METHODIST MINISTERS' PENSION SCHEME

RULES

with effect from 1 September 2014

I, Nadeem Azmar, Solicitor, certify this to be a true copy of the original document which I have seen and a true and up to date version of the MMPS Rules in force

Signed on behalf of Methodist Ministers' Pension Trust Limited

..... 30/3/15

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A1. GOVERNING PROVISIONS

(a) With effect from 1 September 1993 the Scheme formerly called "The Methodist Ministers' Retirement Fund" has been known as "The Methodist Ministers' Pension Scheme".

(b) The Scheme is a single employer scheme. The main purpose of the Scheme is the provision of Authorised Member Payments for and in respect of persons admitted to membership of the Scheme.

(c) The benefits, rights and options of Members who were in Service on 1 September 2010 (other than any such Member whose current membership of the Scheme has ceased for any reason on or before that date) and persons who become Members after that date shall be in accordance with these Rules.

(d) The benefits rights and options of or in respect of persons who having been Members before the 1 September 2010 have an entitlement to payment of retirement benefits from the Scheme or Members who have ceased to be in Service before that date or whose current membership of the Scheme has ceased for any other reason before that date shall be in accordance with the rules of the Scheme at the date of such cessation or other appropriate date except that (i) the provisions relating to transfers from the Scheme (which are described in Rule B15) shall with the necessary changes be available at the written request of such a Member made prior to commencement of payment of any benefit from the Scheme in respect of such Member and (ii) the winding-up of the Scheme shall be in accordance with Rule A20 and (iii) any other provisions of the Rules determined by the Trustee shall apply to any Member or group of Members to the extent notified to such Members, and in respect of such Members such previous rules shall be deemed to have been amended to such extent.

(e) These Rules shall be construed and take effect according to the Law of England and Wales.

A2. INTERPRETATION

In these Rules:-

(a) unless the context requires otherwise the singular shall include the plural (and vice versa);

(b) reference to any Act of Parliament or to any part or section thereof shall be deemed to include any statutory regulations made thereunder and shall also include any statutory provisions in force in Northern Ireland corresponding to the provisions of the said Act and any statutory modification or re-enactment of any of the aforementioned for the time being in force;

(c) the Rules consist of the Part A Rules, the Part B Rules and the Appendix together with any variations of or additions to or substitutions for the same duly made;

(d) reference to any particular Rule by letter and number shall be a reference to the Rule so numbered in Part A or Part B as the case may be unless otherwise stated;

(e) the expressions defined in the Appendix to these Rules shall have the meanings therein ascribed to them;

(f) in the interpretation of any particular Rule the heading to that Rule shall be disregarded; and

(g) any powers duties and discretions of the Conference shall unless otherwise specified in these Rules be exercisable by resolution of the Conference or by any officer or officers properly appointed by it for that purpose as recorded in either case in the Journal of the Conference.

A3. APPOINTMENT, RESIGNATION AND REMOVAL OF THE TRUSTEE

(a) The power of appointing the Trustee hereof shall be vested in the Conference and shall be by resolution of the Conference.

(b) The provisions of this Rule A3 shall be subject always to the applicable provisions of the Pensions Acts.

(c) The Conference shall exercise the power contained in Rule A3(a) in such manner that at any time there is a duly appointed Trustee which shall be a corporate body.

(d) The Trustee may resign its appointment as the Trustee hereof by serving on the Conference at least twelve months' notice in writing to that effect which shall be delivered to or sent by post to the Secretary of the Conference and at the 31 August following the expiry of such notice the Trustee shall be deemed to have retired and to have been discharged from the trust and the resigning Trustee and the Conference shall execute such documents and do such things (if any) as may be necessary to give proper effect to such retirement.

(e) The Conference may by resolution remove the Trustee from the office of Trustee of the Scheme as from a date not less than twelve months later than the adoption of the resolution. Notice in writing of any such resolution shall forthwith be prepared by the Secretary of the Conference and delivered to the Trustee or sent by post to the registered office of the Trustee and at the date specified in the resolution the Trustee shall cease to be the Trustee and shall be discharged from the trusts hereof.

A4. DUTIES OF THE TRUSTEE

(a) The Trustee shall manage the Fund under irrevocable trusts in accordance with the Rules and shall administer the Scheme in such a way (i) that the main purpose of the Scheme remains the provision of Authorised Member Payments for and in respect of such persons as shall become Members and (ii) as to maintain the continued registration of the Scheme as a Registered Pension Scheme.

(b) The Trustee shall be the Administrator of the Scheme for the purposes of Section 270 of the Finance Act. The Trustee may resign from the office of Administrator of the

Scheme by serving upon the Secretary of the Conference at least twelve months notice to that effect in writing and after the expiry of such notice the Trustee shall be deemed to have resigned from such office but may continue as the Trustee subject to the provisions of Rule A3 hereof. In such event the Secretary of the Conference shall be the Administrator of the Scheme for the purposes of Section 270 of the Finance Act unless and until the Conference appoints another Administrator.

A5. PROCEEDINGS OF THE TRUSTEE

All the powers duties and discretions of the Trustee in relation to the Scheme shall unless otherwise specified in these Rules be exercisable by its board of directors or by any officer or officers properly appointed by it. Such powers duties and discretions shall subject to Rule A4(a) be exercised in accordance with the applicable provisions of the Pensions Acts and of the memorandum and articles of association for the time being in force of the Trustee.

A6. APPOINTMENT OF AUDITOR AND SCHEME ACCOUNTS

(a) The Trustee shall appoint as auditor to the Scheme an individual or a firm who or which satisfies the requirements of the Pensions Acts in relation to auditors of occupational pension schemes. Any such appointment shall be on such terms as to remuneration and otherwise as shall be agreed between the Trustee and such auditor subject always to the provisions of the Pensions Acts.

(b) The Trustee shall keep such accounts entries registers and records as are necessary for the proper working of the Scheme and shall cause the said accounts to be audited annually by the auditor appointed as described above. Such auditor shall have access to all books papers vouchers accounts and documents connected with the Scheme and shall certify in writing the result of each audit.

A7. APPOINTMENT OF ACTUARY

The Trustee shall appoint an actuary to the Scheme who shall be a Fellow of the Institute of Actuaries and/or of the Faculty of Actuaries. Such appointment shall be on such terms as to remuneration and otherwise as shall be agreed between the Trustee and the Actuary subject always to the provisions of of the Pensions Acts.

A8. ACTUARIAL INVESTIGATION AND TREATMENT OF SURPLUS AND DEFICIT

(a) The Trustee shall instruct the Actuary to investigate the financial position of the Scheme by carrying out an actuarial investigation such as to satisfy the relevant provisions of the Pensions Acts within a period prescribed for the purposes of the Pensions Acts and at intervals required for the purposes thereof such that the effective date of any such valuation shall be not later than three years after the previous one.

The Trustee shall also require the Actuary to submit certificates from time to time as required for the purposes of the Pensions Acts.

The Trustee shall make any such valuation report and certificate or copies thereof available to those persons or bodies entitled to receive them in the circumstances and in the manner specified in the Disclosure Regulations.

The Trustee shall make available any valuation report and any certificate received for the purposes of the Pensions Acts in accordance with this Rule A8(a) to the Secretary of the Conference within seven days of receiving it.

The Trustee shall consider what action if any should be taken in the light of a report from the Actuary on the financial position of the Scheme.

(b) Subject to the relevant provisions of the Pensions Acts if any actuarial investigation reveals a surplus the Trustee may make arrangements for the reduction or elimination of the surplus in one or more ways which are recommended by the Actuary and which would not prejudice the registration of the Scheme as a Registered Pension Scheme.

(c) If any actuarial investigation reveals the existence of a deficit whereby the value of the assets of the Scheme is less than the value of the liabilities determined in accordance with the Statement of Funding Principles the Trustee acting on the advice of the Actuary and with the agreement of the Conference, shall prepare a recovery plan and take such steps as it shall think fit to reduce the deficit, having regard to the relevant provisions of the Pensions Acts.

(d) The Trustee shall secure that there is prepared, maintained and from time to time revised a written statement of the principles governing decisions about funding for the purposes of the Scheme in accordance with the provisions of the Pensions Acts (in this Rule A8 referred to as a "Statement of Funding Principles").

A copy of such statement shall be made available to those persons or bodies entitled to receive it in the circumstances and in the manner specified in the Pensions Acts and the Disclosure Regulations.

A9. **CONTRIBUTIONS AND EXPENSES**

(a) The Trustee shall keep a schedule of contributions in accordance with the Pensions Acts showing the rates of contribution payable to the Scheme and the dates on or before which such contributions are to be paid. The information shown on the said schedule shall have been previously agreed between the Trustee and the Conference and shall be made available to those persons or bodies entitled to receive it in the circumstances and in the manner specified in the Pensions Acts and the Disclosure Regulations.

(b) The Conference shall arrange for payment of the amounts described above in this Rule on or before the date or dates set out in the schedule of contributions referred to above in this Rule and shall, unless otherwise agreed with any Member, forward to the Trustee (or as directed by the Trustee) any voluntary contributions of such Member and any additional amounts which the Trustee shall with the advice of the Actuary determine to be necessary to make provision for any augmented or additional benefits.

(c) The Conference may pay to the Trustee at any time such additional sum or sums as shall be acceptable to the Trustee with the advice of the Actuary provided always that the registration of the Scheme as a Registered Pension Scheme shall not be prejudiced.

(d) The Trustee shall pay all costs, charges and expenses incurred in connection with the administration and management of the Scheme and the exercise of the powers under these Rules out of the Fund.

A10. **AUGMENTATION**

If the Conference so requests and the Trustee thinks fit or if the Trustee having regard to any special circumstances so determines and if in either case the funds from time to time in the hands of the Trustee so permit or if arrangements satisfactory to the Trustee have been made for the payment of additional amounts in accordance with Rule A9 the Trustee shall, subject always to the provisions of Rule B22, apply the appropriate part of the Fund in one or more of the following ways:-

(i) in augmenting the Intended Benefits or in the provision of benefits in a different form but of equal or greater value than the Intended Benefits payable to or on the death of any Member, and

(ii) in providing pension for a Spouse or Dependant of a Member who died in Service or whilst receiving a pension from the Scheme, and

(iii) in providing a lump sum benefit payable on the death of any Member who was formerly in Service and is not in receipt of a pension from the Scheme or has not received a cash retirement benefit or a cash sum in lieu of pension under the Scheme, and

(iv) in providing pension or other benefit for or on the death of any person formerly in Service who is not a Member or in providing pension or other benefit for the widow or widower of any such person or for any individual who was at the date of any such person's death or retirement financially dependent upon such person for all or part of the necessaries of life provided that the registration of the Scheme as a Registered Pension Scheme will not be prejudiced;

provided always that a Member who on leaving Service is a Qualifying Leaver shall subject to the provisions of the Scheme be entitled in addition to any benefits under the Rules to the whole or such proportion of any benefits under (i) or (ii) above (other than any part thereof payable on death in Service prior to Normal Pension Date) as the Trustee shall after consultation with the Actuary decide being not less than such proportion as the period from the date such benefit was awarded to the date on which such Member left Service bears to the period from the said date such benefit was awarded to the Member's Normal Pension Date.

A11. APPOINTMENT OF FUND MANAGER AND CUSTODIAN

(a) Where the Fund consists of or includes investments (within the meaning of the Financial Services and Markets Act 2000) the Trustee shall appoint as fund manager or fund managers of the Scheme one or more corporate bodies, firms or individuals which or who satisfy the requirements of the Pensions Acts in relation to fund managers of occupational pension schemes. Any such appointment shall be upon such terms as to remuneration and otherwise as the Trustee shall agree with the fund managers subject always to the provisions of the Pensions Acts.

A fund manager appointed under this Rule shall be empowered to exercise the investment powers set out in these Rules subject to any specified requirements of the Trustee.

(b) Each Fund Manager shall exercise the powers referred to above in such a way as to comply with the relevant provisions of the Pensions Acts in so far as they apply to fund managers of occupational pension schemes.

(c) The Trustee shall require that each Fund Manager in the exercise of the powers referred to above takes all necessary steps to ensure the security of that part of the Fund which is under the Fund Manager's management. The Trustee shall require each Fund Manager to make reports in writing to the Trustee at half-yearly intervals, (or more frequently if it so requests), such reports to give, inter alia, details of the current value of that part of the Fund which is under the management of the Fund Manager and of any transactions relating to the investments thereof which have occurred since the previous report.

