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National Assembly for Wales

Members Pension Scheme

Arrangement of Rules

1 May 2016



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PART ONE

Trust Provisions, Membership and Administration

PRELIMINARY

These Rules constitute a "new public service pension scheme" for the purposes of section 30 of the Public Service Pensions Act 2013. As such, certain provisions of that Act apply to the Scheme. The relevant provisions of the Public Service Pensions Act 2013 are shown in italics at the start of the relevant Rules.

1 TITLE

- 1.1 These Rules may be cited as the National Assembly for Wales Members' Pension Scheme Rules [2015].

2 INTERPRETATION AND GENERAL PROVISIONS

- 2.1 These Rules are intended to be administered in accordance with the provisions of the Finance Act 2004 and any regulations made under that Act and to comply with such other statutory requirements as may apply. If there is any inconsistency between the provisions of these Rules and the Finance Act 2004 (or any regulations made thereunder), that Act and or regulations shall apply.

- 2.2 In these Rules:

"**Act**" means the Government of Wales Act 2006;

"**Actual AM Reckonable Service**" has the meaning assigned to it by Rule 27 {actual reckonable service};

"**Actual Office Holder Reckonable Service**" has the meaning assigned to it by Rule 27 {actual reckonable service};

"**Actuary**" means the actuary appointed under Rule 18.1 {appointment of an actuary};

"Added Year" means a period or periods of AM Reckonable Service purchased under Rule 80 {purchase of added years by participating AMs} and Schedule 4 {purchase of added years} including a part of a year expressed in days;

"Aggregate AM Reckonable Service" has the meaning given in Rule 28 {aggregate reckonable service};

"Aggregate Office Holder Reckonable Service" has the meaning given in Rule 28 {aggregate reckonable service};

"AM Appropriate Fraction" means:

- (a) in relation to a year or part of a year comprised in a Member's Aggregate AM Reckonable Service during which that Member's ordinary salary is not reduced by virtue of an order under section 17 of the Government of Wales Act 1998 or under section 21 (limit of salaries of Members of other public bodies) of the Act, the fraction specified in paragraph 9 of Schedule 1 {historic provisions}; and
- (b) in relation to a year or part of a year comprised in a Member's Aggregate AM Reckonable Service during which that Member's ordinary salary is or has been reduced by virtue of an order under section 17 of the Government of Wales Act 1998 or under section 21 of the Act, for the periods while the Assembly Member's salary was reduced, the fraction specified in paragraph 10 of Schedule 1 {historic provisions};

"AM CARE Salary" means the amount of salary actually paid to an Assembly Member for the CARE Year in question in his or her capacity as an Assembly Member excluding any Office Holder Salary provided that AM CARE Salary shall not exceed the Permitted Maximum;

"AM Contribution Salary" means AM Ordinary Salary provided that where AM Ordinary Salary is reduced by virtue of an order under section 17 of the Government of Wales Act 1998 or under section 21 (limit of salaries of Members of other public bodies) of the Act, 'AM Contribution Salary' means the reduced level of salary paid to the Member;

"AM Ordinary Salary" means the amount of salary that is from time to time payable to an Assembly Member under section 16 of the Government of Wales Act 1998 or section 20 of

the Act excluding any Office Holder Salary that may be payable to the Assembly Member in his or her capacity as an Office Holder;

"AM Reckonable Service" has the meaning given to it by Rule 27 {actual reckonable service};

"AM Terminal Salary" means:

- (a) in relation to a Member who has been a Participating AM for a period of twelve months or more, or for two or more periods amounting in the aggregate to more than twelve months, means the amount of AM Ordinary Salary for the last twelve months (whether continuous or discontinuous) during which that person was a Participating AM; and
- (b) in relation to a person who has been a Participating AM, but whose actual period of service as a Participating AM was less than twelve months, means an amount calculated by taking the aggregate amount of AM Ordinary Salary for the period (whether continuous or discontinuous) for which he or she was a Participating AM and multiplying it by the figure (whether being a whole number or not) by which the number of days comprised in his or her period of service as an Assembly Member must be multiplied in order to be equal to a year,

provided that:

- (i) where a Participating AM leaves AM Reckonable Service before the Commencement Date and subsequently re-joins the Scheme on or after the Commencement Date and accrues a further period of AM Reckonable Service, his AM Terminal Salary shall be calculated as at the date of the last occasion on which he or she left AM Reckonable Service before the Commencement Date; and
- (ii) where a Participating AM leaves AM Reckonable Service on or after the Commencement Date and subsequently re-joins the Scheme and accrues a further period of AM Reckonable Service, his AM Terminal Salary shall be calculated as at the date of the first occasion on which he or she left AM Reckonable Service on or after the Commencement Date.

"Assembly Commission" means the National Assembly for Wales Commission established under section 27 of the Act;

"Assembly Member" means a Member of the National Assembly for Wales;

"Assembly Member Salary" means the amount of salary that is actually paid to an Assembly Member from time to time excluding any Office Holder Salary;

"CARE Benefits" means, subject to the transitional provisions set out in Schedule 6, benefits accrued by reference to Reckonable Service on and after the Commencement Date and calculated in accordance with Part 3 of the Rules;

"CARE Benefits Credit", in respect of any given CARE Year, means an amount of Pension calculated as set out in Rule 38.2 {calculation of CARE pension credit}.

"CARE Year" means a period of one year starting on each 1 April and ending on the subsequent 31 March;

"Cash Equivalent" means a cash equivalent transfer value calculated in accordance with Chapter 1 of Part 4ZA of the Pension Schemes Act 1993;

"Child" in relation to a deceased Member means a person who is:

- (a) his natural child (including an illegitimate child); or
- (b) his step-child; or
- (c) a child whom he or she has legally adopted; or
- (d) a child of his conceived but not yet born,

and **"Children"** shall be construed accordingly.

"Child's Pension" means a pension payable in accordance with Rule 56 {pensions for children}.

"Civil Partner" means a person registered as a Civil Partner in accordance with the procedures set out in the Civil Partnership Act 2004, and any statutory amendment, re-enactment or modification thereof;

"Commencement Date" means 6 May 2016. But if the Secretary of State exercises his power under section 4 of the Act to vary the date of the next ordinary general election to the Assembly, it means the day after the poll at that election;

"Conflict of Interest" means a financial or other interest which is likely to prejudice a person's exercise of functions as a Trustee (but does not include a financial or other interest arising merely by virtue of Membership of the Scheme);

"Contracted-Out Scheme" means an occupational pension scheme which is for the time being specified in a contracting-out certificate issued under section 7 of the Pension Schemes Act 1993;

"Contracting Out Requirements" means the requirements to be met for the purpose of obtaining and maintaining a contracting-out certificate under Chapter I Part III of the Pension Schemes Act 1993 by reference to the Scheme;

"Contributions Equivalent Premium" has the same meaning as in section 55(2) and 58(4) of the Pension Schemes Act 1993;

"Contribution Factor" means for each Scheme Financial Year of which the whole or any part was comprised in a Participant's Aggregate Office Holder Reckonable Service prior to the Commencement Date the amount calculated under sub-paragraph (a) divided by the amount calculated under subparagraph (b) of this paragraph:

- (a) an amount equal to the Member's Participant Contributions in respect of that Scheme Financial Year except for this purpose that part of Participant Contributions under Rule 30.3 which represents the Assembly Commission's ongoing contribution shall be disregarded; and
- (b) an amount equal to the aggregate amount which fell to be deducted under Rule 29 {contributions by participating AMs} from an AM's Ordinary Salary in respect of that Scheme Financial Year;

"Cost Cap Cost" has the meaning given in Schedule 7, paragraph 6;

"Cost Cap Valuation" means a valuation of the cost of accrual of the CARE Benefits carried out in accordance with Schedule 7;

"Cost Cap Valuation Date" has the meaning given in Schedule 7, paragraphs 3 and 4;

"Date of Death" means the date when the deceased died;

"Death Benefit Pension" has the meaning assigned to it by Rule 59 {meaning of death benefit pension};

"Deferred Pensioner" means a person who:

- (a) having been but having ceased to be a Participant; and
- (b) having accrued rights to a Pension from the Scheme, is not, or was not at the time of his or her death, yet entitled to receive a Pension from the Scheme;

"Dependant" means a person who has been financially dependent on the Member and who in the opinion of the Trustees ought properly to receive a benefit under the Scheme in the event of the Member's death whether or not the Member has notified the Trustees that he or she wishes that person to be considered as a recipient of such benefits.

"Effective Opt-In Date" means:

- (a) in the case of an Opted-Out AM, the date of any subsequent ordinary election to the National Assembly for Wales or subsequent event at which the Opted-Out AM became an Assembly Member; and
- (b) in the case of an Opted-Out Office Holder, the date of commencement of a new Qualifying Office Tenure;

"Employer Cost Cap" shall have the meaning set out in Schedule 7, paragraphs 8 and 9;

"Final Salary" means:

- (a) in relation to a Member who has been a Participant for a period of twelve months or more, or for two or more periods amounting in the aggregate to more than twelve months, the amount of salary which was actually paid for the last twelve months (whether continuous or discontinuous) during which that person was a Participant; and
- (b) in relation to a person who has been a Participant, but whose actual period of Reckonable Service was less than twelve months, an amount calculated by taking the aggregate amount of salary which was actually paid for the period of Reckonable Service (whether continuous or discontinuous) and multiplying it by the figure (whether being a whole number or not) by which the number of days comprised in his or her period of Reckonable Service must be multiplied in order to be equal to a year;

"Finance Act" means the Finance Act 2004 and any statutory amendment, re-enactment or modification thereof;

"Fraction of a Year" means part of a year of Reckonable Service expressed as the proportion borne by the number of days in that part to three hundred and sixty-five; and

"Fraction of an Added Year" shall be construed accordingly;

"Fund" means the fund maintained under Rule 3 {establishment of the fund};

"Gainful Work" means work under a contract of employment, service or apprenticeship or as the holder of an office (including holding public office or serving as a Councillor), or as a self-employed person engaged in a business or profession, being in any case work from which the person concerned gains the whole or a substantial part of his or her income;

"Gratuity Salary" means the actual salary that a Participant was receiving immediately prior to his or her death and for the avoidance of doubt in the case of a Participating Office Holder the Gratuity Salary shall be the aggregate of the annual amount payable to the Office Holder in respect of his or her tenure of that office and of the annual salary which is or was payable to him or her as an Assembly Member holding that office;

"Guaranteed Minimum Pension" has the same meaning as in section 8 of the Pension Schemes Act 1993;

"Guaranteed Minimum Pension Age" has the same meaning as "pensionable age" in section 181 of the Pension Schemes Act 1993 for the purposes of provisions relating to guaranteed minimum pensions;

"HMRC" means Her Majesty's Revenue & Customs;

"Independent Trustee" means a person who is not a Member nor an employee of the National Assembly for Wales Commission;

"Interest" (where the reference is to the payment of any sum with Interest) means compound Interest at the rate of [three] per cent above the Bank of England base rate from time to time per annum, the Interest shall be calculated with annual rests;

"Material Time" means the time when a Participant ceases to be a Participant;

"Maximum Commutable Sum" has the same meaning as the "permitted maximum" relating to "pension commencement lump sums" as defined and set out in Schedule 29 to the Finance Act, or such higher amount as is permitted by Schedule 36 to the Finance Act, where the person has the benefit of pension commencement lump sum protection;

"Member" means a Participant, a Deferred Pensioner or a Pensioner of the Scheme and **"Membership"** shall be construed accordingly;

"the National Assembly for Wales" means, as the context requires, either the Assembly first established by section 1 of the Government of Wales Act 1998 or the Assembly established by section 1 of the Act;

"Normal Retirement Age" means:

- (a) in relation to Pre-CARE Benefits, the age of sixty-five; and
- (b) in relation to CARE Benefits, the later of the age of sixty-five and a Member's State Pension Age;

{See also Section 10 of the Public Service Pensions Act 2013}

"Normal Minimum Pension Age" means:

- (a) in the case of an individual who was a Participant or Deferred Pensioner of the Scheme prior to 6th April 2006, the age of fifty years;
- (b) in the case of an individual who became a Participant in the Scheme for the first time on or after 6th April 2006, the age of fifty-five years, unless that individual has the benefit of a protected pension age in accordance with the provisions of paragraph 22 of Schedule 36 to the Finance Act in which case it shall mean their protected pension age;

"Office Holder" means the holder of a Qualifying Office;

"Office Holder Appropriate Fraction" has the meaning given in paragraph 11 of Schedule 1 {historic provisions};

"Office Holder CARE Salary" means the amount of salary actually paid to a Member for the CARE Year in question in his or her capacity as an Office Holder excluding any Assembly Member Salary provided that Office Holder CARE Salary shall not exceed the Permitted Maximum.

