

## **Note for the Pension Trustee: Proposed new URCMPF Trust Deed and Rules**

This note updates the paper discussed on 24<sup>th</sup> September to reflect the final version of the Rules taking into account all comments. It will be made available to Mission Council alongside the new Trust Deed and Rules for their approval (acting on behalf on General Assembly), and the subsequent signing of the Deed by the authorised representatives of the URC and URCMPT Ltd.

### **Aims**

- i. To produce a single document replacing the current Trust Deed and Rules. The main body of the Rules will describe the main scheme benefits for service from mid 1971 to the present for members who have not opted out.
- ii. To describe in separate schedules the details of the differences in benefits for other members such as opt-outs or those with service in the two original amalgamated schemes.
- iii. To identify and resolve any obvious gaps in the current rules, remove obsolete provisions and update legislative references.
- iv. To replicate the benefits provided under the current rules except where legislation or the Church's actual practice in administering the fund requires a change including the specific issues identified in 2013.

### **Reviewing the new rules**

The remainder of this note summarises the most important aspects of the new rules that the Trustees have considered and reflects decisions made.

The first six numbered sections highlight the few areas where arguably the provisions in the new rules differ in some respect from those under the current rules. The remaining sections can be taken as 'for information' but may need some clarification. I have not mentioned purely technical changes designed to respond to current legislation or remove redundant provisions unless they have a significant effect upon the way members are treated.

For those who wish to track right back into the rules, Appendix 2 contains a tabular mapping of the new rules back to the old ones with some explanatory notes.

### **Who holds which powers and responsibilities?**

The current rules are not entirely clear about who is actually responsible for many activities, although clear practice has been established and is reflected in what follows.

Where there are 'employer' responsibilities the responsibility is generally ascribed to "Assembly", but in some specific areas the "Committee" is implicated. In the new rules all references to the 'employer' in connection with the right to make changes/decisions is to the "URC". This then allows Mission Council (on behalf of General Assembly) to delegate any specific responsibilities where it wishes. A suggested set of delegations is set out in Appendix 1.1.

As far as the Trustee's responsibilities are concerned, the old rules contain some specific delegation powers, but these do not adequately cover all the situations that do or may arise. The new rules incorporate a section (15) on the management of the Fund which includes

specific delegation powers in 15.6.3 (for investment), 15.7 (general) and 15.9.1 (administration).

Appendix 1.2 describes the delegations that the Board are invited to agree should apply from the date of the new Rules.

## **Important Changes**

### **1. Early leavers: the preservation requirements, death benefits up to NPA, early and late retirement**

One issue to be resolved relates to the complexities of interpreting the statutory requirement to preserve the value of early-leavers' benefits (up to "normal pension age" (as defined in legislation), through the application of statutory revaluation) after the change of NPA (as defined in the Rules). To an extent the current rules avoid certain difficult questions because the rules are silent on revaluation and so the Trustee is required to apply the statutory minimum.

Due to ambiguity between the Pensions Scheme Act 1993 and Occupational Pensions Board guidance, Travers Smith cannot tell us without doubt what the statute requires and in particular there is uncertainty as to whether or not statutory revaluation applies to age 68 even in respect of pension accrued before the change in NPA. However they have suggested a way forward which represents a reasonable way of proceeding. The suggested approach is "not obviously at odds with the current rules and is sensible in that it attempts to provide a way forward on revaluation without entrenching any entitlements in excess of the statutory requirements".

Travers Smith therefore propose that:

1. The rules state that deferred pensions are to be increased by the percentage required by the Revaluation Requirements (defined as the legal minimum), or such higher percentage as is agreed by the URC and Pension Trustee (this is therefore consistent with the current rules).
2. Separately, the URC and the Pension Trustee would agree the method of calculating deferred pensions to be applied until further notice.

They observe that if it later transpired that the Fund was doing more than was required by law and the URC and Pension Trustee wanted to just do the legal minimum, this approach would not have entrenched more favourable treatment. If it transpired that the Fund was not doing enough benefits would need to be corrected but it is preferable to be in this position than to have given unintended rights.