(d) The Trustee shall, without such appointment affecting its other powers under the Rules, have the power to appoint one or more firms or corporate bodies as custodians upon such terms as to remuneration and otherwise as the Trustee shall agree with such custodians. The investments, monies and other assets of the Fund may be placed by the Trustee in the name or under the control of such custodians or their nominees to the extent and in such proportions as the Trustee shall determine.

(e) Any remuneration of a fund manager or custodian appointed under this Rule A11 or their nominees shall be deemed to be part of the expenses incurred by the Trustee in carrying out the trusts and provisions of the Scheme.

A12. POWERS OF INVESTMENT

(a) The Trustee shall have the following powers in respect of the whole or any part of any amounts held by it which is not immediately paid or applied for the purposes of the Scheme namely:-

(i) power to retain the same in any current account (with or without requiring any interest) in any bank or building society of good repute;

(ii) power to deposit the same with any bank or building society of good repute at such rate of interest and on such terms as the Trustee shall think fit;

(iii) power to invest in or apply the same in the acquisition or upon the security of such stocks funds bonds shares debentures debenture stocks securities unit trust units traded options financial futures or other investments (including freehold or leasehold property) of whatsoever nature and wheresoever situate whether or not income producing and whether or not involving liability and whether or not authorised by law for the investment of trust funds, and in such loans (other than loans to the Conference or to any Members, prospective Members or other beneficiaries) whether secured or unsecured as the Trustee in its absolute discretion shall decide;

(iv) power to invest or apply the same in effecting with any Authorised Insurance Company any deferred or immediate annuity assurance sinking fund deposit administration managed fund or other policies or contracts;

(v) power to underwrite any investments or securities whether on issue or sale and whether jointly with other persons or not;

(vi) power to enter into any transaction affecting all or any part of the Fund with the Conference or with any society institution or charity subsidiary or ancillary to the Methodist Church or with the trustees of any other trust notwithstanding that the Trustee or its directors (or any of them) may be members of the Conference or may be or be included among the trustees or directors of such society, institution, charity or other trust or be the directors of any corporate body which is a trustee or director;

(vii) power to lease mortgage exchange sell or otherwise deal with any land or interest in land forming part of the Fund in like manner as if the Trustee was absolutely entitled thereto beneficially;

(viii) power to enter into any scheme either alone or with others and either directly or indirectly for the development of land or buildings whether or not owned by the Trustee;

(ix) power to invest in any funds constituted under the Methodist Church Funds Act 1960;

(x) power to enter into a common investment fund with the assets of any other retirement benefit scheme.

(b) The Trustee shall have the power to sell convert vary or transpose any investments monies and other assets of the Fund in all respects as if the Trustee was absolutely entitled to them beneficially.

(c) All investments monies and other assets of the Fund shall be held under the legal control of and by or in the name of the Trustee provided that such investments and monies may be placed by the Trustee in the name or under the control of such body corporate as nominee for them as they shall from time to time select.

(d) The Trustee shall secure that there is prepared, maintained and from time to time revised a written statement of the principles governing decisions about investments

for the purposes of the Scheme in accordance with the provisions of the Pensions Acts and shall exercise its powers of investment with a view to giving effect to the principles contained in such statement so far as reasonably practical.

A copy of such statement shall be made available to those persons or bodies entitled to receive it in the circumstances and in the manner specified in the Pensions Acts and the Disclosure Regulations.

(e) The Trustee shall exercise its powers under this Rule A12 to operate a bank account as required under the Pensions Acts.

(f) Notwithstanding anything contained herein to the contrary the Scheme shall comply with such restrictions as may be prescribed in accordance with the Pensions Acts with respect to the proportion of its resources that may at any time be invested in, or in any description of, employer-related investments (as defined in those Acts).

(g) Notwithstanding anything contained herein to the contrary, in making any investment the Trustee shall have regard to the purposes of the Methodist Church and may take into consideration any statement of the Conference on a matter of faith or practice.

A13. **POWERS TO BORROW AND TO ACCEPT DONATIONS**

(a) The Trustee may raise or borrow any monies upon such terms as it thinks fit (including the arrangement of an overdraft with any bank or building society of good repute) and may secure such monies by charging all or any part of the assets of the Fund. The monies so raised or borrowed may be applied for all or any of the purposes of the Scheme including without prejudice to the generality thereof the purchase of any investment hereby authorised.

(b) The Trustee shall have power to accept or reject any special donations which may be given by the Conference or other persons including bequests and to apply such donations to such special purpose or purposes as may be directed by the donor not inconsistent with the continued registration of the Scheme as a Registered Pension Scheme or subject thereto for the general purposes of the Scheme.

A14. **ANNUAL REPORTS AND PROVISION OF INFORMATION**

(a) The Trustee shall arrange for the production of an annual report on the Scheme, such report to incorporate the accounts and an actuarial statement based on the most recent investigation referred to in Rule A8(a) and to contain such other information as is required to satisfy the provisions of the Pension Schemes Act and the Pensions Acts. Any such annual report or one or more items contained or incorporated in such annual report and a copy of the actuarial report referred to in Rule A8(a) shall be made available:-

(i) upon request, if applicable, to those persons who have a right to inspect or receive a copy thereof in accordance with those Acts, the Trustee being entitled to make such charge (if any) as is permitted thereunder ;

(ii) to HMRC if such is necessary for the continued registration of the Scheme as a Registered Pension Scheme.

A copy of such annual report shall be sent to the Secretary of the Conference.

(b) The Trustee shall, in addition, provide such information as may be required in accordance with the provisions of the Pension Schemes Act and the Pensions Acts, the Trustee being entitled to make such charge (if any) as is permitted thereunder.

(c) The Trustee shall submit an annual report to the Conference, containing particulars of all amendments to the Rules made by the Trustee under its powers in that behalf, any proposals by the Trustee for action to be taken by the Conference and such other information and material as the Trustee may wish to communicate to the Conference or as the Conference may by Standing Order require.

A15. **TRUSTEE ENTITLEMENTS**

(a) The Trustee shall be entitled to such fees or remuneration for services as Trustee as shall from time to time be agreed between the Trustee and the Conference.

(b) Any member of the board of directors or other officer of the Trustee who is a Member shall be entitled to retain for the Member's absolute benefit any benefits to which such Member is or becomes entitled by virtue of membership of the Scheme whether in accordance with a specific provision of the Rules or arising from the exercise of a discretion contained in the Rules including a discretion exercised by the Trustee.

A16. **POWER OF AMENDMENT**

(a) The Rules may be amended (which expression shall include alteration amplification replacement and deletion) at any time in the manner specified in this Rule. Any such amendment may have retrospective effect but so that no such amendment shall be made which would:-

(i) adversely affect the rights of any individual to benefits which in the opinion of the Trustee have accrued to such individual up to the effective date of the amendment, or

(ii) change the main purpose of the Scheme from being the provision of Authorised Member Payments for and in respect of persons admitted to membership of the Scheme, or

(iii) result in the payment of any part of the Fund to the Conference except as specifically provided for in these Rules, or

(iv) contravene the provisions of the Pensions Acts in relation to the modification of schemes.

(b) The Conference shall have the right of amending any or all of the provisions of the Rules by resolution provided that no amendment which adversely affects the financial position of the Scheme may be made except upon the proposal or with the

subsequent consent of the Trustee and in the latter event the amendment shall take effect on the date (not earlier than that of the Conference resolution) specified by the Conference or failing the Conference by the Trustee or failing specification by either on the date of consent by the Trustee.

(c) The Trustee shall have the right of amending by resolution of its board of directors any or all of the provisions of the Part B Rules or of the Appendix to the Rules other than (i) any amendment which alters the eligibility for membership of the Scheme or the rates of Members' Contributions or Church Contributions or the terms upon which annual increases to pensions in payment are granted and (ii) any amendment to the Appendix which materially alters the effect of any provision in the Part A Rules or the Part B Rules which the Trustee has no power to amend.

(d) Clauses (4) and (5) of Standing Order 338 shall apply to the Rules and to proposals for their amendment as they do to the constitution of the Methodist Church and to other proposals brought to the Conference but not so as to invalidate any amendment made without the consultation provided for by those Clauses.

(e) Notwithstanding the provisions of this Rule A16, the Trustee shall also have the powers granted under section 68 of the Pensions Act 1995. Any such modification shall be subject to the provisions of that section and of any regulations made thereunder.

(f) An amendment to the provisions of these Rules may be made in accordance with this Rule A16 after the date of commencement of the application of the provisions of Rule A20 except that no amendment may be made on or after that date to any of the provisions relating to the winding-up of the Scheme as set out in the said Rule A20.

(g) As soon as practicable after deciding to make amendments to the provisions of these Rules in accordance with this Rule, being amendments to the documents constituting the Scheme or to information which any person has a right to receive in accordance with the Disclosure Regulations, the Trustee shall arrange for the relevant person or persons to be notified. Where such persons are Members the Trustee shall notify or arrange for the notification of each Member affected thereby individually in writing and make the appropriate amendment taking into account any requirements of HMRC or The Pensions Regulator in respect thereof.

(h) The Trustee shall exercise its powers under this Rule A16 subject to the consultation requirements of the Pensions Acts.

A17. GENERAL POWERS OF THE TRUSTEE

(a) The Trustee shall have all powers rights and privileges in connection with the Scheme requisite or proper to enable it to carry out or execute or do any transaction act deed or thing arising under or in connection with the Scheme.

(b) The Trustee shall have power to delegate to any appropriate person persons or corporations all or any of the powers duties authorities and discretions (including, subject to the provisions of the Pensions Acts, investment decisions) hereby

conferred on the Trustee, except its powers under Rule A16, as it may deem necessary or desirable.

(c) The Trustee shall have power to authorise such persons and employ such agents and staff including a secretary to transact any business relevant to the Scheme, including the drawing of cheques and making payments and giving receipts, as the Trustee may think fit and proper and any such payment duly made in good faith by such persons agents or staff shall operate as a good and sufficient discharge to the Trustee, and any receipt and discharge given by such persons agents or staff shall be as valid and as effectual as if it were given by the Trustee.

(d) The Trustee shall have power to obtain the advice or opinion of any lawyer broker actuary accountant medical practitioner or other professional person with regard to its powers duties and discretions in relation to the Scheme whenever it feels it necessary or expedient and to rely and act upon any advice so obtained without incurring any liability or responsibility whatsoever in the event of any action taken by it as a result of such advice proving subsequently to be incorrect or inadequate.

(e) The Trustee shall have power to make arrangements for the remuneration of the persons or bodies referred to in (c) and (d) above and any amounts so paid shall be deemed to be part of the expenses incurred by the Trustee in carrying out the trusts and provisions of the Scheme.

(f) The Trustee shall have power (whether as Trustee or Administrator) to give undertakings to HMRC and The Pensions Regulator and to any other authority.

(g) The Trustee shall secure that such arrangements as are required by or under the Pensions Acts for the resolution of disagreements between persons about matters related to the Scheme are made and implemented.

Subject always to the above provision of this Rule A17(g), the Trustee shall have power to determine all questions and matters of doubt arising in connection with the Scheme whether relating to the contributions thereto or the benefits thereunder or otherwise and also to settle compromise or submit to arbitration any claims relating to the Scheme or to the rights of any Member or other beneficiary thereunder and no decision of or exercise of a power by the Trustee shall be invalidated or questioned on the ground that any of the directors officers or servants of the Trustee had a direct or personal interest in the result of any such decision or in the exercise of any such power or discretion so long as such interest is properly declared.

(h) The Trustee shall have power to insure any or all of the assets of the Fund for such amount and against such eventualities or risks as it considers appropriate, including insurance against any potential loss of or depreciation in such assets and in respect of any loss to the Fund caused by or arising out of any action claim or demand made against the Trustee for loss suffered by the Trustee or its agents delegates or appointed officers in relation to the Scheme. The premiums for any such insurances shall be regarded as expenses of the Scheme for the purposes of Rule A9, provided always that no amounts shall be paid out of the Fund for the payment of the

premiums under an insurance policy where the risk is for or includes a fine or penalty to which the Pensions Acts apply.