"Office Holder Contribution Salary" means the difference between:

- (a) the aggregate of the annual amount payable to the Office Holder in respect of his or her tenure of that office and of the annual salary which is or was payable to him or her as an Assembly Member holding that office; and
- (b) AM Contribution Salary;

"Office Holder Reckonable Service" has the meaning assigned to it by Rule 27 {actual reckonable service};

"Office Holder Ordinary Salary" means the amount of salary that is from time to time payable to an Office Holder under section 20 or section 53 of the Act excluding any Assembly Member Salary;

"Office Holder Pension Credit", in respect of any given CARE Year, means an amount of Pension calculated as set out in Rule 39.2 {calculation of Office Holder pension credit};

"Office Holder Salary" means the amount of salary that is actually paid to an Office Holder from time to time excluding any Assembly Member Salary;

"Office Holder Terminal Salary" (pre-CARE) means

- (a) in relation to a Member who has been a Participating Office Holder for a period of twelve months or more, the amount of AM Ordinary Salary for the last twelve months (whether continuous or discontinuous) comprised in that actual period of Office Holder Reckonable Service; and
- (b) in relation to a Member whose actual period of Office Holder Reckonable Service was less than twelve months, the amount of AM Ordinary Salary for the period which constituted that actual period of Office Holder Reckonable Service multiplied by the figure (whether being a whole number or not) by which the number of days comprised in his or her actual period of Office Holder Reckonable Service must be multiplied in order to be equal to a year,

provided that where a Participating AM has paid additional contributions under Rule 30.3 {contributions by participating office holders}, the "Office Holder Terminal Salary" shall be determined at the end of the period of Reckonable Service as an Office Holder immediately following the interim period in respect of which the additional contributions were due;

"Opted-Out AM" means an Assembly Member who has exercised his or her right under Rule 11.1 {right to opt out for Assembly Members} to opt out of the Scheme;

"Opted-Out Office Holder" means an Office Holder who has exercised his or her right under Rule 12.1 {right to opt out for office holders} not to be a Participating Office Holder or who has exercised the option under Rule 11.1 {right to opt out for Assembly Members} to opt out of the Scheme;

"Overseas Scheme" means a pension fund or scheme which is established outside the United Kingdom and wholly or primarily administered outside the United Kingdom;

"Participant" means a person making Participant Contributions to the Scheme and may be either a Participating AM or a Participating Office Holder or both a Participating AM and a Participating Office Holder;

"Participant Contribution" means any amount deducted from a Participant's salary or deemed to have been paid by a Participant under Rule 29 {contributions by participating AMs} or Rule 30 {contributions by participating office holders} and any reference to the payment of a Participant Contribution shall be construed accordingly;

"Participating AM" means a person making Participant Contributions to the Scheme deducted from his or her salary as an Assembly Member (or who is excused from making such Participant Contributions because his or her aggregate period of Reckonable Service exceeds that which would give rise to the maximum Pension allowed in respect of them under the Scheme);

"Participating Office Holder" means a person making Participant Contributions to the Scheme deducted from his or her salary as an Office Holder;

"Partner" means a person of either sex who:

- (a) was co-habiting with the Member at the date of the Member's death and had been co-habiting with the Member for a period of at least 12 months immediately prior to death; and
- (b) had been nominated in writing by that Member at least six months' prior to the Member's death as being the person to whom the Member wished a Partner's Pension to be paid under this Rule; and
- (c) was in the opinion of the Trustees either financially dependent upon or financially inter-dependent with that Member and who has provided proof of the existence of that financial dependency or interdependency subsisting for at least the twelve month period prior to the death of the Member;

"Pension" means any pension in payment under the Scheme but does not include an allowance or gratuity;

"Pension Board" shall have the meaning set out in Section 5 of the PSPA;

"Pensioner" means a person entitled to receive a Pension from the Scheme and may be either a Pensioner AM or a Pensioner Office Holder or both a Pensioner AM and a Pensioner Office Holder;

"Pensioner AM" means a person entitled to receive a Pension from the Scheme (including an early retirement Pension or an ill health Pension) in respect of his or her AM Reckonable Service;

"Pensioner AM's Children's Prospective Pension End Date" means, in respect of any Relevant Child of a deceased Pensioner AM the sooner of,

(a)

- (i) the day before that on which that Child reaches seventeen years of age; or
- (ii) if the Child is within his or her period of full time education as defined by Schedule 3 {persons qualifying for children's pensions}, such later date as the Trustees may determine being no later than the day before that on which the child reaches twenty three years of age; and

(b) the end of the Pensioner AM's Five Year Period;

"Pensioner AM's Five Year Period" means the period of five years beginning with the day on which the Pensioner AM became entitled to receive a Pension or Pensions under Rule 32 {entitlement of pensioner AMs} (including an early retirement Pension or an ill health Pension payable by virtue of Rule 44 {early retirement for AMs}, 46 {tier 1 ill health pensions based on service as a participating AM}, 47 {tier 2 ill health pensions} or 49 {ill health pensions for former AMs});

"Pensioner Office Holder" means a person entitled to receive a Pension from the Scheme (including an early retirement Pension or an ill health Pension) in respect of his or her service as an Office Holder;

"Pensioner Office Holder's Children's Prospective Pension End Date" means, in respect of any Relevant Child of a deceased Pensioner Office Holder, the sooner of:

(a)

- (i) the day before that on which the child reaches seventeen years of age; or
- (ii) if the child is within his or her period of full time education as defined by Schedule 3 {persons qualifying for children's pensions}, such later date as the Trustees may determine being no later than the day before that on which the child reaches twenty-three years of age;

and

(b) the end of the Pensioner Office Holder's Five Year Period;

"Pensioner Office Holder's Five Year Period" means the period of five years beginning with the day on which he or she became entitled to receive a Pension under Rule 33 {entitlement of pensioner office holders} (including an early retirement Pension or an ill health Pension payable by virtue of Rule 45 {early retirement for office holders}, 48 {ill health pensions based on service as a participating office holder} or 50 {ill health pensions for former office holders});

"Periodical Contributions" means the sums payable by a Participating AM whose application to purchase Added Years other than by a single payment has been accepted by the Trustees;

"Permanent" in relation to a situation or health condition means that the situation or condition will continue until the applicant attains Normal Retirement Age and **"Permanently"** shall be construed accordingly;

"Permitted Maximum" means (except where the context indicates otherwise):

- (a) in relation to any Tax Year before the Tax Year 2007-2008, the figure specified for that Tax Year in an order made under section 590C of the Taxes Act 1988; and
- (b) in relation to any later Tax Year commencing with 2007-2008 means such amount as is determined by the Trustees of the Scheme from time to time and passed by a resolution of the majority of the Trustees present at a quorate meeting. When making determinations in this regard, the Trustees shall be deemed to have set a non-increasing fixed cash amount, unless they specify otherwise. The amount selected from time to time by the Trustees shall remain in force until such time as the Trustees determine to review and revise the same. The Trustees may at any time subsequently, choose to dis-apply the Permitted Maximum by reference to Members' future pensionable earnings provided that they have taken into account appropriate actuarial advice;

"Pre-CARE Benefits" means, subject to the transitional provisions set out in Schedule 6, benefits accrued by reference to Reckonable Service before the Commencement Date and calculated in accordance with Part 4 of the Rules;

"Preservation Requirements" means the provisions of Part IV of the Pension Schemes Act 1993 relating to the rights of a Deferred Pensioner;

"PSPA" means the Public Service Pensions Act 2013;

"Qualifying Office" means any of the following offices:

- (a) the Presiding Officer;
- (b) the Deputy Presiding Officer;
- (c) the First Minister;
- (d) the Welsh Ministers;
- (e) the Deputy Welsh Ministers;
- (f) the Counsel General;
- (g) Members of the Assembly Commission (other than the Presiding Officer); and
- (h) any other office in respect of which a salary additional to that of an Assembly Member, is for the time being, payable under any determination made under section 16 of the Government of Wales Act 1998 or under section 20 or 53 of the Act;

"Qualifying Office Tenure" means any continuous period beginning on or after 6 May 1999 for which a person is:

- (a) the holder of one and the same Qualifying Office, or
- (b) the holder successively of two or more Qualifying Offices in respect of which the same salary is payable;

"Qualifying Recognised Overseas Scheme" has the meaning given to it by section 169 of the Finance Act;

"Receiving Scheme" means:

- (a) a Registered Pension Scheme;
- (b) a "qualifying recognised overseas pension scheme" as defined in section 169(2) of the Finance Act 2004 or;

(c) an "insurer" as defined in section 180A of the Pension Schemes Act 1993,

which is willing and able to accept the transfer.

"Reckonable Service" means AM Reckonable Service and/or Office Holder Reckonable Service as appropriate;

"Registered Pension Scheme" shall have the same meaning as in section 150 of the Finance Act;

"Relevant Child" means, subject to the provisions set out in Schedule 3 {persons qualifying for child's pension}, any Child of the deceased, or of any spouse, Same-Sex Spouse or Civil Partner of the deceased, who:

- (a) is under seventeen years of age; or
- (b) has not reached twenty-three years of age and is within a Period of Full-Time Education as defined by Schedule 3 {persons qualifying for children's pensions}; or
- (c) was at the time of the death of the deceased wholly or mainly dependent on the deceased and was at that time and has at all times since been either a person falling within subparagraph (a) or (b) of this definition or incapable, and likely to remain Permanently incapable, by reason of physical or mental impairment in accordance with paragraph 15(3) of Schedule 28 of the Finance Act, of earning his or her own living, and is not for the time being maintained out of moneys provided by the National Assembly for Wales or the Parliament of the United Kingdom in a hospital or similar institution so maintained; or.
- (d) was already conceived but not yet born at the time of the death of the deceased.

"Relevant Date" means the relevant date for the determination under any provision of these Rules of the Pension of a person;

"Remuneration Board" means the National Assembly for Wales Remuneration Board as established by the National Assembly for Wales (Remuneration) Measure 2010;

"Revaluation End Date" means the Revaluation Date immediately preceding the date on which a Pension is calculated under Rule 38 {amount payable to pensioner AMs} or 39 {amount payable to pensioner office holders};

"Revaluation Date" means 1 April in each year;

"Rules" means this Arrangement of Rules as amended from time to time;

"Same Sex Spouse" means a person who is legally married to someone of the same sex. For the avoidance of doubt it shall include a party to a Civil Partnership which has been converted into a same sex marriage.

"Scheme" means the National Assembly for Wales Members' Pension Scheme;

"Scheme Administrator" shall mean the person or persons who has completed a section 270 declaration under the Finance Act and who is liable to HMRC for any tax liability arising in connection with the Scheme in accordance with the requirements of that Act;

"Scheme Financial Year" means a year starting on 1 April and ending on the following 31 March;

"Scheme Manager" shall have the meaning set out in Section 4 of the PSPA;

"State Pension Age" in relation to a person, means the pensionable age of the person as specified from time to time in Part 1 of Schedule 4 to the Pensions Act 1995;

"Surviving Adult Dependant" means the Member's Surviving Spouse or Partner as at the date of the Member's death.

"Surviving Spouse" means a person, whether of the same or the opposite sex, who was legally married to or was a Member's Civil Partner at the date of the Member's death.

"Taxes Act 1988" means the Income and Corporation Taxes Act 1988;

"Tax Year" means a year beginning on the 6th April in any year and ending on the following 5th April;

"Three Month Period" in relation to a person who has died, means the period of three months beginning with the day following the date of death;

"Tier 1 Ill-Health Pension" means a Pension payable in accordance with Rule 46 {tier 1 ill health pensions based on service as a participating AM};

"Tier 2 Ill-Health Pension" means a Pension payable in accordance with Rule 47 {tier 2 ill health pensions based on service as a participating AM};

"Trustees" means the trustees of the Scheme from time to time appointed in accordance with Rule 5 {appointment of trustees};

2.3 In these Rules, unless the contrary intention appears:

- (a) a reference to a numbered Rule or Schedule is a reference to the Rule of, or the Schedule to these Rules so numbered; and
- (b) a reference in a Rule or Schedule to a numbered paragraph is a reference to the paragraph of that Rule or Schedule so numbered.

2.4 In these Rules:

- (a) references to:
 - (i) "candidate for election" includes a person on the list of candidates of a registered political party; and
 - (ii) "elected" includes a person returned for a National Assembly for Wales electoral region,

and associated expressions (including those relating to re-election) shall be construed accordingly; and

- (b) expressions shall, unless the contrary intention appears, have the meaning which they bear in the Act.

2.5 For the purposes of establishing any person's entitlement to be a Participating AM or

Participating Office Holder in the Scheme and for the purposes of calculating the value of any benefits payable to such a Participant any break in the continuity of his or her term of office as an Assembly Member attributable to section 2(5) of the Government of Wales Act 1998 or to section 14 of the Act shall be disregarded.

2.6 Subject to Rule 2.7:

- (a) references in the Rules to a spouse shall include a Civil Partner and a Same Sex Spouse and references in the rules to an ex-spouse shall be interpreted accordingly;
- (b) references in the Rules to a widow or widower shall include a surviving Same Sex Spouse or Civil Partner; and
- (c) references in the Rules to marriage shall include marriage of a same sex couple and civil partnership and the term "married" (and related expressions) shall be interpreted accordingly.

2.7 The provisions of interpretation set out in Rule 2.6 shall apply in relation to any provisions regarding the calculation or payment of Guaranteed Minimum Pensions only to the extent necessary for the Scheme to provide for minimum pensions for a Same Sex Spouse or Civil Partner on the basis as set out in section 17 of the Pension Schemes Act 1993.

2.8 The table of contents, the headings to the provisions of this deed, words between the symbols { } and the words in italics at the start of any Rule are for reference purposes only and shall not affect the meaning or construction of this deed

TRUSTEES AND ADMINISTRATION

3 ESTABLISHMENT OF THE FUND

3.1 A fund shall be maintained for the purposes of this Scheme and shall be vested in and administered by the Trustees from time to time.

3.2 All Pensions and other sums payable under these Rules by the Trustees, including Contributions Equivalent Premiums payable in respect of former Participants, shall be paid out of the Fund, and all sums received by the Trustees under these Rules shall be paid into the Fund.

3.3 The Trustees shall hold the assets and the money from time to time comprised in the Fund upon trust in accordance with the other provisions of the Scheme.

4 SCHEME MANAGER

{See also sections 4 and 14 of the Public Service Pensions Act 2013}

4.1 The Assembly Commission shall be the Scheme Manager for the purposes of Section 4 of the PSPA to be responsible for managing or administering the Scheme.

4.2 The Assembly Commission shall provide benefit statements to each Participant in accordance with section 14 of the PSPA.

5 APPOINTMENT OF TRUSTEES

{See also section 5 of the Public Service Pensions Act 2013}

5.1 The Trustees shall be the Pension Board for the purposes of Section 5 of the PSPA and shall be responsible for assisting the Assembly Commission in its role as Scheme Manager in relation to:

- (a) securing compliance with the Rules and legislation relating to governance and administration of the Scheme;
- (b) securing compliance with the requirements of the Pensions Regulator applicable from time to time to the Scheme; and
- (c) such other matters as the Rules may specify.

5.2 The Trustees shall be five in number.

5.3 At any point in time:

- (a) two of the five Trustees shall be nominated by the Members;
- (b) two shall be nominated by the Assembly Commission; and
- (c) one shall be an Independent Trustee nominated by the Remuneration Board.

- 5.4 The Remuneration Board must appoint any trustee nominated in accordance with Rule 5.3. The Remuneration Board may dismiss any Trustee.
- 5.5 A Trustee may resign from office by notice in writing to the Clerk to the Remuneration Board.
- 5.6 The Trustees may act by a majority of those present at any meeting of the Trustees at which a quorum is present.
- 5.7 The procedure of the Trustees shall, subject to the provisions of these Rules, be such as the Trustees may determine. The Independent Trustee shall act as Chair of the Trustees, the quorum for any meeting of the Trustees shall be three and that quorum shall include the Independent Trustee.
- 5.8 The Independent Trustee (other than an alternate Independent Trustee) may appoint or nominate another person approved by the Remuneration Board to be an alternate Independent Trustee or to represent the Independent Trustee and may remove an alternate Independent Trustee so appointed by him or her.
- 5.9 A decision of the Trustees shall continue in force until amended, varied or revoked by a further decision of the Trustees, notwithstanding any changes in the persons who are Trustees and notwithstanding that, there are for the time being no Trustees.
- 5.10 The Scheme Manager shall be satisfied that anyone to be appointed as a Trustee under this Rule 5 does not have a Conflict of Interest. The Scheme Manager shall put in place arrangements to monitor, identify and manage Conflicts of Interest that may arise.
- 5.11 The Trustees shall provide the Scheme Manager with such information as the Scheme Manager reasonably requires for the purposes of Rule 5.10. If the Scheme Manager determines that a Trustee has a Conflict of Interest, the Remuneration Board must terminate the appointment of the Trustee.