This is therefore what is recommended, and has been included in the new rules at 8.1. The following sets out the statement to be agreed between the URC and the Trustee:

"Pension accrued up to and including 31 December 2012 should be revalued to age 65 and then increased over the period to Normal Pension Age in accordance with Rules 6.4.1.1 and 6.4.1.2. Pension accrued after 31 December 2012 should be revalued to Normal Pension Age."

The Board is asked to approve this statement for use with the new Rules.

The new rules (7.2) also correct an error in the present rules for death benefits for married early leavers who die between ages 65 and 68. Specific provision for early and postponed pension payments for early leavers is also included (rules 8.4 and 8.5).

## **2. Maximum age for entry/re-joining**

The rules permit anyone to join the Fund up to Normal Pension Age. The new rules clarify that this is the maximum age at which a member may re-join the Fund in any situation. (see Definition of Pensionable Service and rule 2.4)

Note that under the auto-enrolment requirements we have to enrol anyone starting employment (or for anyone who has opted out, every 3 years) in an appropriate pension arrangement up to State Pension Age. From SPA to 74, the individual may ask to join such an arrangement. The NEST scheme or similar will be used for any such unusual cases at an appropriate contribution level.

## **3. Taking Benefits after NPA**

Some active and deferred members do not take their benefits at NPA and those who work beyond NPA may also not take immediate benefits when they cease service. This is referred to in the new rules as a “postponed pension”. As at present, the pension they ultimately receive is the amount due at the later of reaching age 68 or leaving service increased by any subsequent pension increases (as if their pension was in payment from NPA or later date of leaving) and by an actuarial factor to account for late payment. (See rule 6.4)

Taking this approach has then helped resolve a particular problem with the old rules, concerning the death of the member during any such period of postponement. At present the current rules only specify that a death benefit is payable where, during the period of postponement, the member “has continued in the service of the URC or any Participating Body”. In this case the death benefits are those that would have applied if the member had retired on the day before retirement (broadly, 5 years of member’s pension plus a spouse pension where applicable). In the new rules such benefit applies to all deaths during postponement. (see rule 7.4)

## **4. Same-sex spouse benefits**

At present (and as decided by General Assembly in 2006) Civil Partners, in accordance with the legislative minimum, receive a spouse's pension and the benefit of any AVC contributions in respect of the period from 5 December 2005. Now that there is the possibility of same-sex spouses, we have been advised by Travers Smith that they should be granted the same benefits as Civil Partners pending a government decision on whether for either of these should be given any further rights. (see rules 1.2.9, 7.1.1.2, 7.2.1.3, 7.3.1, 7.5.2).

## **5. Cash Lump Sum Limits**

At present, we limit the tax-free cash lump sum to 25% of any AVC fund plus 3/80<sup>th</sup> of stipend for each year of pensionable service (with a maximum of 1.5 x stipend). The latter limit is a carry-over from the old Inland Revenue limits. Under current legislation it is now possible to take 25% of the value of the whole pension – a larger amount. When this new limit was introduced into legislation the trustees decided not to increase the tax-free cash that could be taken by ministers.

The new rules (6.6, 6.7) allow members to take a cash lump sum at retirement from their AVC fund and by commutation of their pension up to the prevailing maximum allowed under legislation. At the discussion of the Board members present on 24<sup>th</sup> September, it was felt that the maximum limit should be made available to all retiring ministers, whilst also warning them that the financial value of commuted benefits, even after considering taxation, was not normally as much as the value of the pension they would be giving up. It was also felt that the Trustee should ask the actuary to review the commutation factors

used.

While we have no plans to allow further taxed withdrawals from AVC funds at retirement under the government's latest proposals, the new rules (17.1) would allow the member, with the consent of the Trustee, to take a transfer of just his or her AVC funds to a pension arrangement that did offer the new flexibility.

## **6. Early leavers' benefits – 0 to 24 months' service**

As a simplification of the current approach, the new rules (8.1-3) will provide that

(a) members who leave with less than 3 months service have no right to a deferred pension and so must take either a refund of their contributions with interest, or a similar transfer to another fund, and

(b) that the deferred pension available to any member leaving with between 3 and 24 months' service will be the same as granted for over 2 years service, i.e. based on accrued service and stipend at the leaving date, increased as appropriate under the statutory revaluation basis.