A18. **LIABILITY OF THE TRUSTEE**

(a) The Trustee (and any and all of its directors officers or servants) shall not be liable for any actions claims or demands arising out of anything done or caused to be done or omitted by such person (whether by way of investment or otherwise) in connection with the Scheme and costs arising therefrom, except for

(i) an act or omission which such person knew to be a breach of trust and which such person knowingly and wilfully committed or omitted as the case may be, and

(ii) an act or omission in respect of which the Trustee (or any of its directors officers or servants) incurs a fine or penalty as referred to in the Pensions Acts, and

(iii) an act or omission for which liability in relation to the investments of the Fund cannot be excluded or restricted in accordance with the Pensions Acts.

(b) The Trustee (and any and all of its directors officers or servants) shall be indemnified out of the Fund against any actions claims or demands arising out of anything done or caused to be done or omitted by them (whether by way of investment or otherwise) in connection with the Scheme and costs arising therefrom, except for

(i) an act or omission which the person concerned knew to be a breach of trust and which the person concerned knowingly and wilfully committed or omitted as the case may be, and

(ii) an act or omission in respect of which the Trustee (or any of its directors officers or servants) incurs a fine or penalty as referred to in the Pensions Acts, and

(iii) an act or omission for which liabilities in relation to the investments of the Fund cannot be excluded or restricted in accordance with the Pensions Acts.

(c) The Trustee shall not be liable in respect of any payment to any person erroneously made by it in the bona fide belief (having regard to the provisions of Rule B3) that the person was entitled to it and a receipt issued to the Trustee by the person shall be a good and sufficient discharge of the obligations of the Trustee.

(d) The Trustee shall not be liable if the assets of the Scheme are insufficient to pay the benefits under the Scheme whether by reason of the contributions payable being insufficient or by reason of any failure to pay contributions or by reason of any loss or depreciation of any of the assets of the Scheme.

A19. **STATUTORY EMPLOYER**

(a) Subject to the extent permitted by any rule of law, enactment or decision by any court passed or made in England and Wales, the Conference shall be regarded as the sole statutory employer for the purposes of section 75 of the Pensions Act 1995.

(b) Paragraph (a) of this Rule shall apply notwithstanding the Conference directing the payment of Church Contributions to be paid on behalf of the Conference by the persons responsible for remunerating the individual to whom those contributions relate.

A20. **WINDING-UP OF SCHEME**

(a) The Scheme shall be determined and wound-up by resolution of the Trustee if it shall appear to the Trustee that the Scheme is insolvent or if the Trustee shall have received advice from the Actuary to that effect and there are no proposals acceptable to the Trustee which in the opinion of the Actuary would restore the solvency thereof, or if the Conference so recommends and if the Trustee then resolves to determine the Scheme, or if The Pensions Regulator pursuant to the Pensions Acts directs or authorises the Scheme to be wound up. The date of such resolution shall be the effective date of winding up of the Scheme for the purpose of these Rules.

(b) If the Scheme is to be wound up (1) any death in Service benefit (other than any such benefit in annuity form in course of payment at the effective date of the winding-up of the Scheme) under the Scheme shall cease to be provided with effect from the effective date of the winding-up of the Scheme except to the extent (if any) determined by the Trustee and (2) the Trustee shall arrange for all Members (and other persons in receipt of benefit) to be notified and shall give effect to the winding-up in the following manner:-

(i) The Trustee shall be entitled to reserve out of the balance of the Fund such amount it considers may be necessary to meet the expenses of the administration and winding-up of the Scheme and to meet any tax, duty or other payments for which it may be accountable under the Scheme.

(ii) The Trustee shall, with the advice of the Actuary, apply the balance of the Fund in securing, so far as the available amount permits, the payment of benefits and refunds of contributions firstly in the order of priority set out in Section A of Rule A20(c) below and secondly, as regards any part of the Fund then remaining, in the order of priority set out in Section B of that Rule, in both cases having regard to the requirements of the Finance Act and to the provisions of the Pensions Acts.

(iii) Subject as provided in Rule A20(d) below and to the Trustee giving notice to Members as provided in the Pensions Acts and complying with any requirements set out in or prescribed pursuant to the Pensions Acts, any part of the Fund remaining unexpended after effect has been given to the preceding provisions of this Rule shall be paid to the Conference to be applied for such charitable purposes as the Conference shall determine,

provided that the Trustee shall first deduct and account to HMRC for any tax liability in respect of such payments.

(iv) As an alternative to applying any balance of the Fund as described above in this Rule A20(b) after the application of sub-paragraph (i) thereof the Trustee may with the advice of the Actuary transfer the whole of the balance of the Fund to a Registered Pension Scheme which relates to the same Service or to another of the Conference's Schemes.

(c) Section A - Pensions Acts Priorities

The order of priority referred to this section of Rule A20(c) is benefits which are required to satisfy the Pensions Acts relating to the application of assets of the Scheme upon its winding-up, being benefits corresponding to the amounts of the liabilities and the order in which they are to be secured in accordance with the provisions of the Pensions Acts.

Section B - Other Priorities

The order of priority referred to this section of Rule A20(c) is as follows, provided that (1) where the balance of assets to be applied as aforesaid is insufficient to secure the whole of the benefits within any of the following sub-paragraphs the benefits within that sub-paragraph shall be secured on a proportionate basis and (2) none of the following sub-paragraphs shall include benefits already included within a higher priority:-

(i) Pensions and other benefits for Members, their Spouses and Dependants and for any other persons to which entitlement to payment has arisen hereunder prior to the effective date of winding-up of the Scheme including any associated death benefits and including any increases to pensions in accordance with Rule B20(a) and (b).

(ii) Pensions and other benefits which have been deferred beyond Normal Pension Date (such benefits to be payable as at the effective date of winding-up of the Scheme) including any associated death benefits.

(iii) Benefits which have been conferred on Members under the Scheme in respect of transfers to the Scheme in accordance with Rule B16.

(iv) In respect of Members and others who have not reached Normal Pension Date and have not received any retirement benefits from the Scheme such benefits as the Trustee after consultation with the Actuary considers to be just and equitable having regard to such persons' interests in the Fund, being non-assignable benefits payable to such persons, their Spouses and Dependants.

(d) If a balance remains after application of the Fund as aforesaid the Trustee may, before applying the provisions of sub-paragraph (iii) of sub-rule A20(b) but after consultation with the Actuary, purchase such other or additional benefits as it shall determine for Members, former Members, their Spouses and Dependants or any one or more of such persons, subject always to the requirements of HMRC.

(e) Any benefits to be provided under this Rule may be secured by the Trustee in either or both of the following ways:-

(i) by the purchase in respect of any Member of a policy or annuity contract acceptable to HMRC for the purposes of this Rule, or

(ii) by the transfer of an appropriate amount in respect of any Member to secure benefits under a retirement benefits arrangement of which the Member becomes a member subject, with the necessary alterations in point of detail, to the provisions of Rule B15,

provided always that:-

(1) benefits in respect of a Member shall be deemed to be appropriate for the purposes of (i) and (ii) above in this Sub-Rule A20(e) if they are, in the opinion of the Trustee with the advice of the Actuary, not less in value than the benefits in respect of the Member under this Rule A20 and subject to conditions which the Trustee considers to be as similar as may be practicable although not necessarily identical to the conditions applicable to such benefits under the Scheme or, if after consultation with the Actuary the Trustee decides that it would be more expedient and, provided that such conditions are acceptable to HMRC and to The Pensions Regulator, on conditions which differ from the conditions applicable to such benefits under the Scheme; and

(2) a transfer under (ii) above shall not be subject to the consent of the Member if the transfer is to another retirement benefits scheme relating to the same Service and if the Actuary makes the relevant certification described in the Preservation Regulations; and

(3) in any application of the provisions of this sub-rule the Trustee shall comply with the provisions of the Pensions Acts and with the requirements of the Finance Act.

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B1. **ELIGIBILITY**

(a) Subject as hereinafter provided, the following persons are eligible to join the Scheme:

(i) Ministers and Probationers in Service;

(ii) Persons who are recognised and regarded as a Presbyter or Deacon in full connexion under Standing Order 732;

(iii) Persons who are authorised to serve as a Presbyter or Deacon under Standing Order 733 in an appointment for which a stipend or equivalent is to be paid by a Circuit or other body under the governance of the Conference."

(b) Any person who is a European Member or a European Survivor shall only become eligible to join the Scheme, or to remain a Current Member as the case may be, by permission of the Trustee after consultation with the Methodist Council and on such conditions as may from time to time be determined by the Trustee on the advice of the Actuary.

B2. **ADMISSION TO MEMBERSHIP**

(a) Persons eligible to join the Scheme in accordance with Rule B1(a) shall be automatically enrolled into the Scheme in accordance with the Pensions Act 2008 if they meet the criteria for automatic enrolment set out in the Act.

(b) Persons eligible to join the Scheme in accordance with Rule B1(a) who do not meet the criteria to be automatically enrolled into the Scheme in accordance with the Pensions Act 2008 may opt to join the Scheme. Such persons will make application for membership in such form as the Trustee may require.

(c) In special circumstances a person who has not otherwise become eligible to join the Scheme may by permission of the Trustee be admitted to membership of the Scheme on such conditions and with effect from such date as may be agreed with the Trustee on the advice of the Actuary, provided that the registration of the Scheme as a Registered Pension Scheme is not thereby prejudiced.

B3. **FURNISHING OF PARTICULARS AND EVIDENCE**

(a) Payment of any benefit under the Scheme to any person shall be subject to the production by that person of such evidence of identity and entitlement to benefit as the Trustee may require including proof of date of birth and where appropriate marriage or civil partnership. If these particulars are not furnished or are later found to be incorrect, the Trustee may modify the benefits in respect of such Member in such manner as it considers appropriate.

(b) Payment of an incapacity pension to a Member under Rule B8(b) is subject to such Member furnishing evidence of continuing incapacity at such times and in such form as the Trustee requires. If such evidence is not furnished, or does not in the opinion of the Trustee provide satisfactory evidence of continuing incapacity the Trustee may at its discretion reduce the pension or suspend or terminate the pension during any period prior to Normal Pension Date.

(c) Any notice to be given to the Trustee by a Member shall be in writing and shall be sent to or delivered to the Scheme address as notified to the Members.

B4. CONTRIBUTIONS TO THE SCHEME

Members' Contributions

(a) Each Current Member shall, except as provided in Rule B17(c), pay contributions to the Scheme at the rate of 9.3 per cent of Stipend, such contributions being made by way of deductions from the payments of such Member's remuneration as they are made.

Church Contributions

(b) The Conference shall require the payment by the persons responsible for providing the relevant individual's remuneration of contributions to the Scheme in respect of each Minister and Probationer in Service and each person eligible to join the Scheme by virtue of Rule B1(a)(ii) or (iii) except as provided in Rule B17(c). Such contributions shall be paid at the rate of 10 per cent of Stipend or at such other rate as is determined from time to time by the Trustee with the advice of the Actuary to be required to maintain the Scheme and provide the Intended Benefits, and is approved by the Conference. The Conference shall further require the payment of the total of the Church Contributions and the Members' Contributions to the Trustee on such dates as the Trustee shall require.

Members' Voluntary Contributions

(c) A Current Member may, subject as hereinafter provided, make voluntary contributions to the Scheme in order to provide benefits which shall be additional to those otherwise specified in these Rules, provided that the provisions relating to voluntary contributions and to the benefit thereby provided shall not be such as to prejudice registration of the Scheme as a Registered Pension Scheme

The types and amount of benefit to be provided in return for a Member's voluntary contributions shall be such as may be arranged by the Member with the Trustee provided that, unless otherwise agreed with the Trustee any additional pension benefits shall be equivalent on a money purchase basis to the voluntary contributions paid and the amount of the benefits will be determined on such basis.

Limit on Members' Contributions

(d) A Member shall cease to pay contributions to the Scheme on ceasing to be a Current Member or, if earlier, at Normal Pension Date except that a Current Member may continue to contribute to the Scheme after the payment to such Member of any retirement benefit from the Scheme for so long as such Member remains in Service if the Trustee so agrees, subject always to the other provisions of this Rule

(e) If in the opinion of the Actuary the value of the Fund at any date is, having regard to the Actuary's estimate of current and future liabilities of the Scheme, sufficient to permit the temporary suspension or reduction of contributions the Conference may

with the agreement of the Trustee and subject always to the provisions of the Pensions Acts authorise the temporary suspension or reduction of payment of contributions under paragraph (b) and/or under paragraph (a) of this Rule for a period not exceeding the period recommended by the Actuary.

