not paid while a pension was reduced or suspended in the event that the pension is increased back to its original level or recommences, but the Pension Trustee must be reasonably satisfied that the benefits (including death benefits) for a member who retires on the grounds of Ill-Health are at least equal in value to the benefits to which he or she would otherwise have become entitled on leaving the Fund under Rule 8.*

- 6.5.4** *A member who has less than 10 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.1.1, but calculated disregarding any Pensionable Service after reaching his or her 65th birthday.*
- 6.5.5** *A member who has greater than 20 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.1.1, except that:*
- 6.5.5.1** *The pension should be calculated disregarding any Pensionable Service after reaching his or her 65th birthday;*
- 6.5.5.2** *In the case of a member who has not reached his or her 65th birthday, his or her Pensionable Service shall be treated as being of such length as it would have been had he or she remained in Pensionable Service until reaching his or her 65th birthday; and*
- 6.5.5.3** *Where the member is in part-time service, the prospective Pensionable Service included when calculating his or her pension shall be calculated on the assumption that he or she remains in part-time service until reaching his or her 65th birthday, unless the Pension Trustee has exercised its discretion under Rule 2.2.2.*

**6.5.6** A member who has between 10 and 20 years' service as a Contributing Member shall be entitled to a pension calculated under Rule 6.5.4 plus an additional amount of pension calculated as follows:

$$(Pension\ B - Pension\ A) \times (C / 120)$$

Where:

**Pension A** is the pension calculated under Rule 6.5.4;

**Pension B** is the pension calculated under Rule 6.5.5 (but disregarding the requirement that the member must have completed 20 years' service as a Contributing Member for that Rule to apply); and

**C** is the number of complete months' in excess of 120 that the member has been in service as a Contributing Member.

**6.5.7** Where this Rule 6.5 applies to a Pre-2013 Member, if it would result in a higher pension than that calculated under whichever of Rule 6.5.4, 6.5.5 or 6.5.6 applies in his or her case, he or she shall instead be entitled to a pension calculated under Rule 6.5.8.

**6.5.8** The pension under this Rule 6.5.8 is whichever is the higher of:

**6.5.8.1** A pension calculated under Rule 6.5.5 as if the Pre-2013 Member had retired due to Ill-Health on 1 January 2013 (disregarding the requirement that the member must have completed 20 years' service as a Contributing Member for that Rule to apply). For the avoidance of doubt the pension under this Rule 6.5.8.1 is based on Pensionable Service up to 1 January 2013 and prospective service and Stipend at that date (and the calculation assumes that any change after 1 January 2013 from full-time to part-time service or vice versa had not occurred); or

**6.5.8.2** Pension B (as defined in Rule 6.5.6) but multiplied by the following fraction: the Pre-2013 Member's service as a Contributing Member up to and including 31 December 2012 divided by the Pre-2013 Member's total service as a Contributing Member up to retirement or reaching his or her 65th birthday if earlier (with each period calculated in complete months). When calculating Pension B for the purposes of this Rule 6.5.8.2, Pension B is calculated assuming that any change after 1 January 2013 from full-time to part-time service or vice versa had not occurred.

**6.5.9** Where the Pension Trustee has exercised its discretion under Rule 2.4.3 or Rule 2.4.4 (to aggregate periods of membership in the Fund), service as a Contributing Member and Pensionable Service for the purposes of this Rule 6.5 shall include such periods during which the member was entitled to pension under Rule 8.1 as the URC shall direct, provided that the URC must be satisfied that such service was of an appropriate ecumenical nature.

**6.5.10** A person who retired on the grounds of Ill-Health before 1 January 2013 is entitled to a pension calculated in accordance with Rule 6.5.5 irrespective of the length of his or her Pensionable Service."



**3.3** In the first sentence of Rule 7.1.1.2 the following words are deleted:

*" , except that in the case of a spouse who is of the same sex as the member or who is the Civil Partner of the member, the pension payable will be calculated only by reference to that part of the member's pension that relates to Pensionable Service after 5 December 2005."*

**3.4** In the first sentence of Rule 7.2.1.3 the following words are deleted:

*"except that in the case of a spouse who is of the same sex as the member or who is the Civil Partner of the member, the pension payable will be calculated only by reference to that part of the member's pension that relates to Pensionable Service after 5 December 2005."*

**3.5** In the second sentence of Rule 7.3.1 the following words are deleted:

*" , except that in the case of a spouse who is of the same sex as the member or who is the Civil Partner of the member, the pension payable will be calculated only by reference to that part of the member's pension that relates to Pensionable Service after 5 December 2005."*

**3.6** The third sentence of Rule 7.5.2 is deleted.

**4.** Words and expressions used in this deed but not defined shall, where the context so admits, have the meanings given to them in the Trust Deed and Rules.

**5.** This deed may be executed in any number of counterparts, all of which taken together shall constitute the same deed.

**THIS DEED** has been executed and delivered by the parties on the date written at the top of the first page.

**EXECUTED** as a deed by )

**UNITED REFORMED CHURCH** )

acting by following duly authorised person )

Witness signature: .....

Witness name: .....

Witness address: .....

.....

.....

Witness occupation: .....



**EXECUTED** as a deed by )

**UNITED REFORMED CHURCH** )

**MINISTERS' PENSION TRUST LIMITED** )

acting by the following duly authorised person )

Witness signature: .....

Witness name: .....

Witness address: .....

.....

.....

Witness occupation: .....