6 ADMINISTRATIVE PROVISIONS

{See also Section 16 of the Public Service Pensions Act 2013}

- 6.1 The Trustees may employ such officers and servants (if any) as they think necessary in connection with the management of the Scheme. The expenses of managing the Scheme,

including the fees of professional advisers, the fees of the Independent Trustee and the remuneration and pensions, or contributions towards the pensions, payable to or in respect of officers and servants employed by the Trustees, shall be paid out of the Fund.

6.2 The Trustees may by written authority signed by all the Trustees delegate, authorise the sub-delegation or provide for the exercise of any of their duties, powers and discretions as they consider appropriate, to such persons or body (including any one or more of themselves) as the Trustees may from time to time determine.

6.3 The Trustees may appoint such person as they think fit to acquire assets for and dispose of assets of the Fund on their behalf and in accordance only with such instructions as to investment policy, as the Trustees shall from time to time determine and lay down.

6.4 The Trustees shall review any acquisition or disposal of the assets of the Fund by such person as may be appointed under Rule 6.3 on an annual basis.

6.5 Upon a review pursuant to Rule 6.4, the Trustees may ratify the acquisition or disposal, or may take such other action in respect of it as they think fit.

6.6 The Trustees shall keep proper accounts and shall prepare in respect of each Scheme Financial Year statements of account and shall have the accounts and financial statements of the Scheme audited annually. The Trustees shall ensure that the audit is completed within seven months of the end of the financial year.

6.7 The auditor shall be appointed annually by the Trustees and shall be either the Auditor General for Wales or a person or firm authorised to audit a public limited company. The auditor shall have access to the books and records of the Scheme and may require such information and explanations as are reasonable for them to audit the accounts.

6.8 The auditor shall examine and certify every statement of account prepared under Rule 6.6 and shall give an audit opinion on it. A copy of every such statement, together with the auditor's report and opinion on it, shall be laid before the National Assembly for Wales within three months of the opinion being signed.

7 INVESTMENT OF THE FUND

7.1 The Trustees may invest the assets of the Fund in any investment whether tangible or

intangible moveable or immovable and whether or not it produces income or is authorised by law for the investment of trust money. The Trustees may vary the investments of the Fund from time to time and may insure any asset owned by the Fund.

- 7.2 The Trustees may participate in a common investment scheme with the Trustees of other retirement benefit schemes providing that the registered tax status of the Scheme is not prejudiced.
- 7.3 The Trustees may take advice from an investment manager or other suitably qualified professional person in relation to the investment of the Fund. The Trustees may also appoint an investment manager or managers and delegate to the manager or managers the day to day investment and management of the Fund. The managers may be remunerated by the Trustees as an expense of the Fund.
- 7.4 The Trustees may appoint one or more agents to act as custodians of the Fund and the Trustees may remunerate the custodians for these services. Any remuneration paid to a custodian shall be an expense of the Fund.

8 INDEMNITY FOR TRUSTEES

- 8.1 The Trustees shall be entitled to all the indemnities conferred on trustees by law. The Trustees shall not be liable for any acts or omissions not due to their own wilful neglect or default. The Assembly Commission shall keep the Trustees indemnified against the consequences of the exercise of all the Trustees' powers and discretions providing that the Assembly Commission shall have control over the legal defence in respect of any proceedings against the Trustees, including the settlement of such proceedings.
- 8.2 In this Rule the word "Trustee" shall include every Trustee for the time being of the Scheme and every former Trustee of the Scheme.

MEMBERSHIP

9 MEMBERSHIP FOR ASSEMBLY MEMBERS

- 9.1 Any person who has not reached the age of 75 and is serving as an Assembly Member shall automatically be a Participating AM except any Assembly Member who has exercised an option under Rule 11.1 {Right to opt out for Members of the National Assembly for Wales} not to be a Participating AM.

10 MEMBERSHIP FOR OFFICE HOLDERS

- 10.1 Subject to Rule 10.2, an Office Holder who has not exercised an option under Rule 12 {right to opt out for members of the National Assembly for Wales} and who (subject to the specific circumstances described in Rule 10.3 below) is a Participating AM shall be a Participating Office Holder in the Scheme in respect of any Qualifying Office Tenure.
- 10.2 The stipulation in Rule 10.1 that a Participating Office Holder also be a Participating AM shall be disregarded in respect of an individual who is not an Assembly Member who holds office as Counsel General under section 49 of the Act.
- 10.3
- (a) This Rule shall only apply where there has been a dissolution of the National Assembly for Wales on or after 1 March 2011 which results:
- (i) in the immediate cessation of payment of AM Ordinary Salary to an individual who, immediately prior to dissolution, was a Participating AM who had indicated his or her intention not to stand for election, and who will continue to receive an Office Holder Salary (following dissolution) until a new appointment has been made; or
 - (ii) in the continued payment of AM Ordinary Salary to a Participating AM who has indicated his or her intention to stand for re-election, and who will continue to receive an Office Holder Salary (following dissolution) until a new appointment has been made, but who is subsequently unsuccessful at the election.
- (b) In the circumstances at (a)(i) above, the individual will ordinarily, as a consequence of the cessation of payment of his or her salary as an Assembly Member, cease with effect from the dissolution date, to be a Participating AM of the Scheme and therefore, also cease to be a Participating Office Holder in the Scheme. However, by virtue of this paragraph, the Rules that would ordinarily apply as above and in particular, Rule 10.1, shall be modified and shall be construed to incorporate such changes as may be necessary to give effect to the individual's continuing Office Holder Salary (post dissolution) being deemed to be pensionable.

- (c) In the circumstances at (a)(ii) above, the individual will ordinarily continue to be a Participating AM of the Scheme until the date that the AM Ordinary Salary ceases as a consequence of not being returned at the election and accordingly, the individual will also ordinarily cease to be a Participating Office Holder with effect from that date. However, by virtue of this paragraph, the Rules that would ordinarily apply as above and in particular, Rule 10.1, shall be modified and shall be construed to incorporate such changes as may be necessary to give effect to the individual's continuing Office Holder Salary (post-election) being deemed to be pensionable.

11 RIGHT TO OPT OUT FOR ASSEMBLY MEMBERS

- 11.1 A Participating AM may exercise an option in writing under this Rule not to be a Participating AM.
- 11.2 Subject to Rule 11.3 below, the effective opt-out date in respect of a Member is whatever date the Trustees shall determine to be the earliest practicable date after that on which they receive from the Participating AM written notice of the exercise of the option.
- 11.3 If the Trustees receive the written notice not more than three months after the date:
- (a) of an ordinary election under section 3 of the Act or of an extraordinary general election under section 5 of the Act, at which the person was elected for the first time to membership of the National Assembly for Wales; or
 - (b) of an election under section 10 of the Act at which the person was elected for the first time to membership of the National Assembly for Wales; or
 - (c) on which the person first became an Assembly Member under section 11 of the Act

the effective opt-out date is the date of the Participating AM's election as an Assembly Member and any Participant Contributions deducted from the Participating AM since that election, under Rule 29 {contributions by participating AMs} and if he or she is an Office Holder under Rule 30 {contributions by participating office holders}, shall be repaid to him or her.

12 RIGHT TO OPT OUT FOR OFFICE HOLDERS

- 12.1 An Office Holder who is a Participating Office Holder may exercise an option in writing under this Rule not to be a Participating Office Holder in the Scheme.
- 12.2 Subject to Rule 12.3 {right to opt out for office holders} below, the effective opt-out date in respect of an Office Holder is whatever date the Trustees shall determine to be the earliest practicable date after that on which they receive from the Office Holder written notice of the exercise of the option.
- 12.3 If the Trustees receive the written notice not more than three months after the date of commencement of a Qualifying Office Tenure, the effective opt-out date is the date on which that period of tenure commenced and any Participant Contributions deducted from an Office Holder under Rule 30 {contributions by participating office holders} in respect of that period of tenure shall be repaid to him or her.

13 RIGHT TO OPT IN FOR ASSEMBLY MEMBERS

- 13.1 An Opted-Out AM may apply to re-join the Scheme as a Participating AM as from the Effective Opt-In Date by giving notice in writing to the Trustees within a period of three months beginning with the Effective Opt-In Date, provided that:
- (a) the Member pays to the Trustees within twenty-eight days of their acceptance of the Member's application, or within such longer period as the Trustees may in their discretion determine, the sum certified by the Trustees as being the amount which would have been deducted from his or her salary under Rule 29.1 {contributions by participating AMs} between the Effective Opt-In Date and the first date thereafter when a deduction from his or her salary under Rule 29.1 is made; and
 - (b) at the Effective Opt-In Date, at least three months had elapsed since the Member was last elected to membership of the National Assembly for Wales.

14 RIGHT TO OPT IN FOR OFFICE HOLDERS

- 14.1 An Opted-Out Office Holder may apply to re-join the Scheme as a Participating Office Holder as from the Effective Opt-In Date by giving notice in writing to the Trustees within a period of three months beginning with the Effective Opt-In Date, provided that the Office Holder pays to

the Trustees, within twenty-eight days of their acceptance of the application or within such longer period as the Trustees may in their discretion determine, the sum certified by the Trustees as being the amount which would have been deducted from the Office Holder's salary under Rule 30 {contributions by participating office holders} between the Effective Opt-In Date and the first date thereafter when a deduction from his or her salary under Rule 30 {contributions by participating office holders} is made.

15 LEAVING RECKONABLE SERVICE

15.1 A Participant who:

- (a) ceases to be eligible to participate in the Scheme under Rule 9 {membership for members of the National Assembly for Wales} or Rule 10 {membership for office holders} or both; or
- (b) opts out of the Scheme under Rule 11 {right to opt out for AMs} or Rule 12 {right to opt out for office holders} or both,

in circumstances where he or she does not become entitled to the immediate payment of a Pension under Rule 32 {entitlement of pensioner AMs} or Rule 33 {entitlement of pensioner office holders} or both shall immediately cease to be either a Participating AM or a Participating Office Holder or both (as appropriate) and his or her Reckonable Service shall cease.

15.2 If a Participant ceases to be a Participant under Rule 15.1 before Normal Retirement Age in circumstances where a refund of Participant Contributions is not payable under Rule 73 {refund to contributor} he or she shall become a Deferred Pensioner and the provisions of Rules 15.3 to 15.5 shall apply.

15.3 A deferred pension will be payable from a Deferred Pensioner's Normal Retirement Age. The amount will be calculated under Rule 32 {entitlement of pensioner AM} or Rule 33 {entitlement of pensioner office holder} or both (as applicable), but by reference to:

- (a) in respect of any Pension calculated under Rule 38 {amount payable to pensioner AMs – CARE pension} or Rule 39 {amount payable to pensioner office holders – CARE pension} by reference to CARE Benefits Credits or Office Holder Pension Credits which relate to Reckonable Service completed before the Member ceased to

be a Participant; and

- (b) in respect of any Pension calculated under Rule 41 {amount payable to pensioner AMs – pre-CARE pension} by reference to the Members' AM Terminal Salary as at the date the Member ceased to be a Participant and to Reckonable Service completed before the Member ceased to be a Participant; and
- (c) in respect of any Pension calculated under Rule 42 {amount payable to pensioner office holders – pre-CARE pension} by reference to the Members' Office Holder Terminal Salary as at the date the Member ceased to be a Participant and to Reckonable Service completed before the Member ceased to be a Participant.

15.4 A deferred pension calculated under Rule 15.3 above is subject to increase during the period between the date Reckonable Service ceases and the date the deferred pension begins to be paid at the minimum rates necessary to comply with the applicable statutory requirements from time to time.

15.5 A deferred pension may be payable before Normal Retirement Age in the circumstances and on the terms set out in Rules 44 {early retirement for AMs}; 45 {early retirement for office holders}; 49 {ill-health pensions for former AMs} or 50 {ill-health pensions for former office holders}.

16 REJOINING RECKONABLE SERVICE

16.1 Subject to the provisions of this Rule 16, an Assembly Member or Office Holder who has ceased to be a Participant under Rule 15 {leaving reckonable service} above may be re-admitted as a Participant:

- (a) in accordance with Rules 13 or 14 {right to opt in} above; or
- (b) if they satisfy all of the eligibility requirements in Rules 9 or 10 {membership}.

16.2 Where a Member re-joins the Scheme, then, except as required by the Preservation Requirements and the Contracting-out Requirements or as otherwise stipulated by the Trustees:

- (a) the benefits for each continuous period of Reckonable Service ending before the

Participant's Normal Retirement Age will be treated and calculated separately under Rule 15 {leaving reckonable service}; and

- (b) the benefits for the continuous period of Reckonable Service, if any, ending on the Participant's Normal Retirement Age will be treated and calculated separately under Rule 32 and/or 33 {pension entitlement}.

CONTRIBUTIONS BY THE ASSEMBLY COMMISSION

17 ASSEMBLY COMMISSION TO CONTRIBUTE TO THE FUND

- 17.1 In respect of each Scheme Financial Year the Assembly Commission shall contribute to the Fund at a rate of contribution determined by the Actuary under Rule 20.1(b).
- 17.2 The amount of the contribution by the Assembly Commission may be nil in any particular year if that is in accordance with the determination of the Actuary.

ACTUARIAL VALUATIONS OF PENSION FUND

18 APPOINTMENT OF AN ACTUARY

- 18.1 The Trustees shall appoint an actuary to be the Actuary to the Scheme and may at any time dismiss the Actuary and appoint another actuary to be the Actuary. If the Actuary resigns or dies or the Trustees dismiss that person then the Trustees shall as soon as practicable appoint another actuary to be the Actuary.
- 18.2 The Actuary shall be either:
 - (a) the Government Actuary; or
 - (b) a Fellow of the Institute and Faculty of Actuaries who holds a current scheme actuary certificate issued by the Institute and Faculty of Actuaries.

19 ACTUARIAL VALUATIONS OF PENSION FUND

- 19.1 The Actuary shall prepare reports on the general financial position of the Scheme at dates

that are agreed with the Trustees and in accordance with HM Treasury directions. The effective date at which the financial position is assessed by the Actuary must be not more than three years after the effective date of the most recently preceding actuarial report prepared under this Rule.

- 19.2 An actuarial valuation prepared under this Rule shall be completed and signed by the Actuary within one year of the effective date of the valuation.

20 CONTENT OF EACH ACTUARIAL VALUATION OF PENSION FUND

- 20.1 Each report by the Actuary shall

- (a) advise on the value of the liabilities of the Scheme compared to its assets; and
- (b) subject to Rule 22 and Schedule 7 determine a contribution rate to be paid by the Assembly Commission to the Fund.

21 ACTUARIAL VALUATIONS OF PENSION FUND TO BE LAID BEFORE THE NATIONAL ASSEMBLY FOR WALES

- 21.1 A copy of every report made by the Actuary shall be laid before the National Assembly for Wales by the Trustees within three months of the Trustees receiving it.