Shortfall in Contributions

(f) Where the temporary absence provisions of Rule B17 do not apply a Member may at the discretion of the Trustee pay additional contributions in order to reduce any shortfall arising out of non-payment of contributions payable in accordance with paragraph (a) and (b) of this Rule. Such contributions shall not be regarded as voluntary contributions for the purposes of paragraph (c) of this Rule.

(g) The Trustee may on the advice of the Actuary decide to suspend, pro rate or adjust a Member's Pensionable Service in proportion to any such shortfall which is not so reduced, such suspension may include suspension from the Scheme whilst no Church Contributions are being paid.

B5. AMOUNT OF MEMBERS' PENSIONS AT NORMAL PENSION DATE

Current Members

(a) A pension payable under Rule B8(a) to a Member who ceases to be a Current Member at Normal Pension Date shall, subject to Rule B22 and to any other provisions of the Scheme which may apply in respect of a particular Member, be a yearly amount equal to one seventieth of Final Stipend at Normal Pension Date for each year of Pensionable Service prior to 1 September 2010 and one eightieth of Final Stipend at Normal Pension Date for each year of Pensionable Service on or after 1 September 2010.

Members who have ceased to be Current Members

(b) A pension payable at Normal Pension Date to a Member who has ceased to be a Current Member before Normal Pension Date shall, subject to Rules B13 and B22 and to any other provisions of the Scheme which may apply in respect of a particular Member, for the purposes of Rule B13(b) be calculated in accordance with paragraph (a) of this Rule but with reference to Final Stipend and Pensionable Service at the date of such cessation and increased in respect of a Member who ceases to be a Current Member more than one year before Normal Pension Date by the addition of an amount calculated as the increase of the Member's pension by not less than the revaluation percentage specified by the Secretary of State in accordance with paragraph 2 of Schedule 3 to the Pensions Schemes Act applicable over the period from the date on which the Member ceased to be a Current Member up to Normal Pension Date.

B6. AMOUNT OF DEATH BENEFITS

Lump Sum

(a) A lump sum death benefit payable under Rule B7(a) in respect of a Member shall, subject to Rule B22 and to any other provisions of the Scheme which may apply in respect of a particular Member, be of an amount equal to three times Final Stipend at the date of death.

Pension

(b) A pension payable to a Spouse or Dependant under Rule B7 or Rule B9 on the death of a Member shall, subject to Rule B22 and to any other provisions of the Scheme which may apply in respect of a particular Member, be of a yearly amount equal to one-half of the Member's Relevant Pension (as defined in paragraph (c) of this Rule). A pension payable to or in respect of a Qualifying Child or Qualifying Children under Rule B7(e) or Rule B9(d) on the death of a Member shall, subject to Rule B19(d) and Rule B22 and to any other provisions of the Scheme which may apply in respect of a particular Member, be of a yearly amount equal to one-eighth of the Member's Relevant Pension (as defined in paragraph (c) of this Rule) for each such Qualifying Child subject to a maximum of one-half of the Member's Relevant Pension.

(c) For the purposes of this Rule "Relevant Pension" means:-

(i) in the case of a Member who dies while a Current Member and before Normal Pension Date, an amount of pension calculated in accordance with Rule B5(a), but taking Final Stipend as at the date of death and assuming for the purpose of calculation that Pensionable Service includes the period from the date of death up to Normal Pension Date; or

(ii) in the case of a Member who has ceased to be a Current Member and who dies before Normal Pension Date the annual rate of pension to which the Member was prospectively entitled from the Scheme at the date of death; or

(iii) if Rule B6(c)(v) does not apply in the case of a Member who dies on or after the date on which a pension commenced to be payable from the Scheme the annual rate of pension to which the Member was entitled from the Scheme at the date of death; or

(iv) in the case of a Member who dies on or after Normal Pension Date after ceasing to be a Current Member but before any pension has become payable from the Scheme, the pension which would have been payable to such Member at its commencement under these Rules if the Member had commenced to receive pension on the day preceding the date of death (or on Normal Pension Date if that was the date of death); or

(v) in the case of a Member who dies on or after the date on which a pension commenced to be payable from the Scheme on grounds of incapacity in accordance with the third paragraph of Rule B8(b) but prior to Normal Pension Date the annual rate of pension calculated in accordance with paragraph (i) above as if the Member had died on the date of retirement.

(vi) In the case of a Member who dies while a Current Member on or after Normal Pension Date, an amount of pension calculated in accordance with Rule B8(c)(i) but taking Final Stipend as at the date of death.

provided always that for the purposes of this paragraph:-

(1) a Member's pension shall not, unless previously arranged otherwise between the Trustee and the Member, include any pension provided by voluntary contributions to the Scheme, but shall be deemed to include any pension surrendered or commuted under paragraph (a) or (b) of Rule B10 or under Rule B11; and

(2) the Relevant Pension of a Spouse who is more than ten years younger than the Member at the time of their marriage or formation of civil partnership, shall be reduced by such an amount as the Actuary shall advise but by not more than 2½ per cent per annum for each year of age disparity in excess of ten years where:-

(a) the Member marries or forms the civil partnership (with such a person) after ceasing to be a Current Member (but before 13 July 2007), or

(b) in all cases where the Member marries or forms a civil partnership (with such a person) on or after 13 July 2007

(3) in the case of a female Member who has elected prior to 31 August 1991, and has not revoked such election, that her Normal Pension Date should be the 31 August next following the attainment of age 60, the calculation of pension shall be based upon Pensionable Service from 17 May 1990 only.

B7. **DEATH BEFORE COMMENCEMENT OF PENSION**

Lump Sum

(a) If a Current Member dies while in Service a lump sum death benefit calculated in accordance with Rule B6(a) shall be payable in accordance with Rule B18.

(b) If a Member who has paid voluntary contributions to the Scheme dies and before any pension has become payable to such Member from the Scheme, and if the benefit basis previously arranged with the Trustee includes provision for a payment on death the Trustee shall make payment in accordance with Rule B18 of the amount it determines to be appropriate in accordance with the said provision.

(c)

Pension

(c) If a Member dies before any pension has become payable to such Member from the Scheme and is survived by a Spouse, a pension calculated in accordance with Rule

B6(b) shall, subject to the provisions of Rule B22, become payable to the Spouse from the date of the Member's death.

(d) If a Member dies before any pension has become payable to such Member from the Scheme and is survived by one or more Dependants but not by a Spouse the Trustee shall at its absolute discretion decide whether a pension calculated in accordance with Rule B6(b) shall become payable from the date of the Member's death and, if so, such pension shall be paid or applied by the Trustee to or for the benefit of such one or more of the Member's Dependants in such manner and in such shares as the Trustee shall decide.

(e) If a Member dies before any pension has become payable to such Member from the Scheme and there is a Qualifying Child or Qualifying Children a pension of the amount calculated in accordance with Rule B6(b) shall be payable from the date of the Member's death and shall be paid or applied by the Trustee to or for the benefit of the Qualifying Child or Qualifying Children in such manner as the Trustee shall decide subject to the provisions of Rule B24.

B8. COMMENCEMENT OF MEMBER'S PENSION

At Normal Pension Date

(a) (i) A Current Member shall be entitled to receive a pension from the Scheme at Normal Pension Date calculated in accordance with Rule B5(a).

(ii) A Member who has become entitled before Normal Pension Date to a pension described in Rule B13 other than a Member whose benefit from the Scheme has become payable before Normal Pension Date shall be entitled to receive from the Scheme at Normal Pension Date a pension calculated in accordance with Rule B5(b) or, in the case of a Member in respect of whom the Cash Value of a part of such Member's benefits has been applied in accordance with Rule B15, the appropriate part of such pension.

Before Normal Pension Date

(b) A Member who becomes entitled to a pension under Rule B13 or sub paragraph (d) of this Rule may with the consent of the Trustee commence to receive such pension before Normal Pension Date at any time prior to 6 April 2010 on or after the Member's 50th birthday or at any time from 6 April 2010 on or after the Member's 55th birthday, or earlier (in either case) if such Member is retiring because of incapacity.

Such pension shall include the increases described in Rule B5(b) but such increases shall be calculated to the date the pension is to become payable, the total pension for that Member being, subject always to Rule B22, reduced to such extent (if any) as the Trustee shall, on the advice of the Actuary, consider to be reasonable and determine to be appropriate having regard to, among other things, the period between the date of its commencement and Normal Pension Date provided that no reduction shall be made where a Member retires with the consent of the Conference with not less than 40 years of Pensionable Service. The pension so reduced shall to the reasonable

satisfaction of the Trustee be at least equal in value to the pension which would have been payable under Rule B13 from the Member's Normal Pension Date.

If the retirement of a Current Member is, in the opinion of the Trustee after taking such advice as it considers necessary, on account of incapacity such Member may commence to receive pension immediately upon retirement. Such pension shall be calculated as described in the preceding paragraph of this Rule B8(b) except that in the calculation of the Member's pension under Rule B13 Pensionable Service shall be deemed to include an additional period of Pensionable Service calculated as follows:

$$\frac{A}{T} \times P, \text{ where}$$

A = the Current Member's accrued Pensionable Service to the date of retirement on grounds of incapacity

P = the Current Member's prospective Pensionable Service from the date of retirement on grounds of incapacity to Normal Pension Date calculated as if the Current Member had continued in service until Normal Pension Date and had not retired.

T = A + P

After Normal Pension Date

(c) (i) The pension of a Member who is a Current Member at Normal Pension Date may at the Member's request be postponed beyond Normal Pension Date until such date not later than the 75th birthday as shall be agreed between the Trustee and the Member.

The amount of pension of a Member to whom this sub-paragraph applies shall, subject to Rule B22, be calculated in accordance with Rule B5(a) as at the Member's Normal Pension Date but increased to the extent determined by the Trustee on the advice of the Actuary.

(ii) If the retirement from Service of a Member who has ceased to be a Current Member before Normal Pension Date is deferred after Normal Pension Date, payment of pension may at the Member's request be deferred until such date as shall be agreed between the Trustee and the Member, provided that such date shall not be later than the 75th birthday.

Payment of a pension to which a Member becomes entitled under Rule B13 may at the Member's request be postponed beyond Normal Pension Date until such date not later than the 75th birthday as shall be agreed between the Trustee and the Member.

The amount of pension of a Member to whom this sub-paragraph applies shall, subject to Rule B22, be calculated in accordance with Rule B5(b) as at Normal Pension Date increased by such amount as the Trustee on the

advice of the Actuary shall determine having regard to the period for which payment of the pension has been deferred.

(d) A Current Member may with the consent of the Trustee elect to receive part of their pension entitlement under this Rule while postponing receipt of the remainder of their pension entitlement subject to such terms and conditions as may be determined by the Trustee and are consistent with the requirements of Rule B22. A Current Member so electing may also elect to continue as a Current Member on such terms and conditions as may be determined by the Trustee and are consistent with the requirement of Rule B22.

B9. **DEATH AFTER COMMENCEMENT OF PENSION**

(a) When a Member dies before the 75th birthday but after commencement of pension, the Trustee shall pay in accordance with Rule B18 a sum equal to the instalment of pension determined at the rate current at the date of the Member's death, multiplied by the number of instalments of such pension which would, if the Member had survived, have been payable during the balance (if any) of a period of five years from the commencement of the pension.

(b) If a Member dies after a pension has become payable to such Member under these Rules and is survived by a Spouse, a pension calculated in accordance with Rule B6(b) shall become payable to the Spouse from the date of death.

(c) If a Member dies before Normal Pension Date after a pension has been payable to such member on account of incapacity following retirement as a Current Member on grounds of incapacity in accordance with Rule B8(b), the Trustee shall pay in accordance with Rule B18 a sum equal to once times Stipend at the date of death.

(d) If a Member dies after a pension has become payable to such Member from the Scheme and there is a Qualifying Child or Qualifying Children a pension of the amount calculated in accordance with Rule B6(b) shall be payable from the date of the Member's death and shall be paid or applied by the Trustee to or for the benefit of the Qualifying Child or Qualifying Children in such manner as the Trustee shall decide subject to the provisions of Rule B24.