This removes the current requirement for the actuary to calculate early leaver benefits for a member with less than 24 months' service based upon the member's contributions received to date. As one might expect, the actuary does not recall ever having handled the calculation of benefits for a leaver with less than two years service. To do so as a one-off would be quite expensive and might give rise to a broadly similar total cost to that of improving the early leaver benefit as proposed.

This has knock-on implications for the death benefits of those with deferred pensions where the new rules remove the special death benefits applying to those who left with less than two years' service. In future, regardless of the length of service, a return of contributions with interest be paid on the death of all single deferred pensioners, while a pension of half the deferred member's pension be paid where there is a spouse.

### **Further points 'for information'**

## **7. The balance between the Trust Deed and the Rules**

The current Trust Deed contains various provisions relevant to the Pension Trustee and also the management of the Fund. The approach adopted has been to move any such provisions into the new rules so as to have all key provisions in the same part of the document. The new Trust Deed simply adopts the new rules. It does however importantly make clear that the new rules govern all benefits payable in respect of any beneficiary under the Fund.

## **8. Removal of Individual Trustee Provisions**

The Fund currently has only one corporate trustee and no individual trustees but the old rules also somewhat imperfectly allowed for the use of individual trustees. This seems most unlikely to be necessary since we may simply change the directors of the corporate trustee; provisions relating individual trustees have been removed as a simplification. Provisions about trustees (as opposed to powers/responsibilities) now all reside in rules 12-14.

## **9. Appendix and Schedule to old rules**

These covered the detailed requirements for pension-sharing on divorce and the old Inland Revenue approval requirements. They are never referred to in practice. The new rules therefore make appropriate reference to the actual legislation concerning pension sharing in the body of the rules (10.11) and omit the Appendix and Schedule.

## **10. Re-joining**

We have gathered all the situations in which members may re-join the Fund into one rule 2.4. This now additionally includes the right under auto-enrolment for potential/past members to opt in to membership at any time.

## **11. Re-joining terms**

The provision for the aggregation of periods of service for re-joiners (rule 2.4.3) who have pre-2012 service now makes it clear that after aggregation any pre-2013 benefits will continue to be treated as such, but benefits from the date of re-joining would be on the post 2013 terms.

Schedule 4 clarifies that anyone who opted-out of the 2013 changes, who leaves service and subsequently re-joins would, if he or she applied for aggregation of benefits have their benefits built up before leaving treated on the pre-2013 basis while benefits from the date of re-joining would be on the post 2013 terms.

## **12. Temporary absence and maternity leave**

When the members' booklet included a description of our current administrative practice Travers Smith suggested that "the rules should make more detailed provision for periods of absence, in particular in relation to maternity leave etc".

However the legal requirements for maternity/paternity pay etc are unsettled at present, and so we have decided to limit a new rule 9.1 to setting out that we will follow the statutory requirements (even if they do not strictly apply to 'office-holders'), unless the URC decide to offer improved terms.

The new rules include our temporary absence practice in 2.4.4. This provides for an option to buy back service during periods of temporary absence up to 12 months (even if not for maternity). This is offered subject to Trustee and Church consent since the Church would then need to pay its contribution for the absence period. As noted in Appendix 1.1, it is envisaged that the Maintenance of the Ministry sub-committee would make this decision on the Church's behalf.

## **13. AVCs**

Further to previous discussions with the Trustee, the new rules clarify that on death the AVC fund is paid under discretionary trust and offer an option for some of the fund to be used to buy spouse benefit (rule 7.5).

In addition, in 5.2 extends the current provisions that allow the Trustee to introduce other external investment options for AVCs.

## **14. The provision of children's benefits**

Rule amendments in 2013 were necessary to stop a number of unauthorised payments being made from the Fund. The new rule 7.6 defines which benefits are payable from the Fund. This rule also makes clear that, while in calculating the total amount payable the allowance is greater in respect of the first child, the total allowance is to be spread equally across all children – and so it terminates in equal steps as successive children cease to qualify for a payment.

## **15. Pension escalation**

The old rules did not make provision for increases on pensions arising under the 2013 rule for ill-health pension. This is now covered in 10.1.1.5.