22 EMPLOYER COST CAP

{See also sections 11 and 12 of the Public Service Pensions Act 2013}

- 22.1 Schedule 7 shall apply in respect of the Employer Cost Cap.

MISCELLANEOUS AND SUPPLEMENTAL

23 APPLICATION OF PENSIONS

- 23.1 If the Trustees are satisfied after considering medical evidence that a person to whom any Pension or other benefit payable under the other provisions of this Scheme (referred to in this Rule as 'the patient') is incapable by reason of mental incapacity of managing and administering his or her property and affairs, they may, instead of paying any Pension or benefit to the patient, apply it in accordance with Rule 23.2 below.

23.2 The Trustees may pay the Pension or benefit or such part of it as they think fit to the institution or person having the care of the patient, to be applied for his or her benefit and may pay the remainder (if any) or such part of the remainder as they think fit:

- (a) to or for the benefit of persons who appear to the Trustees to be members of the patient's family or other persons for whom the patient might be expected to provide if he or she were not mentally incapacitated; or
- (b) in reimbursement, with or without Interest, of money applied by any person either in payment of the patient's debts (whether legally enforceable or not) or for the maintenance or other benefit of the patient or such persons as are mentioned in paragraph (a) above.

FINANCE ACT CHANGES AND DEDUCTION OF TAX

24 PAYMENT ON BEHALF OF PARTICIPANTS OF LIFETIME ALLOWANCE CHARGE

24.1 A Member may request the person who is the Scheme Administrator, to pay on his or her behalf any amount that is payable by way of the lifetime allowance charge under section 214 of the Finance Act when:

- (a) an event that is a benefit crystallisation event listed in section 216(1) of the Finance Act occurs in relation to him or her; and
- (b) the Member and the Scheme Administrator are jointly and severally liable to the charge in respect of the event.

24.2 Such a request may only be made by notice in writing given before the event occurs.

24.3 The Scheme Administrator may only comply with such a request if the Member pays the Scheme Administrator the amount in question on or before the date on which the event occurs.

25 REDUCTION OF BENEFITS AND TRANSFER VALUES WHERE LIFETIME ALLOWANCE CHARGE PAYABLE

25.1 This Rule applies if:

- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act occurs in relation to a Member;
- (b) the Member and the Scheme Administrator for the purposes of section 217 of the Finance Act are jointly and severally liable to the charge in respect of the event; and
- (c) no request has been duly made under Rule 24 in relation to the event or, if such a request has been made, the Scheme Administrator is prevented from complying with it by Rule 24.3.

25.2 Where this Rule applies:

- (a) the Scheme Administrator must pay from the Fund the tax payable on the event;
- (b) if the benefit crystallisation event is a transfer to a Qualifying Recognised Overseas Scheme, the amount or value of the sums or assets transferred must be reduced; and
- (c) in the case of any other event under section 216, the amount or value of the benefits payable to or in respect of the Member must be reduced to the extent permitted by law to meet the tax charge arising.

25.3 The amount or value of the reduction must be such that in the opinion of the Actuary it fully reflects the amount of the tax paid under this Rule.

26 DEDUCTION FROM PAYMENTS OF OTHER TAX DUE UNDER THE FINANCE ACT

26.1 This Rule applies where:

- (a) a payment is made under Rules 65 to 71 {five year guarantee} that is a pension protection lump sum death benefit for the purposes of paragraph 14 of Schedule 29 to the Finance Act; or
- (b) a repayment of Participant Contributions (including Interest on Participant Contributions) is made under Rules 73 or 74 {refunds} that is a short service refund lump sum for the purposes of paragraph 5 of Schedule 29 to that Act.

26.2 Before making the payment the Scheme Administrator may deduct from it any tax due in

respect thereof, under:

- (a) section 205 of the Finance Act (short service refund lump sum charge); or
- (b) section 206 of the Finance Act (the special lump sum death benefits charge), or any other tax charge that may apply under the Finance Act.

26.3 If a Member incurs an annual allowance charge under section 227 of the Finance Act and the Scheme Administrator becomes jointly liable to pay the annual allowance charge (either following receipt of a notice under section 237B(3) of the Finance Act or otherwise), the Scheme Administrator must:

- (a) pay the annual allowance charge by the due date advised by HMRC in accordance with arrangements prescribed by HMRC; and
- (b) make corresponding adjustments to the Member's benefits under the Scheme.

26.4 In adjusting a Member's benefit in the Scheme to reflect the annual allowance charge paid on his behalf under Rule 26.3 the Scheme Administrator may take such steps as it considers appropriate after consulting the Assembly Commission and the Member provided that the adjustment is just and reasonable having regard to normal actuarial practice as determined by the Actuary.

26.5 In discharging the powers contained in Rule 26.3 and 26.4, the Trustees and the Assembly Commission may rely on any information provided by the Member (or his personal representatives). If the Member becomes liable to pay any charge or penalty in connection with an annual allowance charge for which the Trustees have become jointly liable under Rule 26.3 (including an unauthorised payments charge), neither the Trustees nor the Assembly Commission are liable to pay such charge or penalty if either have relied in good faith on information provided by him.

PART 2

General Benefit Rules

RECKONABLE SERVICE

27 ACTUAL RECKONABLE SERVICE

27.1 Subject to Rule 27.2 below and to Rules 73 {refunds}, and 76 to 77 {transfers out} for the purpose of these Rules any period during which any Member is a Participating AM is a period of AM Reckonable Service; and in these Rules "Actual AM Reckonable Service", in relation to a Member, means the period, or (if more than one) the aggregate of such periods, falling within this definition.

27.2 In respect of a Member who has been a Participating Office Holder, and subject to Rules 36.3 {payment to Office Holder after normal retirement}, 73 {refunds}, 76 to 77 {transfers out}, any period during which a Member is a Participating Office Holder is a period of Office Holder Reckonable Service; and in these Rules "Actual Office Holder Reckonable Service", in respect of a Member, means his or her period (or, if more than one, the aggregate of those periods) of Office Holder Reckonable Service.

28 AGGREGATE RECKONABLE SERVICE

28.1 In respect of a Member, his or her Aggregate AM Reckonable Service is his or her Actual AM Reckonable Service together with any increases in AM Reckonable Service attributable to sums received by way of a transfer in accordance with Rule 79 {transfers from other schemes} or to the purchase of Added Years in accordance with Rule 80 {purchase of added years}.

28.2 In respect of a Member who has been a Participating Office Holder, his or her Aggregate Office Holder Reckonable Service is his or her Actual Office Holder Reckonable Service together with any increase in Office Holder Reckonable Service attributable to sums received by way of sums received by way of a transfer in accordance with Rule 79 {transfers from other schemes}.

28.3

- (a) With effect from 1 April 2010, for the purposes of calculating Pre-CARE Benefits, any Aggregate AM Reckonable Service or Aggregate Office Holder Reckonable Service,

shall be reduced on a pro rata basis for any period during which the Participant chose to receive a lower salary than that to which he or she was entitled during the same period under the rules of the Scheme

- (b) In the circumstances set out in (a) above, any Aggregate AM Reckonable Service or Aggregate Office Holder Reckonable Service shall be treated as reduced under Rule 28.3(c), in the same proportion as the lower salary actually received by the Participant bears (and from which relevant Participant Contributions were deducted under Rules 29 or 30) to the full equivalent AM Ordinary Salary or Office Holder Ordinary Salary (as appropriate) that would otherwise have been payable to the Participant for the period in question.
- (c) For the purposes of this Rule 28.3, the Aggregate AM Reckonable Service or Aggregate Office Holder Reckonable Service shall be determined by adjusting his or her Aggregate AM Reckonable Service or Aggregate Office Holder Reckonable Service by applying the service factor adjustment 'C' below:-

$$A/B = C$$

Where:

A = the actual salary on which Participant Contributions were paid by the Participant during the relevant period in question;

B = the full AM Ordinary Salary or full Office Holder Salary which the Participant was entitled to receive under the Scheme during the relevant period in question; and

C = the 'service factor adjustment' by which the Participant's Aggregate AM Reckonable Service or Aggregate Office Holder Reckonable Service is adjusted to reflect the period during which Participant Contributions were based on reduced salary.

28.4 For the future avoidance of doubt the service factor adjustment 'C' (as defined in Rule 28.3) shall not be applied to reduce the Participant's Aggregate AM Reckonable Service or Aggregate Office Holder Reckonable Service when calculating the following:

- (a) the length of the Participant's qualifying period of service for the purposes of

ascertaining the abatement percentage to be used under Schedule 2. However, the service factor adjustment 'C' shall be applied for the purposes of calculating the actual level of Pension benefit to which the Participant is entitled under the early retirement provisions of Rules 44 and 45;

- (b) the enhancement to the ill-health Pension payable under Rule 50 {ill health pensions for former office holders};
- (c) the enhancement to the death in service Pension payable under Rule 57.2;
- (d) the calculation of the qualifying period of service under Rule 73.2(b) for entitlement to payment of a short service refund lump sum; and
- (e) the length of the Participant's qualifying period of service under Rule 22.1 to be able to take a transfer payment from the Scheme. However, the service factor adjustment 'C' shall be applied for the purposes of calculating the actual level of transfer value payment to be made in respect of that Participant.

28.5 For the further avoidance of doubt, it is stipulated that service factor adjustment 'C' shall be applied to reduce the Participant's Aggregate AM Reckonable Service or Aggregate Office Holder Reckonable Service for the purposes of calculating all other Scheme benefits (other than those mentioned at Rules 28.4(a) to 28.4(e) above). In particular, service factor adjustment 'C' shall be taken into account, where Added Years are purchased under Schedule 4 paragraph 4, by periodical Participant Contributions which are payable by deduction from AM Ordinary Salary. Accordingly, the resulting Added Years' Pension shall be based on the participating AM's Aggregate AM Reckonable Service following application of the service factor adjustment 'C'.

MEMBER CONTRIBUTIONS

29 CONTRIBUTIONS BY PARTICIPATING AMS

29.1 Subject to Rule 29.3 below, to Rule 31 {earnings cap} and to Rule 22 and Schedule 7 {employer cost cap}, there shall be deducted from each payment in respect of salary made to a Participating AM the percentage specified in Rule 29.2 of his AM Contribution Salary and all sums so deducted shall be paid into the Fund.

29.2 For the purpose of Rule 29.1 above the percentage:-

- (a) in relation to a payment of AM Contribution Salary made in respect of a period ending prior to the Commencement Date is set out in paragraph 1 of Schedule 1 {historic provisions}; and
- (b) subject to Rule 22.1 and Schedule 7 {employer cost cap, in relation to a payment of AM Contribution Salary made in respect of a period beginning on or after the Commencement Date is 10.5%.

29.3 Where a Member's Aggregate AM Reckonable Service exceeds that which would give rise to the maximum Pension allowed in respect of that person as a Participating AM under Rule 34 {permitted maximum pensions}, the Participating AM shall cease to pay Participant Contributions.

30 CONTRIBUTIONS BY PARTICIPATING OFFICE HOLDERS

30.1 Subject to Rule 31 {earnings cap}, there shall be deducted from each payment in respect of salary made to a Participating Office Holder, the percentage specified in Rule 30.2 of his or her Office Holder Contribution Salary; and all sums so deducted shall be paid into the Fund.

30.2 For the purpose of Rule 30.1 above the percentage:-

- (a) in relation to a payment of salary made in respect of a period ending prior to the Commencement Date is set out in paragraph 5 of Schedule 1 {historic provisions}; and
- (b) subject to Rule 22.1] and Schedule 7 {employer cost cap}, in relation to a payment of salary made in respect of a period beginning on or after the Commencement Date is 10.5%.

30.3 A Participating AM who immediately prior to an election was also a Participating Office Holder and who is re-appointed to the same Qualifying Office or another Qualifying Office shall in respect of the interim period between the date of that election returning him or her to the National Assembly for Wales and the subsequent date of re-appointment into a Qualifying Office, be required to contribute an amount equal to the aggregate of his/her Participant Contribution rate and the Assembly Commission's on-going contribution rate as determined by the Actuary from time to time, calculated on the amount of his/her Office Holder Salary. This additional contribution shall be deducted from the participating AM's salary in addition to

the Participant Contribution payable by him/her under Rule 29 {contributions by participating AMs} above. With effect from 1st April 2007, this Rule 30.3 shall cease to apply to the Presiding Officer, the First Minister and the Welsh Ministers, as their continuity of service will be maintained during the interim period by virtue of the provisions of section 22(4) of the Act.

- 30.4 Any additional contributions paid by a Participating AM under Rule 30.3 above shall be refunded by the Trustees to him or her within such reasonable period as the Trustees may determine if the Participating AM fails to be re-appointed to the same Qualifying Office (or another Qualifying Office) following the election provided that if a Participating AM is appointed to a Qualifying Office which carries a salary which is paid at a lower rate than his/her previous Qualifying Office then an appropriate proportion of the additional contributions shall be refunded.

31 EARNINGS CAP

- 31.1 Where any person's annual salary:

- (a) as an Assembly Member; or
- (b) as an Office Holder; or
- (c) as both (a) and (b) cumulatively,

exceeds the Permitted Maximum, the Participant Contributions deducted from that annual salary shall be limited to the appropriate percentage (as defined in Rules 29 and 30) of that Permitted Maximum and where sub-paragraph (c) applies, the person's Participant Contributions under Rule 30 {contributions by participating office holders} shall be reduced before his or her Participant Contributions under Rule 29 {contributions by participating AMs}.

PENSION ENTITLEMENT

32 ENTITLEMENT OF PENSIONER AMS

- 32.1 Subject to the provisions of these Rules, a person who has ceased to be a Participating AM and who has AM Reckonable Service under Rules 27 and 28 {reckonable service} shall be entitled to receive a Pension under this Rule when he or she fulfils both of the following conditions:

(a) he or she ceases to be an Assembly Member; and

(b) attains Normal Retirement Age

32.2 Subject to the transitional provisions set out in Schedule 6 {transitional provisions}, the Pension payable under Rule 32.1 shall be calculated:

(a) as set out in Part 3 of the Rules in relation to CARE Benefits; and

(b) as set out in Part 4 of the Rules in relation to Pre-CARE Benefits.

32.3 Where a Member has accrued both Pre-CARE Benefits and CARE Benefits they shall be treated as two distinct pension entitlements under these Rules and as a consequence the Member may elect for payment of his Pre-CARE Benefits and his CARE Benefits to commence from different dates.

33 ENTITLEMENT OF PENSIONER OFFICE HOLDERS

33.1 Subject to the provisions of these Rules, a Member who has ceased to be a Participating Office Holder and who has Office Holder Reckonable Service under Rules 27 and 28 shall be entitled to receive a Pension under this Rule when he or she fulfils both of the conditions specified in paragraphs (a) and (b) of Rule 32.1 {entitlement of pensioner AMs} provided that where a Member was an Office Holder but not an Assembly Member, Rule 32.1(a) shall be read as if it referred to the person ceasing to be an Office Holder.