(e) If a Member dies after a pension has become payable to such Member under the Rules and is survived by one or more Dependants but not by a Spouse the Trustee shall at its absolute discretion decide whether a pension calculated in accordance with Rule B6(b) shall become payable from the date of the Member's death and, if so, such pension shall be paid or applied by the Trustee to or for the benefit of such one or more of the Member's Dependants in such manner and in such shares as the Trustee shall decide.

B10. **CASH SUM IN LIEU OF PENSION**

(a) Subject to the provisions of Rule B22, a Member may by giving notice in writing to the Trustee before any pension becomes payable to such Member under the Scheme elect to surrender for a cash sum at the date the pension becomes payable the whole or a proportion of the Member's pension under the Scheme.

(b) If at the date when any pension becomes payable to a Member under the Scheme and such Member has not exercised any election under Rule B8(d) the Trustee is satisfied by such evidence as it may require that the Member is in exceptional circumstances of serious ill-health with an expectation of life of less than one year, the Trustee may at its discretion pay a cash sum to the Member in commutation of the whole of the Member's pension Subject always to the provisions of Rule B22.

(c) The amount of any cash sum payable under this Rule in lieu of any amount of pension shall be either as certified as reasonable by an actuary.

(d) A cash sum payable in respect of any person under this Rule shall be reduced by the amount of tax (if any) for which the Trustee is liable in respect thereof.

B11. **OPTIONAL SPOUSE'S OR DEPENDANT'S PENSION**

(a) Subject to the provisions of paragraph (d) of this Rule, a Member may with the consent of the Trustee but without being required to produce evidence of health, and subject to the following provisions of this Rule, elect not less than 28 days before the date when any pension becomes payable to such Member from the Scheme to surrender the whole or a proportion of such Member's pension from the Scheme in order to provide a non-commutable and non-assignable deferred pension payable after the Member's death which in the opinion of the Trustee on the advice of the Actuary is equal in value to the pension so surrendered.

(b) Election of the aforesaid option shall be by notice given in writing to the Trustee and shall be in respect of the person to whom the Member is married at the date on which the notice is given or in accordance with paragraph (f) of this Rule. In the event of:-

(i) the Member or the said person dying before Normal Pension Date and before the commencement of the Member's pension under these Rules, or

(ii) the said person dying at or after Normal Pension Date while the Member's pension is deferred in accordance with these Rules, or

(iii) the marriage of the Member and the said person being terminated by divorce or annulment, or the Member and the said person being judicially separated, before the commencement of pension under these Rules, or

(iv) the commutation of the whole of the Member's pension for a cash sum,

the exercise of the option shall be cancelled.

(c) Except as above mentioned, the exercise of the option may not be cancelled except with the special consent of the Trustee and then only before commencement of the Member's pension. If an exercise of the option is cancelled, the benefits will be as if the Member had not exercised the option. If after the Member has commenced to receive a pension from the Scheme the person in respect of whom the option has been elected predeceases the Member or their marriage is terminated by divorce or annulment, or they become judicially separated, the unsurrendered portion of the Member's pension and no more will continue to be paid to the Member.

(d) The amount of pension surrendered by the Member under this Rule must not be so great that the total pension payable from the Scheme after the Member's death would be greater than the pension remaining payable to the Member (before any surrender of part of pension for a cash sum) or such greater amount permitted by the Trustee as will not prejudice the registration of the Scheme as a Registered Pension Scheme.

(e) The pension described in paragraph (a) of this Rule shall, unless the option has been cancelled as described above commence to be payable from the quarterly payment day next following the date of the Member's death and shall cease with the last instalment falling due before the death of the said person.

(f) An option similar to that described in paragraph (a) of this Rule may be exercised by a Member in favour of any Dependant other than the Member's Spouse approved by the Trustee, the terms and conditions of payment relating to the deferred pension for the person in respect of whom the option is exercised to be as notified by the Trustee to the Member.

B12. CEASING TO BE ELIGIBLE AND VOLUNTARY WITHDRAWAL

(a) A Member who while remaining in Service ceases to be within the eligibility category described in Rule B1 shall be treated for the purposes of the Scheme as having left Service.

(b) A Member may give written notice to the Trustee of the wish to withdraw from membership of the Scheme while otherwise remaining eligible. Such notice shall be for a minimum period of three months and the Member shall be treated for the purposes of the Scheme as having left Service at the date of expiry of the notice.

Notwithstanding the provisions of Rules B1 and B2 such a Member shall not be readmitted to membership of the Scheme except with the permission of the Trustee and on such basis as the Trustee shall determine and provided that the continued registration of the Scheme as a Registered Pension Scheme is not prejudiced thereby.

B13. MEMBERS WHO CEASE TO BE IN SERVICE

(a) A Member who ceases to be in Service before Normal Pension Date and who at the date of such cessation is not a Qualifying Leaver shall be entitled to elect in lieu of any other benefits from the Scheme a refund of any contributions paid by the Member under Rule B4(a) subject to any deduction in accordance with Rule B21.

If a Member to whom this Rule applies has paid voluntary contributions to the Scheme the amount payable under the first paragraph of this Rule will, if previously arranged with the Trustee, be increased by an amount determined by the Trustee in accordance with the basis so arranged.

If a Member to whom the first paragraph of this Rule applies does not elect to receive a refund as described above the provisions of the following paragraphs of this Rule may, at the discretion of the Trustee, be applied to the Member notwithstanding that

the Member was not in fact a Qualifying Leaver at the date of leaving Service, provided that:

(i) such a Member who has completed three or more months of Qualifying Service shall have a right for a benefit determined in accordance with paragraph (b) of this Rule to be transferred in accordance with the provisions of paragraph (d) of this Rule if such right is exercised within such reasonable period determined by the Trustee in accordance with the requirements of the Pensions Acts and

(ii) where the conditions of the previous proviso do not apply the Trustee may apply the following provisions of this Rule in respect only of benefits under the Scheme which the Trustee on the advice of the Actuary determines to have been provided by the Member's contributions

(b) A Member who ceases to be a Current Member and who is a Qualifying Leaver at the date of such cessation and a Member to whom this paragraph applies in accordance with the provisions of paragraph (a) of this Rule shall, except as provided in paragraph (d) of this Rule, be entitled to a pension commencing from Normal Pension Date calculated (unless the second proviso to paragraph (a) of this Rule has been applied) in accordance with Rule B5(b) together with any benefit secured by voluntary contributions made by such Member to the Scheme and any interest or other return accruing thereto.

(c) Any pension to which a Member is entitled under this Rule shall, except where stated otherwise, be subject to the same terms conditions and options as would apply to the pension or pensions which would be payable to or in respect of such Member if such Member were a Current Member until Normal Pension Date.

(d) Except as provided in paragraph (e) of this Rule, a Member to whom paragraph (b) of this Rule applies shall have the option at any time before any benefits become payable in respect of such Member hereunder and prior to the commencement of the year which ends on the day before Normal Pension Date (or such later date as shall be agreed by the Member with the Trustee) to arrange for the whole or a part of the Member's entitlement under the Scheme to be transferred to a different retirement benefit arrangement in accordance with the provisions of Rule B15 or to one or more retirement benefit arrangements as the Member requires.

(e) Notwithstanding the other provisions of this Rule, the Trustee may arrange for the Member's entitlement under the Scheme to be transferred to a retirement benefit arrangement aforesaid without the Member's consent:-

(i) in any case where the benefits to be provided under such policy do not differ from the benefits which could be provided under the Scheme (other than by operation of Rule B19(e)), or

(ii) in any other case permitted under the Preservation Regulations or where. The Pensions Regulator considers it reasonable for such a provision to be made in accordance with the Preservation Regulations.

B14. **PART-TIME SERVICE**

Notwithstanding any other provision of the Scheme, the amount of pension or any benefits payable on death to be payable from the Scheme in respect of part-time Service of a Member shall be determined by the Trustee on the advice of the Actuary.

B15. **TRANSFERS FROM THE SCHEME**

(a) Subject always to the provisions of the Pensions Schemes Act and to the requirements of Rule B22 if any Member to whom paragraph (b) of Rule B13 applies becomes or is to become a member of another Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme then, in substitution for and in satisfaction of the whole or a specified part of the benefits which would otherwise arise under the Scheme in consequence of membership thereof, the Trustee shall at the written request of the Member or with the Member's consent pay such Member's Cash Value (or the equivalent in assurance contracts or policies or other assets forming part of the Fund) in respect thereof or such greater amount as the Trustee shall determine to such other retirement benefits arrangement provided that the trustees of or persons administering such other retirement benefits arrangement are willing to accept such payment. Any payment made under this Rule shall be made upon the basis that the Member shall be entitled under such other arrangement to such benefits in respect of such payment as the Trustee may in its discretion arrange with the trustees of or persons administering the other retirement benefits arrangement, provided that such benefits shall be such as to satisfy the provisions of the Finance Act and the Pension Schemes Act.

(b) Upon a payment being made under this Rule the Member and any other person or persons to whom any benefit would have been payable in consequence of the Member's membership of the Scheme shall cease to have any claim on the Scheme to the extent that such benefit has been substituted and satisfied by such payment.

B16. **TRANSFERS TO THE SCHEME**

(a) Subject to the requirements of Rule B22 if any Member or if any group of Members is entitled to benefit under any other Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme then, in accordance with the provisions of the other arrangement or at the written request of any Member the Trustee may:-

(i) accept from the other arrangement any cash sum that the trustees thereof or persons having the necessary powers thereunder may be authorised to pay to them in substitution for the benefit for or in respect of the Member thereunder or for a part of such benefits, and/or

(ii) accept from the other arrangement an assignment or transfer to the Trustee of such annuity or assurance contracts or policies on the life of the Member or such other assets or investments which the Trustee is empowered to

acquire or retain in accordance with the provisions of the Scheme as may be included within such other arrangement, and/or

(iii) accept a new annuity or assurance contract or policy or an amendment of an existing annuity or assurance contract or policy which will secure, among other things, benefits on the life of the Member.

(b) Upon such acceptance as aforesaid the Trustee shall, subject to the following paragraphs of this Rule confer on the Member such rights and benefits under the Scheme as it shall determine on the advice of the Actuary having regard to the nature and value of the assets so received and shall notify the Member accordingly.

(c) Such part, but only such part, of the assets so received as is derived from the contributions (if any) made by the Member under the other arrangement (as certified by the trustees thereof or other person or persons administering the other arrangement) shall be treated in the Scheme as Member's contributions.

(d) In the event of the Member leaving Service before Normal Pension Date for any reason except death such Member shall be entitled to the full amount of the benefit conferred by the Trustee as aforesaid unless the Member in accordance with the Rules is to receive a return of Member's contributions in lieu of other benefit. In that event the return of any of the contributions which are referred to in paragraph (c) of this Rule shall be in lieu of the whole of the benefits conferred upon the Member by the Trustee as aforesaid.

(e) Any death benefit deriving from a payment or transfer to the Scheme as aforesaid shall be paid in accordance with Rule B18 unless the Trustee decides otherwise having regard to the nature of the provisions attaching to the assets so received and to any agreement made with the Member.

B17. TEMPORARY ABSENCE FROM SERVICE

(a) If a Current Member is temporarily absent from Service, the Current Member may with the consent of the Trustee and subject to the following paragraphs of this Rule, be deemed for the purpose of these Rules to remain a Current Member in Service for any period up to five years provided that the registration of the Scheme as a Registered Pension Scheme is not thereby prejudiced.

(b) If a Current Member is absent from Service for a continuous period of 5 or more years, the Member should be deemed to have left Service and the provisions of Rule B13 shall apply. The provisions of Rule B13 shall not be applied in respect of a Member while the Member is deemed to remain a Current Member in Service and in accordance with this Rule B17.

Suspension or continuation of contributions

(c) A person who is deemed to remain a Current Member in accordance with this Rule shall continue to pay contributions to the Scheme for as long as remuneration is continued at the normal rate and may with the consent of the Trustee continue to pay such contributions for a longer period on any basis agreed with the Trustee.