## **16. Benefits in respect of pensionable service before 1 July 1971**

Schedule 1 defines the additional benefits for such service – these used to be embedded in the rules.

## **17. 1993 and 2006 rule changes**

Schedule 2 rebases pensions commenced before the 1993 changes (which were linked to stipend increases) to the 1993 level before the new escalation provisions apply. It also makes similar provision for those who had passed age 65 before the change date.

The schedule also defines the different late retirement basis for members attaining 65 before 30 November 2006.

## **18. 1993 Opt-outs**

The small number of members who opted out of rule changes in 1993 in essence retained the right to have pensions in payment increased in line with stipend, an accrual rate of 1/100<sup>ths</sup> and a normal pension age of 65. There are other differences in member benefits for example in respect of pre 1971 Congregational benefits; a more limited form of service enhancement on ill-health retirement; the level of children's benefits; lump sum death benefit.

To date the rules in their pre-1993 form in their entirety have been applied to these members, except where legislation has had an over-riding effect. This creates complexity in scheme administration with the attendant risk of error. For this reason, and as part of the drive for simplicity, the new rules apply to these members except where specific benefit differences are included in Schedule 3. This is permissible since there are no adverse consequences from any changes that are not driven by legislation.

## **19. 2013 Opt-outs**

Schedule 4 specifies the modifications to the body of the rules that allow this group of members to retain benefits at 65 and a slightly different ill-health retirement rule.

### **Finally**

Rule 34 of the current rules concerns the amendment of those rules:

- 34.1: Any rule change requires a report on the financial effect on the fund by the actuary. As the aim has not been to replicate the current benefits the actuary's view, to be confirmed in a formal letter, is that there are no significant additional costs.
- Rule 34.2 contains the provision to allow an opt-out where any change has an appreciable adverse effect on a member's pecuniary rights; no such change is proposed.
- Rule 34.4 protects pension rights accrued to date; no such change is proposed.
- I therefore do not believe that anything in rule 34 limits our ability to introduce the new Trust Deed and Rules and Travers Smith have confirmed this.

Chris Evans  
Convenor, Pensions Executive  
1<sup>st</sup> October 2014

## Appendix 1. Recommended Delegations for the URC Ministers’ Pension Fund (URCMPF)

The new Trust Deed governing the URCMPF is between the United Reformed Church (URC) and the United Reformed Church Ministers’ Pension Trust Limited (the Pension Trustee). Reflecting the position under the current rules, the new Rules define the powers and responsibilities of the URC and the Pension Trustee. While the current rules currently place responsibility for some matters on the “Maintenance of the Ministry Committee” (ie the MoM Sub-committee of the Ministries Committee) in practice many other matters have been informally or formally been delegated, predominantly to the Pensions Executive. It is proposed that in conjunction with the new rules Mission Council (acting for the URC) and the Pension Trustee formally adopt the delegations set out below.

### 1.1 The URC delegates the following actions and responsibilities in relation to the URCMPF:

Rule	Summary of action/responsibility	Delegated to:
1.1	Acceptability of suitable occupation (for ill-health rule purposes)	Pensions Executive
2.1.3	Admission of a late joiner	Pensions Executive
2.4.4	Permission for buying back temporary absence and authorising associated URC contributions	MoM Sub-committee
6.5.9	Service credit for ill health pension purposes when engaged in ecumenical work	Pensions Executive
7.6.5	Annual review of the level of dependent children’s benefits	MoM Sub-committee
15.1.1	Consent for new Participating Body	Pensions Executive

### 1.2 The Pension Trustee delegates the following actions and responsibilities under Rules 15.7 and 15.9:

Rule	Summary of action/responsibility	Delegated to:
2.1.3	Permission to enter Fund late	Pensions Executive
2.2.2	Retention of full pension basis on reducing scoping	Pensions Executive
2.4.2	Determining the benefits for some re-joiners	Pensions Executive
2.4.3	Agreeing to the aggregation of service for re-joiners	Pensions Executive
2.4.4	Buying back service after temporary absence	Pensions Executive; the MoM Sub-committee will act for the URC
5.2.4	Determining the rates of return on AVCs	Chief Finance Officer
5.2.7	Agree deferment of AVC at Retirement	Pension Fund Manager
6.5.1	Judgement of initial Ill-Health evidence	Pensions Executive