33.2 The same Member may be entitled to a Pension under Rule 32 {entitlement of pensioner AMs} and to a Pension under this Rule; and the amounts of the two Pensions shall be cumulative.

33.3 Subject to the transitional provisions set out in Schedule 6 {transitional provisions}, the Pension payable under Rule 33.1 shall be calculated:

(a) as set out in Part 3 of the Rules in relation to CARE Benefits; and

(b) as set out in Part 4 of the Rules in relation to Pre-CARE Benefits.

33.4 Rule 32.3 shall apply in respect of a pension payable under this Rule 33.

34 PERMITTED MAXIMUM PENSIONS

34.1 The annual amount of the Pension payable under Rule 32 {entitlement of pensioner AMs} or Rule 33 {entitlement of pensioner office holders} to a Member shall not exceed whichever is the lesser of:

- (a) the amount equal to two-thirds of the Final Salary; and
- (b) the amount equal to two-thirds of the Permitted Maximum.

34.2 In the case of a Member who is entitled to a Pension both under Rule 32 {entitlement of pensioner AMs} and under Rules 33 {entitlement of pensioner Office Holders}, the amount of the two Pensions together shall not exceed two-thirds of the Permitted Maximum and, if they do, the Pension payable under Rule 33 {entitlement of pensioner office holders} shall be reduced before the Pension payable under Rule 32 {entitlement of pensioner AMs}.

35 GUARANTEED MINIMUM PENSIONS

35.1 Notwithstanding any provision of these Rules to the contrary, any Member entitled to receive a Pension under Rule 32 {entitlement of pensioner AMs} or Rule 33 {entitlement of pensioner office holders} (including an early retirement Pension or an ill-health Pension by virtue of Rules 44 to 45 or Rules 46 to 53):

- (a) shall be entitled to receive, subject to the provisions of Rule 36.3, from the Guaranteed Minimum Pension Age a Pension payable for the remainder of his or her life, at a rate equivalent to a weekly rate of not less than the Guaranteed Minimum Pension, unless that person's right thereto is extinguished by payment of a Contributions Equivalent Premium under section 55 of the Pension Schemes Act 1993; and
- (b) if the payment of the Guaranteed Minimum Pension of that person is postponed in the circumstances to which section 13(4) of the Pension Schemes Act 1993 applies, the Guaranteed Minimum Pension of that person shall be increased to the extent, if any, specified in section 15(1) of the Pension Schemes Act 1993.

36 DURATION OF PENSIONS AND PENSION INCREASES

{See also section 9 of the Public Service Pensions Act 2013}

- 36.1 Subject to the following provisions of this Rule, a Pension under Rule 32 {entitlement of pensioner AMs} or Rule 33 {entitlement of pensioner office holders} (including an early retirement Pension or an ill-health Pension by virtue of Rules 44 to 45 {early retirement} or Rules 46 to 53 {ill-health pensions}) shall continue for the life of the person to whom it is payable.
- 36.2 Any Pension that is payable to a person under Rule 36.1 shall be reduced to nil, in respect of any period during which that person is an Assembly Member; provided that such reduction shall not apply in relation to a Member who is entitled to or in receipt of a Surviving Spouse's, Partner's or Child's Pension under the provisions of Rules 54 to 61 {death benefits}.
- 36.3 The provisions of this Rule 36 shall not apply for the purposes of calculating the amounts payable under Rules 67.3, 67.4(b), 68.2(b), 69.2 or 71 {five year guarantee}.
- 36.4 Any Pension that is in the course of payment under these Rules shall be increased while in payment as follows:
- (a) all Guaranteed Minimum Pensions in the course of payment will be increased in accordance with the Contracting-Out Requirements; and
 - (b) all Pensions in excess of Guaranteed Minimum Pensions in course of payment will be increased by the minimum rates which are necessary to comply with the applicable statutory requirements from time to time.

PART 3

CARE Pension Rules

EFFECTIVE DATE AND PERSONS AFFECTED

37 EFFECTIVE DATE AND PERSONS AFFECTED

37.1 Subject to the transitional provisions set out in Schedule 6 {transitional provisions}, the provisions of this Part 3 shall apply to the calculation of CARE Benefits.

CALCULATION OF PENSION ENTITLEMENT

38 AMOUNT PAYABLE TO PENSIONER AMS

{See also section 9 of the Public Service Pensions Act 2013}

38.1 Subject to Rules 34 {permitted maximum pensions} and 35 {guaranteed minimum pensions}, 43 {commutation into lump sum}, 44 {early retirement}, and 46 and 47 {ill-health pensions}, the annual amount of the Pension payable under Rule 32.2(a) {entitlement of pensioner AMs} shall be an amount equal to the sum of the CARE Benefits Credits for each CARE Year comprised in the person's Aggregate AM Reckonable Service on and from the Commencement Date (together with a proportionate amount for each completed calendar month in any partial CARE Years) revalued as set out in Rule 38.3.

Calculation of CARE Benefits Credit

38.2 In respect of any given CARE Year, the CARE Benefits Credit shall mean an amount of Pension calculated as one-fiftieth of the Participating AM's CARE Salary.

Revaluation of CARE Benefits

38.3 Each CARE Benefits Credit shall be adjusted annually on each Revaluation Date over the period from the CARE Year in which the CARE Benefits Credit was earned to the Revaluation End Date by the percentage change in the level of prices specified in the [relevant] Treasury order made under section 9(2) of the PSPA in relation to the CARE Year in which the CARE Benefits Credit was earned.

39 AMOUNT PAYABLE TO PENSIONER OFFICE HOLDERS

{See also section 9 of the Public Service Pensions Act 2013}

- 39.1 Subject to Rules 34 {permitted maximum pensions}, 35 {guaranteed minimum pensions}, 43 {commutation} , 44 {early retirement}} and 48 {ill-health} the annual amount of the Pension payable under Rule 33.3(a) {entitlement of office holders} shall be an amount equal to the sum of the Office Holder Pension Credits for each CARE Year comprised in the person's Aggregate Office Holder Reckonable Service on and from the Commencement Date (together with a proportionate amount for each completed calendar month in any partial CARE Years) revalued as set out in Rule 39.3.

Calculation of Office Holder Pension Credit

- 39.2 In respect of any given CARE Year, the Office Holder Pension Credit shall mean an amount of Pension calculated as one-fiftieth of the Participating Office Holder's Office Holder CARE Salary.

Revaluation of CARE Benefits

- 39.3 Each Office Holder Pension Credit shall be adjusted annually on each Revaluation Date over the period from the CARE Year in which the Office Holder Pension Credit was earned to the Revaluation End Date by the percentage change in the level of prices specified in the [relevant] Treasury order made under section 9(2) of the PSPA in relation to the CARE Year in which the Office Holder Pension Credit was earned.]

PART 4

Pre-CARE Pension Rules

EFFECTIVE DATE AND PERSONS AFFECTED

40 EFFECTIVE DATE AND PERSONS AFFECTED

- 40.1 Subject to the transitional provisions set out in Schedule 6 {transitional provisions}, the provisions of this Part 4 shall apply to the calculation of Pre-CARE Benefits.

CALCULATION OF PENSION ENTITLEMENT

41 AMOUNT PAYABLE TO PENSIONER AMS

- 41.1 Subject to Rules 34 and 35, 43 (Commutation), 44 (Early retirement) and 46 and 49 (Ill health Pensions), the annual amount of the Pension payable to a person under Rule 32.2(b) {entitlement of pensioner AMs} shall be a sum equal to the aggregate of the amounts produced, in relation to each year or Fraction of a Year comprised in the person's Aggregate AM Reckonable Service completed before the Commencement Date, by multiplying the AM Terminal Salary by the AM Appropriate Fraction.

42 AMOUNT PAYABLE TO PENSIONER OFFICE HOLDERS

- 42.1 Subject to Rules 34 {permitted maximum pensions} 35 {guarantee minimum pensions}, 43 {commutation} , 44 {early retirement} and 48 {ill-health}, the provisions of this Rule shall have effect for the purpose of calculating the annual amount of a Pension payable to a person under Rule 33.3(b).
- 42.2 For each Scheme Financial Year of which the whole or any part was comprised in a person's Office Holder Reckonable Service prior to the Commencement Date a contribution credit shall be calculated by multiplying the Office Holder Appropriate Fraction of the Office Holder Terminal Salary by the amount of the Contribution Factor for that Scheme Financial Year; and, subject to Rule 43 the annual amount of the Pension payable to the person under Rule 33 {entitlement of pensioner office holders} shall be an amount equal to the aggregate of the contribution credits calculated under this Rule 42.2.

PART 5

Ancillary Benefits

COMMUTATION

43 COMMUTATION INTO LUMP SUM

43.1 Any Member who is entitled to receive a Pension under Rules 32 or 33 (including an ill-health Pension payable by virtue of Rules 46 to 53) or who applies to receive a Pension under Rules 44 to 45 may, before the first instalment of the Pension is paid, give notice to the Trustees that he or she desires to commute into a lump sum such part of the Pension as is specified in the notice.

43.2 With effect on and after 1st November 2006 however, a Member may only give notice under Rule 43.1 at least six months before he or she reaches the age of 75, or such later time before he or she reaches age 75 as the Trustees permit, and the lump sum payable as a result of the notice must be paid to him or her before that individual reaches age 75.

43.3 Where such lump sum becomes payable following notice provided by a Member immediately prior to their 75th birthday in accordance with Rule 43.2 above, the provisions of Rule 36.2 shall apply, to enable the Member's Pension to come into payment but be reduced to nil, until the individual ceases to be an Assembly Member.

43.4 Where a Member has given notice under this Rule, the Trustees shall determine:

- (a) what lump sum would be actuarially equivalent to the part of the Pension specified in the notice; and
- (b) what reduction of the annual amount of his or her Pension would be appropriate in consideration of the payment of that lump sum; and

subject to the following provisions of this Rule, a lump sum of the amount so determined shall be paid to that person and the annual amount of his or her Pension shall be reduced accordingly.

43.5 Any lump sum or reduction to be determined under Rule 43.4 above shall be a sum or reduction either certified by the Actuary, or calculated in accordance with tables to be

prepared from time to time by the Actuary, as fulfilling the conditions specified in Rule 43.4(a) and 43.4(b).

43.6 If, in the case of any Member who has given notice under this Rule, the amount of the lump sum determined in accordance with Rules 43.4 and 43.5 above, would exceed the Maximum Commutable Sum:

(a) the amount of the lump sum so determined shall be diminished by such proportion as is necessary to make it equal to the Maximum Commutable Sum; and

(b) the reduction of the annual amount of his or her Pension under that Rule shall be diminished by the like proportion.

43.7 In determining the amount of the lump sum under this Rule, the Maximum Commutable Sum shall if necessary be diminished so that the annual amount of Pension shall not be reduced under Rule 43.6 below the rate of the Guaranteed Minimum Pension.

43.8 Any Member (not yet aged 75) who is entitled to pension benefits payable under Rules 32 and/or 33 which exceed the "standard lifetime allowance" (as defined in the Finance Act), may receive a lifetime allowance excess lump sum from the Scheme, provided that the lump sum meets the conditions set out in paragraph 11 of Schedule 29 to the Finance Act.

EARLY RETIREMENT AND EARLY ABATED PENSIONS

44 EARLY RETIREMENT FOR AMS

44.1 Where a Member applies in writing to the Trustees for an immediate Pension under this Rule 44 then, he or she shall be entitled to receive a Pension under Rule 32 {entitlement of pensioner AMS} as if he or she had attained Normal Retirement Age on the date of his or her application or, if later, such other date as may be specified in his application provided the following conditions are met:

(a) the Member has ceased to be an Assembly Member;

(b) he or she has attained Normal Minimum Pension Age; and

(c) the Trustees are satisfied that he or she does not intend to stand for re-election to the National Assembly for Wales.

- 44.2 The annual amount of a Pension payable in accordance with Rule 44.1 shall (subject to Rule 43 {commutation}) and to Rule 44.3 be an amount calculated in accordance with Rules 38 and 41 (as appropriate) and abated in accordance with such cost neutral factors as are specified in guidelines prepared by the Actuary which are adopted and notified to Members by the Trustees at least every three years for all Reckonable Service built up by Members in the Scheme on or after 6 May 2016 or for Members with Pre-Care Benefits in accordance with Schedule 2 to reflect early payment before Normal Retirement Age.
- 44.3 The Pension to which a Member is entitled by virtue of Rule 44 {early retirement for AMs} shall not be reduced below the rate of the Guaranteed Minimum Pension, as provided for by Rule 35.

45 EARLY RETIREMENT FOR OFFICE HOLDERS

- 45.1 A Member who is entitled to receive a Pension under Rule 44 {early retirement for AMs} who is or has been a Participating Office Holder shall (subject to Rule 43 {commutation} and Rule 35 {guaranteed minimum pensions}) be entitled also to receive a Pension under Rule 33 {entitlement of pensioner office holders} calculated in accordance with Rule 42 and abated in accordance with Schedule 2 and payable from the same date as the Pension payable under Rule 44 {early retirement for AMs} provided that the stipulation in Rule 44.1 that the Member has ceased to be an Assembly Member shall be disregarded in respect of an individual who is not an Assembly Member who holds office as Counsel General under section 49 of the Act.

ILL-HEALTH PENSIONS

46 TIER 1 ILL-HEALTH PENSIONS BASED ON SERVICE AS A PARTICIPATING AM

- 46.1 A Participating AM who because of ill-health ceases to be an Assembly Member before attaining Normal Retirement Age and who meets the conditions set out in Rule 46.2 may apply to the Trustees for an early Pension under this Rule 46 if at the Material Time he or she would have become entitled to receive a Pension under Rule 32 but for the fact that he or she has not attained Normal Retirement Age.
- 46.2 If on an application under this Rule the Trustees are satisfied that the following conditions are met:
- (a) that the applicant does not intend to seek re-election to the National Assembly for Wales;

- (b) that the applicant ceasing as mentioned in Rule 46.1 above is a direct consequence of his or her ill-health;
- (c) that the applicant's ill-health is such as would prevent him or her from performing adequately the duties of an Assembly Member;
- (d) that the ill-health does not prevent the individual from doing any other Gainful Work;
- (e) that the ill-health is expected to be Permanent and to continue to prevent the individual from performing adequately the duties of an Assembly Member; and
- (f) that the application is accompanied by evidence that a doctor is satisfied that the conditions in sub-paragraphs (c) and (e) are met

the applicant shall be entitled to receive a Tier 1 Ill-Health Pension calculated in accordance with Rule 46.4.