A person whose remuneration is not continued at the normal rate but who is deemed to remain a Current Member in accordance with this Rule may, with the consent of the Trustee, suspend contributions (if any) to the Scheme or may continue to pay such contributions on any basis agreed with the Trustee provided that in respect of any period which is Paid Statutory Absence or which is leave to which paragraph (e)(i) of this Rule applies a Member shall not be required to pay contributions calculated with reference to remuneration in excess of the amount of contractual remuneration or statutory pay actually paid to or for such Member in respect of that period.

If no contributions are paid by the Member to the Scheme during any period throughout which the Member is deemed to be a Current Member in accordance with this Rule no Church Contributions shall be payable during the period and the Trustee shall exclude such period from the Member's Pensionable Service except as provided below.

If contributions to the Scheme by or in respect of the Member are continued in whole or in part during any such period as aforesaid the whole or, respectively, an appropriate proportion of such period (determined by the Trustee) shall be included in the Member's Pensionable Service.

Reinstatement of contributions

(d) If contributions to the Scheme by and in respect of a Member have been suspended in whole or in part during any period in accordance with this Rule the Member may after the end of such period with the consent of the Trustee and subject always to the provisions of Rule B4(d) reinstate such contributions or a proportion thereof either by making a lump sum payment to the Trustee or by the payment of instalments over such period as may be arranged with the Trustee.

If the contributions to the Scheme by and in respect of the Member are reinstated in whole or in part as aforesaid the whole or, respectively, an appropriate proportion of such period (determined by the Trustee) shall be included in the Member's Pensionable Service.

(e) Statutory Leave

Statutory Leave but no Paid Statutory Absence

(i) If a Current Member is absent from Service on Statutory Leave and the period of absence does not include a period of Paid Statutory Absence such Member shall be deemed to remain a Current Member in Service and the provision of benefits from the Scheme in respect of such Member shall continue on the basis described in paragraph (ii) below until the end of the Statutory Leave period.

Paid Statutory Absence

(ii) If a Current Member is absent from Service during any period which is Paid Statutory Absence such Member shall be deemed to remain a Current

Member in Service throughout such period. The provision of death benefits from the Scheme in respect of such Member shall continue throughout such period and such period shall be included within Pensionable Service. Such Member's remuneration for the purpose of calculating any benefit from the Scheme shall be not less than an amount calculated with reference to Statutory Remuneration.

Statutory Leave after Paid Statutory Absence

(iii) If a Current Member is absent from Service on Statutory Leave and has a right to return to Service under the Employment Rights Act such member shall continue to be deemed to be a Current Member in Service in accordance with paragraph (a) of this Rule after the cessation of the Paid Statutory Absence until the expiry of the period during which such Member may exercise the right under the said Act to return to Service or, if earlier, the date of such Member giving notice to the Conference of the intention not to return to Service and the provisions of this Rule B17 other than paragraphs (e)(i) and (e)(ii) shall continue to apply in respect of that part of the absence which follows the period of the Paid Statutory Absence.

Continuation of death benefits

(f) Death benefits under the Scheme shall continue in force in respect of Members who are deemed to be Current Members in accordance with this Rule except that where an absence is not due to injury or illness or is not Statutory Leave such benefits (other than refunds of contributions) shall not be payable if death occurs after the end of the first year of such absence unless the Member pays such premiums as the Trustee on the advice of the Actuary may decide.

Adjustment of remuneration

(g) For the purposes of these Rules the remuneration of a Member who is deemed to remain a Current Member in accordance with this Rule shall be whichever of the following shall be determined by the Trustee:-

(i) an amount calculated with reference to the Member's remuneration from Service during the relevant period of absence, or

(ii) the Member's remuneration immediately prior to the relevant period of absence

subject always to a minimum, where sub-paragraph (e)(ii) of this Rule applies, of the amount described in that sub-paragraph,

provided always that if the remuneration of a Member to whom this Rule has been applied is reduced or suspended on account of absence due to injury or illness, the amount of any benefit which becomes payable under these Rules on the death of the Member during such absence shall be calculated in relation to remuneration not less than that which would have applied for that purpose if such Member had died on the day before commencement of such absence.

(h) If at the expiry of the appropriate period specified in this Rule the Member has not returned to work, the Member shall cease to be a Current Member.

B18. **APPLICATION OF DEATH BENEFIT**

(a) In respect of any benefit which is expressed to be payable in accordance with this Rule the Trustee shall, subject to paragraph (c) of this Rule, have power within the period of two years after the Member's death to pay such benefit to the Member's estate and/or to pay or apply such benefit to or for the benefit of any one or more of the Member's Dependants and Relations living or en ventre sa mere at the Member's death and/or such persons or bodies as the Member may have notified in writing to the Trustee (as being persons or bodies whom the Member wishes the Trustee to consider as possible recipients of any benefit payable from the Scheme on the Member's death) and/or people who would be entitled to benefit from the Member's estate (whether by testamentary disposition or under the law relating to intestacy) in such shares and in such manner as the Trustee shall decide. In exercising this power the Trustee may have regard to but shall not be bound by any wishes notified to the Trustee by the Member. The Trustee may in exercise of its power under this Rule pay such lump sum or any part thereof to trustees to hold upon such trusts and subject to such powers and provisions as the Trustee may direct and in this connection the Trustee shall have power to declare trusts and appoint separate trustees thereof and provide for their remuneration.

(b) If at the end of any period within which the Trustee may exercise the aforesaid power the Trustee shall not have exercised the said power or shall have exercised it only in respect of part of the benefit aforesaid, the Trustee shall pay the whole or the balance (as the case may be) of such benefit to the Member's estate, except that if the residuary estate of the Member shall belong to the Crown or to the Duchy of Lancaster or to the Duke of Cornwall as bona vacantia the said benefit or such balance thereof shall not be payable but shall fall into and form part of the assets of the Scheme for all the purposes of the Scheme.

(c) In this Rule -

"**Relations**" means in respect of a Member:-

(i) the widow or widower of the Member or any former spouse of the Member,

(ii) any Child or other descendant of the Member and the spouse or widow or widower of any such Child or other descendant,

(iii) the father or mother (whether natural or adoptive) or other ancestor of the Member and the widow or widower of such father or mother or other ancestor, and

(iv) any brother or sister of the Member (whether of the whole blood or the half blood and whether natural or adoptive) and the widow or widower of any such person

and for this purpose "**Child**" includes a stepchild, a legally adopted child and a child to whom in the opinion of the Trustee the Member or other person as appropriate stands or would but for the Member's death have stood in loco parentis.

(d) Before making any payment in accordance with this Rule B18 the Trustee shall have regard, where appropriate, to any order of the Court made in accordance with the Matrimonial Causes Act 1973.

B19. PAYMENT OF PENSIONS AND OPEN MARKET OPTION

Payment of Pensions

(a) Pensions from the Scheme shall be payable by quarterly instalments on 1 September, 1 December, 1 March and 1 June, the first payment being due on the quarterly day next following the day on which the pension becomes payable except that, unless the Trustee otherwise determines, the first instalment of a pension hereunder which becomes payable on the death of a Current Member shall be due on the second quarter day (quarter days being 1 September, 1 December, 1 March, 1 June) next following the Member's death, provided that in respect of a Current Member who was a Current Member on 31 August 2003 the pension shall become payable on the 1 September following the Member's death if this is earlier.

(b) Subject always to the provisions of Rule B20, the amount of each instalment of pension hereunder shall be one-quarter of the annual amount.

(c) A pension payable from the Scheme to a Member shall cease with the last instalment falling due before the death of the Member.

(d) A pension payable from the Scheme to a Member's Spouse shall cease with the last instalment falling due before the date of death of the Spouse. A pension payable from the Scheme in respect of a Qualifying Child or Qualifying Children shall cease on the earlier of (i) the date upon which a person who has for the purposes of Rule B6(b) counted as a Qualifying Child ceases so to count and (ii) the death of such a person.

Change in Manner of Payment

(e) Subject always to the provisions of Rule B22, at the request of or with the consent of a Member a benefit payable from the Scheme to or in respect of such Member may at the discretion of the Trustee be payable in a different manner or in a different form from that described in these Rules and the amount thereof may be adjusted appropriately provided always that the total benefits in respect of such Member shall not be less than the Trustee after consultation with the Actuary considers to be actuarially equivalent.

Open Market Option

(f) The Trustee may, at its discretion, make arrangements to secure any pension, together with if it so wishes any associated contingent pension, which becomes payable under the Scheme by purchasing such pension from an Authorised

Insurance Company under a contract either in the name of the Trustee or of the Member. If such contract is other than in the name of the Trustee the provisions of Rule B15(b) shall, with the necessary alterations in point of detail apply to this Rule.

B20. INCREASES IN PENSIONS IN PAYMENT

(a) Pensions in course of payment from the Scheme (other than any pension provided from a Member's voluntary contributions except where specifically agreed between the Member and the Trustee) shall be increased on 1 September each year, in proportion to any increase in the Index over the previous year as shown in the Index published in the month of January immediately prior to the 1 September on which the increase is granted subject to a maximum of five per cent in respect of Pensionable Service Prior to 1 September 2006, and subject to a maximum of two and a half per cent in respect of Pensionable Service on or after 1 September 2006..

Provided that in the case of a pension, payment of which commences on a date other than September 1st in any year ("the Start Date"):-

(i) by reason of a Current Member's retirement on account of incapacity, no increase shall be payable under this paragraph on the 1st September that falls next after the Start Date. Thereafter annual increases shall be calculated as provided in this paragraph B20(a); or

(ii) which is a pension payable to a Spouse by reason of the death in Service of the Current Member before Normal Pension Date, no increase shall be payable under this paragraph on the 1st September that falls next after the date of the Current Member's death. Thereafter annual increases shall be calculated as provided in paragraph B20(a).

(b) Pensions in course of payment from the Scheme shall also be reviewed on a regular basis and the Trustee after consultation with the Actuary and with the consent of the Conference may further increase such pensions at its discretion having regard to the financial position of the Scheme and the provisions of Rule B22.

(c) Increases in accordance with this Rule B20 shall be not less in amount than are required to satisfy the provisions of the Pensions Acts and shall satisfy any other requirements of the Pensions Acts relating to such increases including requirements relating to amounts of increases and to dates of payment and other terms and conditions relating thereto.

B21. TAXATION

Without prejudice to any express provision contained in the Rules the Trustee shall be entitled to deduct from the Fund a sum equal to any tax, levy, fee or duty for which the Trustee becomes liable and from any benefit or other payment made under the Scheme a sum equal to any tax, levy, fee or duty for which the Trustee becomes liable in consequence of such payment.

B22. **FINANCE ACT REQUIREMENTS**

Notwithstanding the other provisions of these Rules no payments to or in respect of a Member shall be made which are not Authorised Member Payments or which would otherwise prejudice the registration of the Scheme as a Registered Pension Scheme.

B23. **NON-ASSIGNABILITY AND FORFEITURE**

(a) No benefit provided from the Scheme is capable of being assigned or charged in any way.

(b) Any person who purports or attempts to assign, charge or alienate in whole or in part any benefit or right to benefit to which such person is entitled or may become entitled under the Scheme shall, subject always to the provisions of the Pensions Acts, immediately forfeit all right to benefit or to further payments of benefit from the Scheme.

(c) Where the benefit payable to any person has been forfeited by operation of paragraph (b) of this Rule, the Trustee shall have power at its absolute discretion to hold, pay or apply such benefit in cases of hardship only for the support and maintenance of that person or the Member's Spouse or children or other Dependants or any of them, provided always that payment shall not be made to any person purporting to be an assignee or chargee of such benefit.

B24. **PAYMENTS TO MINORS AND PERSONS UNDER A DISABILITY**

Notwithstanding anything contained to the contrary in these Rules, where payment of any benefit from the Scheme is to be made to a minor or to a person who appears in the opinion of the Trustee to be suffering from any mental disorder or physical or other incapacity rendering such person unable to manage his or her affairs or to give a proper receipt for the whole or any part of the benefit the Trustee may at its discretion determine that such pension or other benefit shall be paid to and applied for the maintenance of that person by any person or persons body corporate or institution whom the Trustee in its absolute discretion shall decide, and the receipt of that person or persons body corporate or institution so paid shall be a complete discharge for such pension or other benefit and the Trustee shall be under no liability to see to the application thereof.