6.5.2	Review of state of health of member receiving Ill Health pension	Pensions Executive
6.5.3	Judgment on Ill-Health status; judgement of employment capability; suspension or reduction of pension	Pensions Executive
6.7.2	Applying serious ill health or trivial commutation rule	Pensions Executive
7.6.1	Recipient of Children's pension	Pensions Executive
7.6.6	Eligibility for Children's pension	Pensions Executive
10.5	Recipient(s) of funds under discretionary trusts	Pensions Executive
10.8	Dealing with an incapacitated beneficiary	Pensions Executive
15.6.4-7, 15.6.11, 15.6.14	Appointment of fund manager; appointment of Custodian; preparation of statement of investment principles	The Trustee Board on the recommendation of the URC Investment Committee
15.7	Management of the relationship with fund managers; rebalancing of assets	URC Investment Committee
15.8, 15.9	Administration of the Fund and all member communications including disclosure	Pension Fund Manager advised by the Actuary
15.9	Financial record keeping and transactions	Chief Finance Officer
17.1.2.2	Treatment of partial transfers	Pensions Executive



## Appendix 2 - Mapping of New to Old Rules

NB where the Note below refer to “no change” this means that the new rule has the same effect as the old one – most have actually been rewritten to improve clarity.

Subject	New Rules	Old Rules	Notes
<b>Trust Deed</b>		Page 1	Old Deed included some Trustee indemnity, investment, amendment, appointment and delegation details now within new Rules 13-17. The new deed inter alia replaces Rules 1 (name) and 47 (commencement date)
<b>Definitions and Interpretation</b>	1		
Definitions	1.1	Page 5-8	Now alphabetically organised, more extensive with updated legislative references. Important new/changed definitions include: Ill-Health, Inland Revenue Limits, Investment Regulations, Stipend/Plan for Partnership, Pension Commencement Lump Sum, Pensionable Service, Pre-2013 member (to replace Residuary Member), Unauthorised Payment.
Interpretation	1.2	Page 8	A more extensive provision than the current rules
Rule Structure	1.3	-	New - explaining that the main section describes benefits from 1971; the Schedules modify these benefits for various special categories of member.
Fund History	1.4	1.	Covered in a different way
<b>Membership</b>	2	12-14	Several elements removed as they only relate to events that could only have occurred before then new rules. Contributing Member is now defined in the Definitions. The distinctions between contributing and non-contributing members in 13 are not now needed.

<b>Subject</b>	<b>New Rules</b>	<b>Old Rules</b>	<b>Notes</b>
Joining the Fund	2.1	12, 14.1.1.1	Reflects the relevant parts of 12 and essentially replicates the old rule 14.1.1.1-4 without situations that can no longer happen and with part of 13.6 for late joiners
Part-time Service	2.2	14.1.2	Replicates old rules but also includes elements from the old definition of pensionable service
Opting-out of membership	2.3	14.3	Notice period reduced in the light of auto-enrolment requirements.
Re-joining the Fund	2.4	13.6, 14.2	2.4 is a general provision for re-joining which includes parts of 13.6 2.4.2 is a new provision to specifically allow the trustee to determine the terms for re-entry when in receipt of a pension or after opting out. 2.4.3 has the same effect as 14.2 2.4.4 is new and follows URC practice for temporary absence
Closure to new entrants	2.5	4	No change
<b>Transfers In</b>	3	28A, 41.2	No change but much simplified
<b>Participating Bodies Contributions</b>	4		
Contributions	4.1	15.2	No change
Expenses	4.2	15.2	No change
Statutory Debts	4.3	50	New wording to allow any action permitted under the legislation
<b>Contributing Members' Contributions</b>	5		
Normal Contributions	5.1	15.1, 15.3, 16	No change, except to remove the need for advice from the Actuary and the frequency with which contribution rates may be changed
Additional Voluntary Contributions	5.2	17	Reflects current provisions, with amplified provision for the use of external funds if the Trustee wishes. Contains specific provision for deferring taking the AVC proceeds