- 46.3 A person who, if he or she were to cease to be an Assembly Member as mentioned in Rule 46.1 above at a particular time in the future because of ill-health, would become entitled to make an application under that paragraph, may make such an application before that time, specifying in it the time when he or she proposes so to cease, and where on such an application the Trustees are satisfied that if the applicant so ceases at the time specified therein, he or she will be entitled under Rule 46.2 above to receive a Pension as from that time, they shall give the person notice in writing to that effect.
- 46.4 The annual amount of a Tier 1 Ill-Health Pension payable to a Member by virtue of this Rule 46 shall (subject to Rule 43 (Commutation)) be calculated in accordance with Rule 32 on the assumption that the applicant had already reached Normal Retirement Age on the day on which he or she ceased to be an Assembly Member, in which case no reduction or abatement for early retirement shall apply.
- 46.5 In the circumstances where a Pensioner AM who has reached Normal Retirement Age and who is in receipt of an ill-health Pension from the Scheme seeks to stand for re-election to the National Assembly for Wales, that element of notional Reckonable Service included in the calculation of his or her Pension previously enhanced for incapacity under Rule 46.4 shall be disregarded when determining his or her Aggregate AM Reckonable Service (as outlined in Rules 27 and 28) for the purposes of calculating his or her Pension entitlement in accordance

with Rule 32.

- 46.6 For the purposes of this Rule 46, a person who has ceased to be a Participating AM in consequence of a general election for the National Assembly for Wales shall be treated as having so ceased because of ill-health which would qualify for a Tier 1 Ill-Health Pension if, but only if, the person satisfies the Trustees that as a direct consequence of his or her ill-health he or she did not seek re-election to the National Assembly for Wales at that election.

47 TIER 2 ILL-HEALTH PENSIONS BASED ON SERVICE AS A PARTICIPATING AM

- 47.1 A Participating AM who because of ill-health ceases to be an Assembly Member before attaining Normal Retirement Age and who meets the conditions set out in Rule 47.2 may apply to the Trustees for an early Pension under this Rule 47 if at the Material Time he or she would have become entitled to receive a Pension under Rule 32 but for the fact that he or she has not attained Normal Retirement Age.

- 47.2 If on an application under this Rule the Trustees are satisfied that the following conditions are met:

- (a) that the applicant does not intend to seek re-election to the National Assembly for Wales;
- (b) that the applicant ceasing as mentioned in Rule 47.1 above is a direct consequence of his or her ill-health;
- (c) that the ill-health prevents the applicant from performing adequately the duties of an Assembly Member;
- (d) that the ill-health prevents the applicant from doing any other Gainful Work;
- (e) that the ill-health is expected to be Permanent and to continue to prevent the individual from adequately performing the duties of an Assembly Member and from doing any Gainful Work; and
- (f) that the application is accompanied by evidence that a doctor is satisfied that conditions (c), (d) and (e) are met,

the applicant shall be entitled to receive a Tier 2 Ill-Health Pension calculated in accordance with Rule 47.4 below.

- 47.3 A person who, if he or she were to cease to be a Participating AM as mentioned in Rule 47.1 above at a particular time in the future because of ill-health, would become entitled to make an application under that paragraph, may make such an application before that time, specifying in it the time when he or she proposes so to cease, and where on such an application the Trustees are satisfied that, if the applicant so ceases at the time specified therein, he or she will be entitled under Rule 47.2 above to receive a Pension under Rule 47.2 as from that time, they shall give the person notice in writing to that effect.
- 47.4 The annual amount of a Tier 2 Ill-Health Pension payable to a Member by virtue of this Rule shall (subject to Rule 43 (Commutation)) be calculated in accordance with Rule 32, but for the purposes of that calculation his or her CARE Benefits shall be calculated as if his Reckonable Service had continued to Normal Retirement Age based on the Participating AMs CARE Salary at his or her date of leaving the Scheme. If at the time the Member retires his or her salary as an Assembly Member is reduced by virtue of an order under section 21 {limit on salaries of Assembly Members} of the Act, then it shall be assumed for the purpose of this calculation that during the period until the person attains Normal Retirement Age he or she would continue to be paid a salary at such reduced level.
- 47.5 For the purposes of this Rule 47, a person who has ceased to be a Participating AM in consequence of a general election for the National Assembly for Wales shall be treated as having so ceased because of ill-health which would qualify for a Tier 2 Ill-Health Pension if, but only if, the person satisfies the Trustees that as a direct consequence of his or her ill-health he or she did not seek re-election to the National Assembly for Wales at that election.

48 III-HEALTH PENSIONS BASED ON SERVICE AS A PARTICIPATING OFFICE HOLDER

- 48.1 A Participating Office Holder who because of ill-health ceases to be an Office Holder before attaining Normal Retirement Age may apply to the Trustees for an early Pension under this Rule 48 if at the Material Time he or she would have become entitled to receive a Pension under Rule 33 {entitlement of pensioner office holders} but for the fact that he or she has not attained Normal Retirement Age.
- 48.2 If on an application under Rule 48.1 above, the Trustees are satisfied that the relevant criteria has been met under Rules 46.2 or 47.2, as appropriate, the applicant shall be entitled to

receive a Pension calculated in accordance with Rule 48.4 as from the Material Time.

- 48.3 Rule 46.3 {tier 1 ill health pensions based on service as a participating AM} and Rule 47.3 {tier 2 ill health pensions based on service as a participating AM}, as appropriate shall apply in relation to Rules 48.1 and 48.2 above as it applies to Rules 46.1 and 46.2 and Rules 47.1 and 47.2, the reference to a Pension under Rule 32 {entitlement of pensioner AMs} being for this purpose read as a reference to a Pension under Rule 33 {entitlement of pensioner office holders}.
- 48.4 The annual amount of a Pension payable by virtue of this Rule shall (subject to Rule 43 {Commutation} be calculated in accordance with Rule 46.4 or 47.4 (as appropriate depending on whether the Office Holder meets the criteria for a Tier 1 Ill-Health Pension or a Tier 2 Ill-Health Pension) save that the reference to a Pension under Rule 32 {entitlement of pensioner AMs} shall for this purpose be read as a reference to a Pension under Rule 33 {entitlement of pensioner office holders} .
- 48.5 Rule 46.6 {tier 1 ill health pensions based on service as a participating AM} and Rule 47.5 {tier 2 ill health pensions based on service as a participating AM} shall apply, as appropriate, for the purposes of this Rule.

49 III-HEALTH PENSIONS FOR FORMER AMS

- 49.1 A Deferred Pensioner who because of ill-health has, while neither an Assembly Member nor a candidate for election to it, Permanently ceased to perform Gainful Work before attaining Normal Retirement Age may apply to the Trustees for early payment of his or her Pension under this Rule 49 if at the time when the person so ceased to perform Gainful Work he or she would have become entitled to receive a Pension under Rule 32 {entitlement of pensioner AMs} but for the fact that he or she had not attained Normal Retirement Age.
- 49.2 If on an application under this Rule the Trustees are satisfied that the following conditions are met:
- (a) that the applicant does not intend to seek election to the National Assembly for Wales;
 - (b) that the applicant's Permanently ceasing to perform Gainful Work was a direct consequence of his or her ill-health; and

- (c) that his or her ill-health is such as would Permanently prevent him or her from performing adequately the duties of an Assembly Member; and
- (d) that the application is accompanied by evidence that a doctor is satisfied that conditions (b) and (c) are met, the applicant shall, as from the date on which the Trustees are so satisfied, be entitled to receive a Pension under Rule 32 {entitlement of pensioner AMs} and abated to reflect early payment before Normal Retirement Age.

49.3 Where an application is made under this Rule, the Trustees shall by notice in writing inform the applicant whether they are satisfied as mentioned in Rule 49.2 above and, if they are so satisfied, shall state the date from which the Pension shall be payable.

50 III-HEALTH PENSIONS FOR FORMER OFFICE HOLDERS

50.1 Rule 49 {ill health pensions for former AMs} shall apply in relation to a person who because of ill-health has, while neither an Assembly Member nor a candidate for election to it, nor an Office Holder, Permanently ceased to perform Gainful Work before attaining Normal Retirement Age and who applies to the Trustees for early payment of his or her Pension under Rule 33 {entitlement of pensioner office holders}; and where Rule 49 {ill health pensions for former AMs} applies to such a person any reference to Rule 32 {entitlement of pensioner AMs} shall be construed as a reference to Rule 33 {entitlement of pensioner office holders}.

51 REQUIREMENT FOR INCAPACITY FOR OCCUPATION

51.1 No Member is entitled to receive an ill-health Pension by virtue of the provisions of Rules 46 to 53, unless the Member has in fact ceased to carry on his or her occupation.

52 MEDICAL EVIDENCE

52.1 Every application under Rules 46 to 53, must be accompanied by evidence from a registered medical practitioner that the applicant is (and will continue to be) incapable of carrying on the applicant's occupation because of physical or mental impairment.

52.2 In the case of any such application the Trustees may require the applicant to undergo a medical examination by a medical practitioner or practitioners nominated by them for the

purpose and the Trustees may call for further medical reports or evidence and the fees for any such examination or reports shall be borne by the Trustees or the applicant, as the Trustees may determine.

- 52.3 In considering whether an applicant under these Rules 46 to 53, (or an existing ill-health Pensioner if in pursuance of the Trustees' power to review under Rule 53) is incapable of carrying on his or her duties or of performing any Gainful Work, the Trustees may take account of the views of any registered medical practitioner nominated by them as to the potential impact of any medical treatment that the individual could undergo.

53 TRUSTEES' POWER TO REVIEW ILL-HEALTH PENSIONS

- 53.1 The Trustees may review a Member's entitlement to an ill-health Pension payable under Rules 46 to 53 at any time before the individual reaches Normal Retirement Age (and may carry out such a review at regular intervals determined by them).

- 53.2 The Trustees may require a Member whose entitlement is being reviewed to provide evidence from a doctor on his or her state of health.

- 53.3 The Trustees may at their absolute discretion reduce the amount of an ill-health Pension in payment to a Member to the extent that they consider appropriate. The Trustees may also vary or terminate the Pension if satisfied following a review that the Member's state of health:

(a) in the case of a Tier 2 Ill-Health Pension payable under Rule 47 {tier 2 ill health pensions based on service as a participating AM}, no longer Permanently prevents the individual from performing adequately the duties of an Assembly Member or from performing any Gainful Work or;

(b) in the case of a Tier 1 Ill-Health Pension payable under Rule 46 {tier 1 ill health pensions based on service as a participating AM}, no longer Permanently prevents the individual from performing adequately the duties of an Assembly Member;

determine that the Member:

- (i) is no longer to be entitled to any ill-health Pension under this Rule; or
- (ii) is to be entitled to a Tier 1 Ill-Health Pension instead of a Tier 2 Ill-Health

Pension, but only where they remain satisfied that the Member's state of health still prevents him or her from adequately performing the duties of an Assembly Member.

- 53.4 Where the Trustees have reduced or terminated a Pension under this Rule 53, the Trustees shall (subject to compliance with Preservation Requirements) determine the level of Pension that shall be payable to the individual from the date when he or she fulfils the conditions to retire in Rule 32 {entitlement of pensioner AMs}. The Trustees may reduce the amount of Pension payable under Rule 32, in such manner as the Actuary recommends, to take into account any lump sum received by the individual under Rule 43 at the time he or she originally retired on ill-health under Rules 46 to 53.
- 53.5 The Trustees may determine that an individual who unreasonably refuses to be examined in accordance with Rule 52, or who otherwise fails to co-operate with a review, is no longer to be entitled to an ill-health Pension from the Scheme under Rules 46 to 53.
- 53.6 If the Trustees make a determination under this Rule to either, stop a recipient's Pension payments or, as the case may be, reduce the level of Pension payable, the recipient shall be provided with one month's notice of their decision.
- 53.7 The Trustees shall not stop a Pension under this Rule if the recipient has reached Normal Retirement Age at the date of the review.

SURVIVING ADULT DEPENDANTS AND CHILDREN

54 EQUAL TREATMENT

- 54.1 Rules 55 to 61 {surviving spouses and children} shall apply equally in relation to male or female Surviving Adult Dependants except in so far as they relate to the Guaranteed Minimum Pension and to Pensions payable to Widows under section 17 of the Pension Schemes Act 1993 (Rules 55.5, 55.6 and 55.7).

55 PENSIONS FOR SURVIVING ADULT DEPENDANTS

- 55.1 Subject to the provisions of this Rule and to Rule 61 {dependant's pensions on death of a Member survived by both a Surviving Spouse and a Partner}, a Surviving Adult Dependant of a Member shall be entitled to receive a Pension under this Rule.

- 55.2 The annual amount of a Pension payable under this Rule to a Surviving Adult Dependant shall be the aggregate of:
- (a) five-eighths of the Death Benefit Pension of the deceased Member which was accrued up to the day immediately preceding the Commencement Date; and
 - (b) subject to the transitional provisions in Schedule 6 {transitional provisions}, one-half of the Death Benefit Pension of the deceased Member which was accrued on and from the Commencement Date.
- 55.3 Subject to Rules 55.4 and 55.6, a Pension payable under this Rule to a Surviving Adult Dependant shall continue for his or her life notwithstanding any remarriage.
- 55.4 Subject to Rules 55.5 and 55.6, a Pension that becomes payable under this Rule to a Surviving Adult Dependant on or after 6th April 2006, shall continue for life notwithstanding that such individual was cohabiting with another person at the date of the Member's death.
- 55.5 Notwithstanding anything in these Rules and in particular notwithstanding the provisions of Rules 55.3 and 55.4 above:
- (a) the widow of a Member who had a Guaranteed Minimum Pension under these Rules shall, upon his death, be entitled to a Pension for the remainder of her life at a rate equivalent to a weekly rate of not less than half the Guaranteed Minimum Pension of that Member; and
 - (b) the widower of a Member who had such a Guaranteed Minimum Pension, shall, upon her death, be entitled to a Pension for the remainder of his life at a rate equivalent to not less than half of that part of the Member's Guaranteed Minimum Pension which is attributable to earnings factors for the Tax Year 1988-89 and subsequent Tax Years.
- 55.6 During any period specified in section 17 of the Pension Schemes Act 1993 as being a period during which a Category B retirement pension, widowed mother's allowance or widow's pension is payable under that section, the widow of a person shall, notwithstanding the provisions of Rules 55.3 and 55.4 above, be entitled to a Pension under Rules 55.1 and 55.2 above.
- 55.7 Where a Member dies in circumstances in which, apart from this paragraph, a Surviving Adult

Dependant's pension calculated in accordance with Rule 55.2 would be payable to a Surviving Spouse married by that Member within the period of six months ending with his or her death and it appears to the Trustees that his or her death within six months was to be foreseen by the Member at the date of the marriage, then if:

- (a) there are no children of that marriage; and
- (b) the Member was married to the Surviving Spouse after the termination of his or her service in contracted-out employment in respect of which the Surviving Spouse's pension is payable; and
- (c) the rate of the Surviving Spouse's pension payable would be in excess of the widow or widower's guaranteed minimum pension calculated in accordance with Rule 55.5(a) or 55.5(b) as appropriate,

the Trustees may direct that any part of the Surviving Spouse's pension which is in excess of the widow or widower's guaranteed minimum pension shall not be payable.