B25. **SPECIAL TERMS AND CONDITIONS RELATING TO PENSIONABLE SERVICE IN GUERNSEY**

(a) The terms and conditions of this Rule apply only to Service in Guernsey to which the Scheme relates. This Rule shall supersede all provisions to the contrary in these Rules except to the extent that any of such provisions entitle a Member to rights or benefits additional to those provided by this Rule.

(b) A Member who is in Service in Guernsey and whose Membership ceases (other than by reason of death or retirement) at a time when such Member has two years of Qualifying Service or less shall be entitled to a refund of Contributions (if any).

(c) A Member who is in Service in Guernsey and whose Membership ceases prior to Normal Retirement Age (other than by reason of death or retirement) at a time when such Member has more than two years of Qualifying Service but not more than five years of Qualifying Service shall be entitled to choose between:-

(i) a refund of Contributions (if any); or

(ii) the making of a Transfer Payment to another pension scheme which has been approved by the Administrator of Income Tax in Guernsey under Section 150 of the Income Tax Law; or

(iii) the making of a Transfer Payment into a retirement annuity scheme or a retirement annuity trust scheme approved by the Administrator of Income Tax in Guernsey under sub-sections (2) and (4) respectively of Section 157A of the Income Tax Law

PROVIDED THAT where such Member has not exercised within one year after the date of termination of the Service to which the Scheme relates (or such longer period as may have been agreed between the Trustees and such Member in any particular case) the Member's entitlement under (ii) or (iii) of this paragraph (c) by selecting a pension scheme satisfying the requirements of (ii) or a retirement annuity scheme or retirement annuity trust scheme satisfying the requirements of (iii) which in each case is capable and willing to receive a Transfer Payment from the Scheme then such Member shall thereafter have an entitlement under (i) of this paragraph (c) only.

(d) A Member who is in Service in Guernsey and whose Membership ceases prior to Normal Retirement Age (other than by reason of death or retirement) at a time when such Member has more than five years of Qualifying Service shall be entitled to choose between -

(i) a refund of Contributions (if any); or

(ii) Deferred Benefits; or

(iii) the making of a Transfer Payment into another pension scheme which has been approved by the Administrator of Income Tax in Guernsey under Section 150 of the Income Tax Law; or

(iv) the making of a Transfer Payment into a retirement annuity scheme or a retirement annuity trust scheme approved by the Administrator of Income Tax in Guernsey under sub-sections (2) and (4) respectively of Section 157A of the Income Tax Law.

(e) To the extent that the Scheme permits the making of Transfer Payments in relation to Members with five years of Qualifying Service or less into other pension schemes approved by the Administrator of Income Tax in Guernsey, the Scheme will permit the making of Transfer Payments in relation to such Members, on terms which are no less favourable, into retirement annuity schemes and retirement annuity trust schemes approved by the Administrator of Income Tax in Guernsey under sub-sections (2) and (4) respectively of Section 157A of the Income Tax Law

(f) For the purposes of this Rule -

(i) "Contributions" means the aggregate of any contributions which the Member has made in accordance with the Scheme and any contributions which such Member has made in accordance with any other scheme in respect of which a Transfer Payment has been received in relation to such Member by the Scheme;

(ii) "Deferred Benefits" means benefits payable at a later date (but commencing not later than the date when the Member reaches Normal Retirement Age) which are of the same type as the benefits payable under the Scheme in respect of a Member who retires at Normal Retirement Age, and which are no less in value than whichever is the greater of:-

(aa) the benefits which would be payable under the Scheme to the Member if such Member retired at Normal Retirement Age having been a Member of the Scheme for the length of time, and in all the circumstances, that such has in fact been a Member of the Scheme; or

(bb) the benefits which could be provided by investment of the Member's Contributions (if any) between the date when such Member ceases to be a member of the Scheme and the date when such Member reaches Normal Retirement Age;

(iii) "Guernsey" includes Alderney;

(iv) "Income Tax Law" means the Income Tax (Guernsey) Law 1975 as amended;

(v) "Membership" means membership of the Scheme and ceases on termination of the Member's Service to which the Scheme relates.

(vi) "Normal Retirement Age" means the specified age in the Rules of the Scheme at which the Member is entitled to immediate benefits on retirement, irrespective of such Member's state of health.

(vii) "Qualifying Service" means the aggregate of any periods of Service during which the Member has in fact been a Member of

(aa) the Scheme; or

(bb) any other occupational pension scheme in respect of which a Transfer Payment has been received by the Scheme in relation to the Member;

(viii) "Scheme" means the occupational pension scheme to which this Rule relates;

(ix) "Transfer Payment" means a payment equal to the value at the time when the Transfer Payment is made, as determined by a Fellow of the Institute of Actuaries, a Fellow of the Faculty of Actuaries or a person holding other actuarial qualifications approved by the Administrator of Income Tax in Guernsey of:-

(aa) the Deferred Benefits which the Member is entitled to choose under the Scheme; or

(bb) in cases where the Member is not entitled to choose Deferred Benefits under the Scheme, the Deferred Benefits which such Member could have chosen had the Member been so entitled.

APPENDIX TO RULES

PART A

DEFINITIONS

"Actuary" means the person appointed to be the Actuary to the Scheme in accordance with Rule A7.

"Administrator" means the person or persons who is or are the administrator of the Scheme in accordance with Rule A4(b).

"Authorised Insurance Company" means an insurance company which falls within the description of insurance company set out in section 659B of the Income and Corporate Taxes Act 1998 and which is acceptable for the purposes of section 19 of the Pensions Schemes Act.

"Authorised Member Payments" means payments to or in respect of a Member authorised by Section 164 of the Finance Act.

"Cash Value" means in respect of a Member at any date an amount determined by the Trustee with the advice of the Actuary being not less than the value at that date of the whole or a specified part of the benefits payable or prospectively payable from the Scheme in respect of such Member, such amount being not less, where appropriate, than the cash equivalent of the Member's benefits for the purposes of Chapter IV of Part IV of the Pension Schemes Act.

"Church Contribution" means a contribution to the Scheme in accordance with Rule B4(b).

"Circuit" means a circuit as defined in the Deed of Union and Standing Orders

"Civil Partner" means in relation to a deceased Member a person who had entered into a legally recognised civil partnership under the Civil Partnership Act 2004 with the Member where that partnership is not dissolved.

"Conference" means the conference of the Methodist Church constituted under and by virtue of the Methodist Church Union Act 1929 and the Deed of Union and includes the governing body from time to time of the Methodist Church and any body to which such conference or governing body has delegated powers in relation to the scheme (and, if some only, as respects the exercise of those powers).

"Conference's Schemes" means all retirement schemes of the Conference or to which the Conference contributes or has contributed.

"Current Member" means a Member who, having been admitted to membership of the Scheme in accordance with these Rules:-

(1) is within the eligibility category described in Rule B1, and

(2) has not withdrawn from membership of the Scheme.

"Deacon" means a deacon in full connexion as defined in the Deed of Union and Standing Orders other than a deacon who is recognised and regarded as such under Standing Order 732

"Deed of Union" means the deed of union executed in pursuance of the Methodist Church Union Act 1929 on 20 September 1932 as from time to time amended.

"Dependant" means in respect of a Member any person who in the opinion of the Trustee is or was at the relevant time dependent on the Member for all or part of the necessaries of life or whose maintenance and support the Member had undertaken immediately before the relevant time, or who is a former spouse of the Member in respect of whom a financial provision order has been made under the Matrimonial Causes Act 1973.

"Disclosure Regulations" means the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

"Employment Rights Act" means the Employment Rights Act 1996.

"European Member" and **"European Survivor"** shall have the meanings given to them respectively in The Occupational Pension Schemes (Cross-Border Activities) Regulations 2005 or any amendment or statutory modification thereof.

"Final Stipend" means in respect of a Current Member who ceases to be a Current Member due to death before Normal Pension Date or incapacity retirement within the terms of the third paragraph of Rule B8(b) the annual rate of Stipend at the date of such cessation and in respect of any other Member at any date the Stipend for the year ending on such date.

"Finance Act" means the Finance Act 2004

"Fund" means the monies, investments, policies of insurance and other property for the time being held by the Trustee subject to the provisions of these Rules.

"Fund Manager" means any corporate body, firm or individual appointed to be a fund manager to the Scheme in accordance with Rule A11(a).

"HMRC" means HM Revenue & Customs

"Index" means the Government's Index of Retail Prices or such other index as shall with the agreement of HMRC, be determined by the Trustee from time to time to apply to the Scheme and notified by the Trustee to the Members affected thereby.

"Intended Benefits" means the benefits to be provided in respect of each Member in accordance with the Part B Rules.

"Member" means any person who has joined the Scheme in accordance with the provisions of the Scheme applicable from time to time, and includes any such person so long as, but only so long as, any benefit remains payable from the Scheme to or in respect of such person.

"Member's Contribution" means a contribution to the Scheme made by a Current Member in accordance with Rule B4(a).

"Minister" means a minister in full connexion as defined in the Deed of Union and Standing Orders other than a minister who is recognised and regarded as a presbyter or deacon under Standing Order 732

"Normal Pension Date" in relation to Pensionable Service up to 31st August 2013 means the 31st August in the calendar year of the Member's 65th birthday provided and in relation to Pensionable Service from 1st September 2013 means the 31st August in the calendar year the Member attains State Pension Age provided that in the case of a female Member who has so elected prior to 31 August 1991 and who has not revoked such election (such revocation being final) Normal Pension Date means the 31 August next following the attainment of age 60 in respect of Pensionable Service prior to 17 May 1990.

"Paid Statutory Absence" means a period of paid maternity absence or a period of paid paternity leave or a period of paid adoption leave or a period of paid family leave as defined respectively in paragraphs 5, 5A, 5B and 6 of Schedule 5 to the Social Security Act 1989.

"Part A Rules" means Part A of these Rules and any addition or alteration thereto duly made.

"Part B Rules" means Part B of these Rules and any addition or alteration thereto duly made.

"Pension Schemes Act" means the Pension Schemes Act 1993.

"Pensionable Service" means in respect of each Member the period of Service as a deaconess prior to 1 September 1981 (subject to a maximum of 32 such years) and the completed period of Service as a Current Member (excluding any period for which contributions under Rule B4(a) have not been paid) the total being taken as the number of complete months with any incomplete month taken as a complete month.

"Pensions Acts" means the Pensions Act 1995 and the Pensions Act 2004.

"Presbyter" means a presbyter in full connexion as defined in the Deed of Union and Standing Orders other than a presbyter who is recognised and regarded as such under Standing Order 732

"Preservation Regulations" means the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991.

"Probationer" has the meaning given to it by the Deed of Union and Standing Orders.

"Qualifying Child" means in respect of a Member any child of the Member who has not reached the age of 18 or, having reached the age of 18, is in receipt of full-time education or vocational training and has not reached the age of 23 and in this definition "child of a Member" includes also the Member's step-child and a child legally adopted either by the Member alone or jointly by the Member and the Member's spouse and any other child who, in the opinion of the Trustee, has been treated by the Member as a child of the Member's family.

"Qualifying Leaver" means -

(1) a Member who at the date of ceasing to be within the eligibility category described in Rule B1 has completed two or more years of Qualifying Service, and

(2) a Member in respect of whom there has been a transfer into the Scheme from a personal pension scheme within the definition contained in section 630 of the Income and Corporation Taxes Act 1988 in respect of a period of employment.

"Qualifying Recognised Overseas Pension Scheme" means a pension scheme satisfying the requirements of section 169(2) of the Finance Act.

"Qualifying Service" means in respect of a Member at any date that part of the last or only period of Service up to that date which was pensionable under the Scheme at the time such Service was given together with any period of employment in respect of which the Member is entitled to benefits under the Scheme by virtue of a transfer into the Scheme, provided that for the purposes of this definition:-

(1) any period of Service which is separated from a succeeding period by -

(a) an interval not exceeding one month, or

(b) an absence from work wholly or partly because of Statutory Leave after which the Member returns to work in exercise of a right under the Employment Rights Act, or

(c) an absence from work in furtherance of a trade dispute as defined in section 27(3)(B) of the Social Security Contributions and Benefits Act 1992.

shall be deemed to be part of such succeeding period; and

(2) there shall be included in Service any earlier period of the Member's Service which gave rise to a leaving Service entitlement to which the Member has retained an entitlement under the Scheme.