<b>Subject</b>	<b>New Rules</b>	<b>Old Rules</b>	<b>Notes</b>
<b>Retirement Benefits</b>	6		Now relies on extended/new definitions of Pensionable Service and Pensionable Stipend
Normal Retirement	6.1	18.1	Schedule 1 contains pre 1971 benefits (18.2). Schedule 2 covers 18.3 & 18.4. 18.5 covers Children's pensions that are now not allowable from the Fund and provided separately
Late Retirement	6.2	19.2	19.1 is now in Schedule 2. 19.3 is now in 6.4
Early Retirement	6.3	21	Now provides for appropriate treatment for pre 2013 benefits
Postponed Pension	6.4	19.3	No change
Ill-Health Retirement	6.5	20, 20A	No change
Additional Voluntary Contributions	6.6	-	A new provision that covers the payment of the AVC retirement benefits including as a cash lump sum
Cash Sum	6.7	26	Modified to reflect current legislation (see note to Trustees)
<b>Death Benefits</b>	7		NB old rule 49 re civil partnerships is now covered in each benefit section where spouse benefits arise – and same-sex spouses are granted the same benefits
Death In Service	7.1	22	No change – except 22.3 is included within 7.6 to the extent that children's benefits are allowable
Death in Deferment	7.2	42	Major rewrite to include the benefits payable in respect of pre-2013. These were incorrect in the old rules
Death in Retirement	7.3	23.1, 23.2	No change – except 23.4 is included within 7.6 to the extent that children's benefits are allowable
Death in Postponement	7.4	23.3	This now applies to all postponed pensioners
Additional Voluntary Contributions	7.5	-	The previous rules did not explicitly cover AVC death benefits. This rule reflects discussions previously held by the trustees

<b>Subject</b>	<b>New Rules</b>	<b>Old Rules</b>	<b>Notes</b>
Children's Pensions	7.6	48	Only covers the payments that legislation permits. Note that the rule calculates the total benefit but then says that it should be applied equally for the benefit of all children. This implies that the pension then reduces in even steps as the children cease to qualify.
Death of a former spouse before implementation of Pension Sharing Order	7.7	-	New Rule re Pension-sharing
Trivial Commutation	7.8	-	New Rule
<b>Leaving Benefits</b>	8		
Deferred Pension	8.1	29.1.1, 29.2.1	The footnote contains the wording to be agreed between Trustee and URC to cover statutory revaluation.
Refund of Contributions/Transfer of Contributions	8.2	29.1.1	No change
Cash Transfer sum	8.3	29.1.1	No change
Early Payment of Deferred Pension	8.4	-	New
Postponed Payment of Deferred Pension	8.5	-	New
<b>Breaks and Absence</b>	9		
Maternity absence	9.1	-	Describes statutory pension requirements with ability for URC to enhance if it wishes
<b>Other Rules Affecting the Payment of Benefits</b>			
Pension Increases	10.1	25	This now covers all relevant benefits
Augmentation	10.2	44.1, 44.2	No change. 44.3 and 44.4 are not required

<b>Subject</b>	<b>New Rules</b>	<b>Old Rules</b>	<b>Notes</b>
Payment of Benefits	10.3	27, 31	No change
Provision of Information	10.4	39	No change
Payment of Lump Sum Death Benefits	10.5	-	This section covers the payment of benefits under discretionary trusts; these were mostly covered in the definitions of the old rules.
Recovery of Tax	10.6	29.3, 40	No change
Assignment, Surrender etc	10.7	30.1-3	Substantially rewritten to reflect legislative changes – 30.4 moved to 10.11
Incapacity of Beneficiary	10.8	38	This updates the disability provision and now takes into account the fact that third parties may be legally or de facto taking care of the member
State Pension	10.9	32	No change
Compliance with Laws	10.10	-	New provisions to ensure compliance with legislation
Pension Sharing on Divorce	10.11	30.4	New section drafted by TS
<b>Tax Limits</b>	11	43	Incorporates old Rule 43 but is substantially new provision for legislative reasons
<b>Trustees</b>	12		
Fund Held Under Trust	12.1	-	Reflects 4. of the old trust deed
Appointment and Removal of Trustees	12.2	-	Modified version 10. of old trust deed – now only allows one corporate trustee at a time
Remuneration of Trustees	12.3	-	Modified version 7. of old trust deed
Trustees may benefit	12.4	46	No change
Conflicts of Interest and Duty	12.5	-	New
<b>Trustees' Meetings</b>	13		
Exercise of Powers	13.1	45	Changed to place emphasis on the articles of association of the trustee