56 PENSIONS FOR CHILDREN

56.1 Subject to the provisions of this Rule 56 and Schedule 3, a Child's Pension shall be payable for the benefit of any Relevant Child or Relevant Children of a Member who has died.

56.2 The annual amount of a Child's Pension payable under this Rule 56 for the benefit of any Relevant Child or Relevant Children of a deceased Member shall be:

- (a) if there is a Surviving Adult Dependant:
 - (i) if there is one Relevant Child, a sum equal to one-quarter of the Death Benefit Pension of the deceased Member or,
 - (ii) if there is more than one Relevant Child, a sum equal to three-eighths of the Death Benefit Pension of the deceased Member; or
- (b) if there is no Surviving Adult Dependant, a sum equal to five-sixteenths of the Death Benefit Pension of the deceased Member for each Relevant Child not exceeding two.

56.3 A Child's Pension payable under this Rule 56 shall be paid to or distributed between such person or persons as the Trustees may from time to time direct, and shall be applied by that person or those persons, without distinction, for the benefit of the Relevant Child or Relevant Children of the deceased Member or such of them as the Trustees may from time to time direct.

57 DEATH IN SERVICE OF PARTICIPATING AM

57.1 Where a Member has died and, at the time of his or her death, he or she was a Participating AM, Rule 57.2 below and Rule 58 (so far as applicable) shall apply if his or her Surviving Adult Dependant is entitled to receive a Pension under Rule 55 or if a Child's Pension is payable under Rule 56 {pensions for children} for the benefit of any Relevant Child or children.

57.2 If the deceased Member died before attaining Normal Retirement Age, the annual amount of any Pension payable to his or her Surviving Adult Dependant under Rule 55, or for the benefit of any Relevant Child or children of the deceased's under Rule 56 {pensions for children}, shall be calculated as if he or she had immediately before his or her death ceased because of ill-health to be an Assembly Member and had by virtue of Rule 47 {tier 2 ill health pensions based on service as a participating AM} been entitled to receive a Pension under Rule 32 {entitlement of pensioner AMs} as from the date of such cessation.

58 ENHANCEMENT OF INITIAL SURVIVING ADULT DEPENDANTS' PENSIONS

58.1 Where a Surviving Adult Dependant of a Member who was at the time of his or her death a Pensioner AM is entitled to receive a Pension under Rule 55, Rules 58.2 and 58.3 shall apply.

58.2 If, for any part of the Three Month Period, the aggregate of the following amounts, namely:

- (a) the amount payable to the Surviving Adult Dependant by way of Pension under Rule 55 or Rule apart from this paragraph; and
- (b) any amount which (by direction of the Trustees under Rule 56.3 {pensions for children}) is payable to such Surviving Adult Dependant by way of Pension under Rule 56 {pensions for children} for the benefit of any Relevant Child or children of the deceased,

is less than the amount mentioned in Rule 58.3 below, then for that part of that period the amount payable to such Surviving Adult Dependant by way of Pension under Rule 55 shall be increased by the difference.

58.3 The said amount is the amount which, if the deceased Member had lived, would have been payable to the deceased Member for the part of the Three Month Period in question by way of Pension under one or both of Rule 32 {entitlement of pensioner AMs} and Rule 33 {entitlement of pensioner office holders}.

58.4 Where a person has died and, at the time of his or her death, he or she was a Participating AM, Rules 58.5 and 58.6 (so far as applicable) shall apply if his or her Surviving Adult Dependant is entitled to receive a Pension under Rule 55 or if a Child's Pension under Rule 56 {pensions for children} is payable for the benefit of any Relevant Child or Children.

58.5 If, for any part of the Three Month Period, the aggregate of the following amounts, namely:

- (a) the amount payable to the deceased's Member Surviving Adult Dependant by way of Pension under Rule 55 apart from this paragraph; and
- (b) any amount which (by direction of the Trustees under Rule 56.3 {pensions for children}) is payable to the deceased's Member Surviving Adult Dependant by way of Pension under Rule 56 {pensions for children} for the benefit of any Relevant Child or Children of the deceased Member,

is less than the amount mentioned in Rule 58.6 below, then for that part of that period the amount payable to such Surviving Adult Dependant by way of Pension under Rule 55 shall be increased by the difference.

58.6 The said amount is the amount which would have been payable to the deceased Member for the part of the Three Month Period in question if:

- (a) the deceased Member had lived and had at the Date of Death become entitled to a Pension under Rule 32 {entitlement of pensioner AMs}; and
- (b) with effect from 1st April 2007, the annual amount of that Pension had been a sum equal to the AM Ordinary Salary at the rate in force at the Date of Death; but where the Member's salary has been reduced by virtue of an order under section 21 {limit on

salaries of Assembly Members} of the Act, "salary" shall mean the reduced level of ordinary salary paid to the Member at the date of his or her death.

58.7 The preceding provisions of this Rule are without prejudice to Rules 55.3, 55.4 and 55.7 (duration of Surviving Adult Dependant's Pension, and restrictions on payment).

59 MEANING OF "DEATH BENEFIT PENSION"

59.1 In these Rules "Death Benefit Pension":

- (a) in relation to a Member who has died and who at the time of his or her death was a Participant, means the annual amount of the Pension or Pensions specified in whichever of the following paragraphs apply to that person:
 - (i) where the deceased was or had been a Participating AM, the annual amount of the Pension calculated in accordance with Rule 32 or, if he or she died while a Participating AM before attaining Normal Retirement Age, the annual amount of the Pension calculated by virtue of Rule 57; and
 - (ii) where the deceased was or had been a Participating Office Holder, the annual amount of the Pension which such deceased Office Holder would have been entitled to receive under Rule 33 {entitlement of pensioner office holders}, if immediately before his or her death he or she had fulfilled the conditions specified in sub-paragraphs (a) and (b) of Rule 32.1 {entitlement of pensioner AMs}; and
- (b) in relation to a Member who has died and who at the time of death was a Pensioner, means the annual amount of the Pension or Pensions of which he or she was in receipt or which he or she was entitled to receive calculated in accordance with Rules 32 to 36, including an ill health Pension calculated in accordance with Rules 46 to 53; provided that where the annual amount of which he or she was in receipt resulted from one or more reductions or abatements made under Rules 43 (commutation) or 44 or 45 (early retirement), no such reduction or abatement shall be made in calculating the annual amount of that Pension or Pensions for the purposes of this Rule;
- (c) in relation to a Member who has died and who at the time of death was a Deferred

Pensioner, means the annual amount of the Pension or Pensions specified in whichever of the following sub-paragraphs apply to that person

- (i) where the deceased was a former Participating AM, the annual amount of the Pension which he or she would have been entitled to receive under Rule 32 if he or she had ceased to be an Assembly Member immediately before death and he or she had then fulfilled the conditions specified in sub-paragraphs (a) and (b) of Rule 32.1 {entitlement of pensioner AMs};
- (ii) where the deceased was a former Participating Office Holder; the annual amount of the Pension which he or she would have been entitled to receive under Rule 33 {entitlement of pensioner office holders} if immediately before death he or she had fulfilled the conditions specified in sub-paragraphs (a) and (b) of Rule 32.1 {entitlement of pensioner AMs}.

60 DEPENDANTS' PENSIONS

- 60.1 In circumstances where no Surviving Adult Dependant's Pension is payable on the death of a Member, the Trustees may, at their absolute discretion, pay all or part of the Pension otherwise payable to a Surviving Adult Dependant to another Dependant on such terms and for such time as the Trustees shall determine.
- 60.2 With due alteration for detail, the provisions of Rules 55.3 and 55.4, shall apply equally to a Dependant's Pension being paid under this Rule 60.
- 60.3 The provisions of Rule 67 shall apply if a Pension is being paid under this Rule 60 unless the Trustees otherwise determine.
- 60.4 The provisions of Rules 68 and 70 shall not apply to a Pension being paid under this Rule 60 unless the Trustees otherwise determine.
- 60.5 The provisions of Rules 57 and 58 shall not apply to a Pension being paid under this Rule 60 unless the Trustees otherwise determine.

61 DEPENDANTS' PENSIONS ON DEATH OF A MEMBER SURVIVED BY BOTH A SURVIVING SPOUSE AND A PARTNER

- 61.1 Where a Member dies in circumstances in which, apart from this paragraph, a Surviving Adult's Pension calculated in accordance with Rule 55 would be payable but that Member is also survived by a Partner, unless the Trustees determine otherwise, the Pension payable to that person's Surviving Spouse shall be limited to the amounts payable under Rules 55.5 and 55.6 and the excess shall be paid to that person's Partner.
- 61.2 The provisions of Rule 67 shall apply if a Pension is being paid under this Rule unless the Trustees otherwise determine.
- 61.3 With due alteration for detail, the provisions of Rules 55.3 and 55.4 and Rules 55.5 and 55.6, shall apply equally to a Surviving Spouse's or Partner's Pension payable under this Rule 61.
- 61.4 The provisions of Rules 57 and 58 shall not apply to a Pension being paid under this Rule 61 unless the Trustees otherwise determine.

DEATH GRATUITIES

62 GRATUITY ON DEATH IN SERVICE

- 62.1 Where a Member has died at a time when he or she was a Participant the Trustees may, if they think fit in their discretion to do so, grant a gratuity under this Rule in respect of that Member.
- 62.2 A gratuity granted under this Rule in respect of a Participant may be granted:
- (a) to the person or persons nominated in any nomination made by the Participant for the purposes of this Rule which was in force at the time of his or her death; or
 - (b) if no such nomination was in force at that time or, pursuant to Rule 62.4 below, to the extent that a nomination is treated as not being in force, to the Participant's personal representatives.
- 62.3 No gratuity on death in service may be granted to a Participant under Rule 62.2 above, if the deceased person had reached the age of 75 at the date of death.

- 62.4 Where a Participant nominates more than one person for the purposes of this Rule, he or she may also specify the proportion of the gratuity to be granted to each such person.
- 62.5 The Trustees shall treat a nomination made for the purposes of this section by any Participant as not being in force at the time of the Participant's death to the extent that:
- (a) any person nominated was the Participant's spouse at the time the nomination was made but has subsequently ceased to be the Participant's spouse; or
 - (b) they are of the opinion that the payment of the gratuity to any person nominated is not reasonably practicable in all the circumstances.
- 62.6 A nomination for the purposes of this Rule must be made, and may be revoked, by a notice in writing given to the Trustees; and such a notice must be in such form as the Trustees may require.
- 62.7 Subject to Rule 62.8 below, the amount of a gratuity granted under this Rule in respect of a Participant shall be whichever of the two following amounts is the greater of:
- (a) the amount equal to:
 - (i) three times the Participant's Gratuity Salary at the time of his or her death if that death occurred prior to 1st November 2002;
 - (ii) or an amount equal to four times the Participant's Gratuity Salary at the time of his or her death if that death occurred on or after 1st November 2002 but before the Commencement Date;
 - (iii) or an amount equal to two times the Participant's Gratuity Salary at the time of his or her death if that death occurred on or after the Commencement Date; and
 - (b) the aggregate of the Participant Contributions paid by that Participant, and not refunded to him or her, together with Interest on each such Participant Contribution from the date on which it was paid.
- 62.8 The amount of the gratuity in Rule 62.7 above shall be subject to an overall maximum of four

times the Permitted Maximum.

63 GRATUITY ON DEATH AFTER RETIREMENT

63.1 Where a Pensioner dies and no Pension in respect of him or her is payable under Rule 55 {pensions for surviving adult dependants}, Rule 56 {pensions for children} or Rule 60 {dependants pension} the Trustees may, if they think fit in their discretion to do so, but subject to Rule 63.2 below, grant to his or her personal representatives a gratuity under this Rule.

63.2 The Trustees shall not grant a gratuity under this Rule in respect of a person if the amount of any such gratuity would be less than the amount of any lump sum or the aggregate of any lump sums payable by virtue of Rule 69.2 or Rule 71.

63.3 For the purpose of determining the amount of a gratuity which may be granted in respect of a Pensioner under this Rule, there shall be calculated:

- (a) the amount of the gratuity which the Trustees could have granted to the Pensioner's personal representatives under Rule 62 above if the Pensioner had died at a time when he or she was a Participant; and
- (b) the aggregate amount of the payments made to the Pensioner by way of Pension under Rules 32 to 36, Rules 44 to 45 or Rules 46 to 53 together with any lump sum paid to the Pensioner under Rule 43;

and the amount of the gratuity shall be the amount (if any) by which the amount calculated under sub-paragraph (a) exceeds the amount calculated under sub-paragraph (b) of this paragraph.

64 INSURING DEATH GRATUITIES

64.1 The Trustees may, from time to time and at their absolute discretion, effect and deal with any policy of insurance for the provision of the death gratuities under Rules 62 and 63.

FIVE YEAR GUARANTEE

65 ENTITLEMENT

65.1 Rules 66 to 70 shall apply in respect of a deceased Pensioner AM.

66 GUARANTEE PAYMENTS AND THE FINANCE ACT

- 66.1 All guarantee lump sum payments made in respect of deceased Pensioner AMs or deceased Pensioner Office Holders under Rules 67 to 71, shall be payable as a Defined Benefit Lump Sum Death Benefit, where the deceased had not yet reached the age of 75 at the date of his or her death and all of the conditions of paragraph 13 of Schedule 29 of the Finance Act have been met; unless the deceased was already in receipt of a Pension (with a 5 year guarantee) as at 6th April 2006.
- 66.2 No guarantee lump sum payment may be payable where the deceased had attained the age of 75 on death on or after 6th April 2006. In those circumstances, the provisions of Rules 65 to 71 shall enable the survivor of the deceased to receive payment of a Pension in place of any lump sum.
- 66.3 Rule 71 shall apply in respect of a deceased Pensioner Office Holder.

67 GUARANTEES FOR SURVIVING ADULT DEPENDANTS

- 67.1 Subject to Rule 61 {death of a member survived by a surviving spouse and a partner}, where a Pensioner AM dies during the Pensioner AM's Five Year Period and is survived by a Surviving Adult Dependant, Rules 67.2 to 67.4 shall apply.
- 67.2 If, for any part of the Pensioner AM's Five Year Period, the aggregate of the following amounts namely:
- (a) the amount payable to the Surviving Adult Dependant by way of Pension under Rule 55 apart from this paragraph (including any enhancement payable under Rule 58); and
 - (b) any amount which (by direction of the Trustees under Rule 56.3 {pensions for children}) is payable by way of Pension under Rule 56 {pensions for children} for the benefit of any Relevant Child or children of the deceased Pensioner AM,
- is less than the amount mentioned in Rule 67.3, then for that part of that period the difference shall be payable to the Surviving Adult Dependant.
- 67.3 The said amount is the amount which, if the deceased Pensioner AM had lived, would have

been payable to him or her for the part of the Pensioner AM's Five Year Period in question by way of Pension under Rule 32 {entitlement of pensioner AMs} (including an early retirement Pension or an ill-health Pension payable by virtue of Rule 44 {early retirement for AMs}, 46 or 49 {ill-health pensions for former AMs}).