"Registered Pension Scheme" means a pension scheme registered in accordance with section 153 of the Finance Act or treated as registered in accordance with schedule 36 of the Finance Act.

"Rules" means the Part A Rules, the Part B Rules and this Appendix.

"Scheme" means the Methodist Ministers' Pension Scheme.

"Service" means

(1) service in an appointment in which the person concerned has been appointed by the Conference to serve and for which a stipend or equivalent has been paid; or

(2) paid service in an appointment in which the person concerned has been permitted by the Conference to serve and in relation to which the stipend or equivalent is paid by a body under the governance of the Conference; or

(3) paid service with the consent of the Conference in a "sector" or "other" appointment as those expressions were formerly used in the Standing Orders

or in any earlier equivalent of such an appointment whether described as service with an "external organisation" or in some other way; or

(4) in relation to a person eligible to join the Scheme by virtue (ii) or (iii) of Rule B1(a) whose service does not fall within any of paragraphs (1) to (3) above, service which would fall within one of those paragraphs if the person concerned were a Presbyter or Deacon.

"Spouse" means in relation to a deceased Member the widow or widower (if any) of the last or only marriage and includes a Civil Partner but excludes

(i) the widow or widower or Civil Partner of a deceased Member who married such widow or widower or who entered into a civil partnership after ceasing to be a Current Member and less than six months prior to the death of the Member, and

(ii) the widower of a female Member who has elected prior to 31 August 1991, and has not revoked such election, that her Normal Pension Date should be the 31 August next following the attainment of age 60 in respect of Pensionable Service prior to 17 May 1990.

provided that unless the Trustee determines otherwise there can be only one such person for the purposes of this definition in respect of any one deceased Member and in the event of two or more persons claiming to be the widow or widower of the same deceased Member the Trustee shall have absolute discretion to decide which one or more of such persons shall be recognised for the purposes of this definition and if the Trustee exercises its discretion to recognise more than one such person it shall have power in respect of benefit from the Scheme which would otherwise have been payable to one person to decide the proportions of such benefit to be payable to the persons so recognised.

"Standing Orders" means the Standing Orders made by the Conference under Clause 19 of the Deed of Union, as for the time being in force, and reference to a numbered Standing Order has a corresponding meaning.

"State Pension Age" means the pensionable age as set out in Schedule 4 of the Pensions Act 1995, as subsequently amended.

"Statutory Leave" means maternity leave, parental leave, paternity leave or adoption leave to which Part 8 of the Employment Rights Act applies.

"Statutory Remuneration" means remuneration in accordance with paragraphs 5, 5A, 5B or 6 as the case my be of schedule 5 to the Social Security Act 1989.

"Stipend" means the minimum stipend determined from time to time by the Conference.

"The Pensions Regulator" means the Pensions Regulator established by the Pensions Act 2004.

"Trustee" means the trustee for the time being of the Scheme.

PART B

Pension Sharing on Divorce or Dissolution of a Civil Partnership

Application of Part B

1. Where there is any inconsistency between the Part A Rules or the Part B Rules and this part of this Appendix, the provisions of this part of this Appendix shall be paramount.

Definitions

2. For the purposes of this part of this Appendix:

Ex-Spouse means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order and can include a former Civil Partner.

Ex-Spouse Participant means an Ex-Spouse who is entitled to a Pension Credit Benefit in addition to any benefits to which he or she is entitled as a Member of the Scheme or as a Spouse or Dependant of a Member of the Scheme.

Deferred Pension Reduction means the amount by which the Member's pension or deferred pension under the Scheme which arises from Pensionable Service is reduced in accordance with the provisions of section 31 of the Welfare Act following a Pension Sharing Order.

Pension Credit means a credit under section 29(1)(b) of the Welfare Act and is equal to the Pension Debit.

Pension Credit Benefit means the benefit payable from the Scheme to or in respect of an Ex-Spouse Participant by virtue of rights under the Scheme attributable either directly or indirectly to a Pension Credit. The value of such benefit (calculated as required by the Welfare Act) shall not be less than the Pension Credit.

Pension Credit Rights means rights to future benefits under the Rules which are attributable either directly or indirectly to a Pension Credit.

Pension Debit means a debit under section 29(1)(a) of the Welfare Act and is calculated in accordance with sections 29 and 30 of the Welfare Act.

Pension Debit Member means a Member of the Scheme who on the date that his or her marriage is dissolved or annulled is or was in receipt of Earnings in excess of one quarter of the Permitted Maximum on that date and whose benefits have been permanently reduced by a Pension Debit in accordance with section 31 of the Welfare Act. For the purpose of this definition **Earnings** means the total emoluments (from which tax has been deducted in accordance with the Income Tax (Employment) Regulations 1993) received by the Member during the year of assessment immediately before the year of assessment in which the marriage of the Member was dissolved or annulled.

Pension Sharing Order means an order or provision as mentioned in section 28(1) of the Welfare Act or an agreement or equivalent provision.

Welfare Act means the Welfare Reform and Pensions Act 1999 and any reference to the Welfare Act or to a section of that Act shall include (where necessary) the corresponding provision applicable in Northern Ireland.

Options of Ex-Spouse Participant in Respect of Pension Credit

3.1 The following provisions shall apply to an Ex-Spouse Participant in relation to his or her Pension Credit.

Pension

3.2 At the request of an Ex-Spouse Participant a pension can commence to be paid to the Ex-Spouse Participant at any time between the date he or she attains the age of 50 (or age 55 if such time is on or after 6 April 2010) and the date he or she attains the age of 75. It may be paid at an earlier age if he or she is suffering incapacity but only if, where the Ex-Spouse Participant is entitled to benefits under the Scheme Rules as a Member of the Scheme, he or she has been permitted to take benefits under the Scheme Rules which are available on incapacity. The pension shall increase each year by at least the amount (if any) as is required in accordance with the Pensions Acts. The value of the pension shall be equal to the amount of the Pension Credit.

If the Ex-Spouse Participant is over the age of 75 at the date the Pension Sharing Order comes into effect the pension shall commence immediately.

Serious Ill-health and Dependant's Pension Option

3.3 The provisions of B10(b) and Rule B11 shall apply to an Ex-Spouse as if the reference to a Member in those Rules were to an Ex-Spouse Participant provided that:

if the Member of the Scheme in relation to whom the Ex-Spouse Participant is entitled to Pension Credit Rights has received a cash payment from the Scheme before the date of implementation by the Scheme of the Pension Sharing Order the Ex-Spouse Participant may not exercise the option under Rule B10(b).

Normal Commutation

3.4 An Ex-Spouse Participant may commute part of the pension to which he or she is entitled by virtue of the Pension Sharing Order for a lump sum at the date the pension is due to commence. The lump sum shall not exceed the amount permitted in accordance with Rule B22.

Death before Pension starts

3.5 If the Ex-Spouse Participant or an Ex-Spouse who, but for the Trustee having not implemented the provisions of the Pension Sharing Order, would be an Ex-Spouse Participant (in which case such Ex-Spouse shall be deemed to be an Ex-Spouse Participant) dies before a pension becomes payable to him or her from the Scheme the following benefits shall be payable.

(a) **Lump Sum**

A lump sum of such amount (if any) (subject to a maximum of 25% of the Cash Value of the Pension Credit Rights of the Ex-Spouse Participant at the date of his or her death) as the Trustee shall decide. Such lump sum shall be paid in accordance with Rule B18 as if the Ex-Spouse Participant was a Member of the Scheme.

(b) **Spouse, Qualifying Children or Dependant Pension**

A non-commutable pension for the benefit of such one or more of the Spouse, Qualifying Children or Dependants of the Ex-Spouse Participant selected in its full discretion by the Trustee and of such amount(s) as the Trustee (acting on the advice of the Actuary) shall determine to be equivalent in value to the Cash Value of the Pension Credit Rights less the amount (if any) payable in accordance with paragraph (a) above. The amount of the pension shall not exceed 2/3rds (in the case of any one dependant) or 100% (in the case of all dependants) of the Appropriate Pension. For this purpose the Appropriate Pension is the amount of pension which could in the opinion of the Trustee acting on the advice of the Actuary have been provided for the Ex-Spouse Participant by the whole of the Cash Value aforesaid if he or she had commenced receiving a pension from the Scheme on the day before his or her death and for this purpose an Ex-Spouse Participant under the age of 50 (or age 55 if such death is on or after 6 April 2010) shall be deemed to have been exactly 50 years of age (or age 55 if such death is on or after 6 April 2010).

Such pension(s) shall be payable in accordance with Rule B19.

(c) Any part of the Pension Credit Rights which cannot be applied in accordance with Rule 3.5(b) of this Appendix shall be retained in the Scheme.

Death after Pension Starts

3.6 If the Ex-Spouse Participant dies before attaining the 75th birthday but after a pension becomes payable to him or her from the Scheme and the Ex-Spouse Participant, with the agreement of the Trustee, elected at the date the pension commenced that such benefit would be payable on his or her death, there shall be payable in accordance with Rule B18 as if the Ex-Spouse Participant were a Member of the Scheme an amount (if any) by which five times the initial annual amount of pension exceeds the amount of pension actually paid.

Transfer Out (Ex-Spouse Participant)

3.7 The Trustee may at its discretion instead of providing Pension Credit Rights for an Ex-Spouse Participant and shall, on the written request of an Ex-Spouse Participant or as provided under paragraph 1(3) of schedule 5 of the Welfare Act, transfer his or her Pension Credit Rights to another Registered Pension Scheme

provided such scheme is able and willing to accept such Pension Credit Rights.

The Trustee shall inform the trustees or administrator of the scheme to which the transfer is made that the whole of the transfer made in accordance with this Rule relates to the Pension Credit Rights of the Ex-Spouse Participant.

Ex-Spouse Participant also Member of the Scheme

4. If an Ex-Spouse Participant is entitled to benefits from the Scheme as a Member of the Scheme or as a Spouse or Dependant of a Member of the Scheme the benefits to which the Ex-Spouse Participant is entitled from the Scheme as an Ex-Spouse Participant shall, except as provided in Rule 3.3 of this Appendix, be treated separately from the benefits to which he or she is entitled as a Member of the Scheme or as a Spouse or Dependant of a Member of the Scheme.

Reduction in Members' Benefits

5. The benefits payable to a Member in accordance with the other provisions of the Rules shall be reduced in a manner which satisfies the provisions of the Welfare Act and the amount of such reduction in benefit shall be equal in value to the Pension Debit.

Transfers In

6. The Trustee may accept a transfer to the Scheme in accordance with Rule B16 in respect of a Member or Ex-Spouse Participant who has a Pension Credit Benefit under another scheme or arrangement and if they do so they shall separately identify the benefits relating to such Pension Credit Benefit and the provisions of this Appendix shall apply to the benefits relating to such transfer.

Transfer Out (Member)

7. If a transfer is made in accordance with Rule B15 in respect of a Member of the Scheme to whom this Appendix applies the Trustee shall give details to the trustees of or person administering such other arrangement of any Pension Credit or Pension Debit which applies to such Member.

Non-Assignment/Forfeiture

8. Rule B23 shall not apply in respect of the transfer of the part of the benefits in respect of a Member of the Scheme to an Ex-Spouse Participant in connection with benefits to be provided from the Scheme to an Ex-Spouse in compliance with a Pension Sharing Order.

Restriction of Contracted Out Benefits

9. If any part of the Pension Credit Rights includes safeguarded rights (as defined in Section 68A of the Pension Schemes Act) the other provisions of this Appendix shall be amended to such extent as is necessary to comply with the provisions of the Pension Schemes Act and the Welfare Act as regards those safeguarded rights.

Winding Up

10. In the event of the Scheme being wound up in accordance with Rule A20 the Pension Credit Benefits shall be accorded priority as satisfies the provisions of the Pensions Acts and, to the extent that the Pension Credit Benefits are not given priority under that Act, in accordance with Rule A20 as if the Ex-Spouse Participant were a Member of the Scheme.

Charges

11. If the Trustee determines to recover the charges referred to in section 41 of the Welfare Act in the manner referred to in paragraph 9(2)(b)(c)(d) and (e) of the Pensions on Divorce etc (Charging) Regulations 2000 then any reference to a Pension Credit or Pension Debit or the Pension Credit Benefit or pension payable to the Member as appropriate shall be reduced or increased accordingly.