<b>Subject</b>	<b>New Rules</b>	<b>Old Rules</b>	<b>Notes</b>
<b>Trustee's Protection</b>	14	-	This is based upon old trust deed sections 6.1, 6.2, 6.3, 6.5 – but framed in a way which TS recommend to meet current best practice
<b>Management of the Fund</b>	15		
Participating Bodies	15.1	14A	No change
Audit	15.2	8 & 9	No change
Actuarial Valuations	15.3	10	Updated for current legislation
Secretary, Actuary and Auditor	15.4	5	Updates eligibility to be actuary and accountant. Retains the right to appoint a secretary but allows duties to be defined as required
Management Expenses	15.5	11	No change
Investment	15.6		This section aims to reflect best current practice
<i>Investment Powers</i>	15.6.1	6.3-6.6	Somewhat expanded and in line with current permitted investments
<i>Cash</i>	15.6.2		New
<i>Delegation</i>	15.6.3	6.2	More detailed provisions
<i>Binding Fund Assets</i>	15.6.4	-	New
<i>Pooling</i>	15.6.5	-	New
<i>Insurance</i>	15.6.6	6.7	No change
<i>Custodian</i>	15.6.7	6.1	Much expanded provision for custodianship
<i>Borrowing</i>	15.6.8	7	An updated provision reflecting relevant legislation
<i>Pensions Act &amp; Investment Regulations</i>	15.6.9	-	New
Delegation	15.7	-	This is new to permit current practice of delegation and future changes to be accommodated

<b>Subject</b>	<b>New Rules</b>	<b>Old Rules</b>	<b>Notes</b>
Disclosure	15.8	37	An updated provision reflecting relevant legislation
Administration	15.9	3 & 33	Now allows the Trustee to delegate the administration to anyone it deems appropriate – at present this is only allowed within the URC. Also relieves those taking decisions on behalf of the URC of any personal liability to the Trustees – as in old rule 33
<b>Amendment</b>	16		
Amendment Power	16.1	34.1	No change
Restrictions	16.2	34.1-4 2.1	No change. NB 16.2.3 states the purpose of the Fund by implication
Trustee Consent	16.3	-	Captures the parts of old trust deed now in the Rules – and which can only be changed with Trustee consent
<b>Transfers and Buy-outs</b>	17		
Individual Transfers Out	17.1	41.1	This covers the transfer out provisions included before, but in a more straightforward manner. It removes the 12 month limitation in 41.1.1 and allows a partial transfer, which may be useful at retirement for example to allow an AVC fund to move to a provider who can offer some form of cash draw-down instead of annuity purchase
Bulk Transfer Out	17.2	36	This is an extended version of rule 36 to allow the full range of market possibilities
Buy-out	17.3	36	This is an extended version of rule 36 to allow the full range of market possibilities
<b>Winding-up</b>	18		
Determination of the Fund	18.1	35.1	No change – though this is quite a limited set of circumstances in which winding-up may occur
Effects of Determination	18.2	35.1	No change

<b>Subject</b>	<b>New Rules</b>	<b>Old Rules</b>	<b>Notes</b>
Winding-up	18.3	35.2	Basically as at present with the power to add insurance for trustee protection as recommended by TS
<b>Benefits in Respect of Service before 1 June 1971</b>	Schedule 1	24	Sets out modifications to the main body of rules for this group
<b>Modifications to main section rules for certain members in connection with benefit changes made in 1993 and 2006</b>	Schedule 2		Sets out modifications to the main body of rules for this group
<b>Modifications to main sections for 1993 opt-out members</b>	Schedule 3		Sets out modifications to the main body of rules for this group
<b>Modifications to main section rules for 2013 opt-out members</b>	Schedule 4		Sets out modifications to the main body of rules for this group