67.4 If the Surviving Adult Dependant of the deceased Pensioner AM dies during the Pensioner AM's Five Year Period, there shall be paid to the personal representatives of the Surviving Adult Dependant a lump sum which shall be calculated by deducting the amount mentioned in subparagraph (a) below from the amount mentioned in sub-paragraph (b) below:

(a) the total of any Pensions which (by direction of the Trustees under Rule 56.3 {pensions for children}) would have been payable under Rule 56 {pensions for children} for the benefit of any Relevant Child or children of the deceased Pensioner AM if the annual sum payable under Rule 56.2 {pensions for children} (after the death of the Surviving Adult Dependant of the deceased Pensioner AM) in respect of each Relevant Child had continued during the period ending on the Pensioner AM's Children's Prospective Pension End Date for that child;

(b) the amount which would have been payable to the deceased Pensioner AM if the annual amount of the Pension to which the deceased Pensioner AM was entitled under Rule 32 {entitlement of pensioner AMs} (including an early retirement Pension or an ill health Pension payable by virtue of Rule 44 {early retirement for AMs}, 46 or 49) were to have been paid to him or her during the remainder of the Pensioner AM's Five Year Period.

68 GUARANTEES WHERE CHILDREN BUT NO SURVIVING ADULT DEPENDANT SURVIVE

68.1 Where a Pensioner AM dies during the Pensioner AM's Five Year Period and is survived by a Relevant Child or children, but no Surviving Adult Dependant, Rule 68.2 shall apply.

68.2 There shall be paid to the personal representatives of the deceased Pensioner AM a lump sum which shall be calculated by deducting the amount mentioned in subparagraph (a) below from the amount mentioned in subparagraph (b) below:

(a) the total of any Pensions payable under Rule 56 {pensions for children} (by direction of the Trustees under Rule 56.3 {pensions for children}) for the benefit of any Relevant Child or children of the deceased Pensioner AM, if the annual sum payable

under Rule 56.2 {pensions for children} (after the death of the Pensioner AM) in respect of each Relevant Child were to continue during the period ending on the Pensioner AM's Children's Prospective Pension End Date for that child; and

- (b) the amount which would have been payable to the deceased Pensioner AM if the annual amount of the Pension to which he or she was entitled under Rule 32 {entitlement of pensioner AMs} (including an early retirement Pension or an ill health Pension payable by virtue of Rule 44 {early retirement for AMs}, 46 or 49) were to have been paid to him or her during the remainder of the Pensioner AM's Five Year Period.

69 GUARANTEES WHERE NO SURVIVORS

69.1 Where a Pensioner AM dies within the Pensioner AM's Five Year Period and is not survived by his or her Surviving Adult Dependant nor by any Relevant Child or children, Rule 69.2 shall apply.

69.2 There shall be paid to the personal representatives of the deceased Pensioner AM a lump sum calculated as if the annual amount of the Pension to which he or she was entitled under Rule 32 {entitlement of pensioner AMs} (including an early retirement Pension or an ill health Pension payable by virtue of Rule 44 {early retirement for AMs}, 46 or 49 {ill-health pensions for former AMs}) were to be paid to him or her during the remainder of the Pensioner AM's Five Year Period.

69.3 This Rule shall not apply if a gratuity is granted under Rule 63.

70 EARLY TERMINATION OF CHILD'S PERIOD OF FULL TIME EDUCATION

70.1 If:

- (a) a sum has been paid to the personal representatives of the Surviving Adult Dependant of a deceased Pensioner AM under Rule 67.4 or to the personal representatives of a deceased Pensioner AM under Rule 68.2; and
- (b) the period of full time education as defined in Schedule 3 of any Relevant Child of the deceased Pensioner AM has come to end on a date earlier than the Pensioner AM's Children's Prospective Pension End Date for that Child used in the calculation of that

sum,

the Trustees may pay a further sum to the said personal representatives calculated by deducting the amount mentioned in sub-paragraph (ii) below from the amount mentioned in subparagraph (i) below:

- (i) the total of any Pensions which would have been payable for the benefit of that child if the payments had continued until the Pensioner AM's Children's Prospective Pension End Date; and
- (ii) the total of the Pensions which have been paid for their benefit.

71 DECEASED PENSIONER OFFICE HOLDERS

71.1 Rules 67, 68, 69 and 70 shall apply in relation to a deceased Pensioner Office Holder and his or her Surviving Adult Dependant and any Relevant Child or Children as they apply in relation to a deceased Pensioner AM and his or her Surviving Adult Dependant and Relevant Child or Children but where those Rules apply in relation to a deceased Pensioner Office Holder:

- (a) any reference to "Pensioner AM" shall be construed as a reference to "Pensioner Office Holder"; and
- (b) any reference to "the Pensioner AM's Children's Prospective Pension End Date" shall be construed as a reference to "the Pensioner Office Holder's Children's Prospective Pension End Date"; and
- (c) any reference to "the Pensioner AM's Five Year Period" shall be construed as a reference to "the Pensioner Office Holder's Five Year Period"; and
- (d) any reference to Rule 32 {entitlement of pensioner AMs} shall be construed as a reference to Rule 33 {entitlement of pensioner office holders}; and
- (e) any reference to Rule 44 {early retirement for AMs} shall be construed as a reference to Rule 45 {early retirement for office holders}; and
- (f) any reference to Rule 46 {tier 1 ill health pensions based on service as a participating AM} or Rule 47 {tier 2 ill health pensions} shall be construed as a reference to Rule

48 {ill health pensions based on service as a participating office holder}; and

- (g) any reference to Rule 49 {ill health pensions for former AMs} shall be construed as a reference to Rule 50 {ill health pensions for former office holders}.

REFUNDS

72 REFUNDS

- 72.1 Rules 73 and 74 are to be administered in accordance with the requirements of the Finance Act by reference to Participants who become entitled to short service refund lump sums (as defined in the Finance Act) on or after 6th April 2006. Deduction of tax on short service refund lump sums shall be made in accordance with Rule 26.

73 REFUND TO CONTRIBUTOR

- 73.1 Subject to Rules 73.3 and 73.5 below Participant Contributions paid by a Member and not previously refunded to him or her, shall be refunded to him or her by the Trustees, with Interest from the dates on which the Participant Contributions were paid respectively, if the conditions specified in the next following paragraph are fulfilled.
- 73.2 The conditions referred to in Rule 73.1 are that:
- (a) the Member has ceased to be a Participant;
 - (b) his or her Aggregate AM Reckonable Service is less than two years; and
 - (c) he or she has not become entitled to a Pension under these Rules.
- 73.3 If, after a refund of Participant Contributions under this Rule, the Member becomes entitled to pay and pays Participant Contributions under Rule 29 {contributions by participating AMs} or Rule 30 {contributions by participating office holders}, he or she may:
- (a) if he or she so desires, and makes the repayment before the end of the period of three months beginning with the date on which he or she becomes so entitled; or
 - (b) after the end of that period, if the Trustees so allow; or

- (c) repay to the Trustees the sum so refunded, with Interest from the date on which it was refunded and any sum to be paid to the Trustees under this paragraph may, if the Trustees so allow, be paid by instalments over such period, not exceeding three years, as the Trustees think fit.

73.4 Any amount (whether of principal or Interest) repaid by the Participant to the Trustees under Rule 73.3 shall be treated for the purposes of this Rule as if it were a Participant Contribution paid by him or her at the date of repayment.

73.5 The Trustees shall deduct from the amount of any Participant Contributions which may be repaid to a person in accordance with the provisions of this Rule the amount certified in accordance with Section 55(2) and 58(4) of the Pension Schemes Act 1993 in respect of that person.

73.6 For the purpose of calculating a person's Actual AM Reckonable Service and Actual Office Holder Reckonable Service, no account shall be taken of any period in respect of which Participant Contributions paid by that person have been:

- (a) refunded to him or her under this Rule; and
- (b) not subsequently repaid by him or her to the Trustees.

74 REFUND AFTER DEATH

74.1 Where a Member has died:

- (a) without leaving a Surviving Spouse or Relevant Child who is, or may become, entitled in respect of that person to receive a Pension under Rules 55 or 56; and
- (b) in circumstances where the conditions specified in sub-paragraphs (a) and (c) of Rule 73.2 were fulfilled, but where no gratuity, lump sum or Pension benefit is payable in respect of him or her,

the Trustees shall refund to the Member's personal representatives the Participant Contributions paid by the Participant and not previously refunded to him or her, with Interest from the dates on which the Participant Contributions were paid respectively.

TRANSFERS

75 TRANSFERS

75.1 Rules 76 to 79 shall be administered in accordance with the requirements of the Finance Act with effect from 6th April 2006; such that the Trustees may make transfers to and may accept transfers from other Registered Pension Schemes and Qualifying Recognised Overseas Pension Schemes in accordance with the provisions of section 169 of the Finance Act.

76 TRANSFERS TO OTHER PENSION SCHEMES

76.1 A Member who has acquired a right to the Cash Equivalent of his accrued benefits in the Scheme may exercise that right in accordance with Chapter 1 of Part 4ZA of the Pension Schemes Act 1993 by requiring the Trustees to transfer the Cash Equivalent to a Receiving Scheme in accordance with the provisions of that Chapter 1.

76.2 If required under Rule 76.1, and subject to Rule 76.7, the Trustees must pay the Cash Equivalent relating to the Member to the trustees or managers of the Receiving Scheme and take whatever steps are necessary to effect the transfer.

76.3 Subject to Rule 76.4, if a Member has no statutory right to a Cash Equivalent, the Trustees may at their absolute discretion make a transfer representing his accrued benefits in the Scheme to a Receiving Scheme chosen by the Member. If the Trustees agree to make the transfer, the Trustees must decide the amount to be transferred after obtaining the advice of the Actuary, provided that this amount must be at least equal to the value of the benefits that would otherwise have been provided under the Scheme for the Member.

76.4 A transfer under Rule 76.1 or Rule 76.3 must be a "recognised transfer" for the purpose of section 169 of the Finance Act 2004.

76.5 After the Trustees have paid a transfer in relation to a Member under Rule 76.1 or Rule 76.3, the Member is no longer entitled to receive any benefits under the Scheme in relation to the benefits attributable to the transfer and a receipt from the trustees or managers of the Receiving Scheme is a complete discharge for the Trustees in connection with the Member in relation to the benefits attributable to the transfer.

76.6 If, in relation to a transfer under Rule 76.1 or Rule 76.3, the trustees or managers of a Receiving Scheme are unable or unwilling to accept a transfer payment in respect of a

Member's Guaranteed Minimum Pension, the Trustees may pay a Cash Equivalent comprising only the excess of the amount over the Member's Guaranteed Minimum Pension. After the transfer, the Trustees retain liability to pay the Member's Guaranteed Minimum Pension.

- 76.7 If a Member has acquired a right to the Cash Equivalent of his accrued benefits in the Scheme in accordance with Rule 76.1 and requires the Trustees to transfer the Cash Equivalent to a Receiving Scheme with a view to acquiring a right or entitlement to "flexible benefits" as defined in section 74 of the Pension Schemes Act 2015 under the Receiving Scheme, the Trustees must check the Member has received appropriate independent advice in accordance with section 48 of the Pension Schemes Act 2015. If the Trustees are unable to carry out the check by reason of factors outside their control, or carry out the check but the check does not confirm that the Member has received appropriate independent advice, the Trustees will not be obliged to make the proposed transfer.

77 EFFECT OF TRANSFERS OUT ON RECKONABLE SERVICE

- 77.1 Where any sums are paid by the Trustees under Rule 76 in respect of any Member, then:
- (a) for the purpose of calculating that Member's Aggregate AM Reckonable Service, or his or her Aggregate Office Holder Reckonable Service, no account shall be taken of any period before the date of that payment; and
 - (b) for the purposes of Rules 73 and 74 any Participant Contributions paid by him or her before that date shall be treated as not having been paid.

78 CERTIFICATION BY THE ACTUARY

- 78.1 For the purposes of Rule 76, any transfer value of the whole or part of a Member's accrued pension rights under these Rules shall be such sum as the Trustees shall determine on the advice of the Actuary. These sums shall satisfy the requirements prescribed under Chapter IV of Part IV of the Pension Schemes Act 1993 and shall be certified by, or calculated in accordance with tables prepared by, the Actuary.

79 TRANSFERS FROM OTHER PENSION SCHEMES

- 79.1 At the request of any Member who:

- (a) is a Participating AM; or
- (b) is an Opted-Out AM who applies to re-join the Scheme under Rule 13,

the Trustees shall receive any sums payable by way of transfer value in respect of him or her before the Commencement Date out of, or out of moneys held for the purposes of, any scheme or annuity to which Rule 76 applies, or under any enactment for the time being in force which authorises the transfer of Pension rights.

79.2 Where any sums are received by the Trustees under Rule 79.1 above at the request of a Participating AM:

- (a) his or her Aggregate AM Reckonable Service accrued prior to the Commencement Date shall be treated as increased by the addition of such period as may be determined by the Trustees; and
- (b) for the purposes of Rules 73 and 74, the sums so received by the Trustees, so far as in the opinion of the Trustees they represent the person's own contributory payments, shall be treated as if they were Participant Contributions paid by him or her, at the same times as those contributory payments were made, by deduction from his or her salary under Rule 29 {contributions by participating AMs}.

79.3 Any period determined by the Trustees under Rule 79.2(a) above shall be a period or number of years either certified by the Actuary as being appropriate in relation to the sums received by the Trustees at the request of the person in question or a period or number of years calculated, in accordance with tables prepared by the Actuary, as being appropriate in relation to those sums.

ADDED YEARS

80 PURCHASE OF ADDED YEARS BY PARTICIPATING AMS

80.1 Schedule 4 {purchase of added years} shall have effect with respect to the payment of additional voluntary contributions by a Participating AM, and subject to the provisions of that Schedule, the aggregate period of Reckonable Service of a Participating AM accrued prior to the Commencement Date shall be treated as increased by the period of Added Years so purchased.

- 80.2 A Participating AM shall not be permitted to enter into a new arrangement for the purchase of Added Years under this Rule 80 on or after the Commencement Date.
- 80.3 Any arrangements for the purchase of Added Years which a Participating AM entered into before the Commencement Date shall continue to apply to the extent specified in Schedule 4.

SCHEDULE 1

Historic Provisions

Member Contributions

1. The percentage referred to in Rule 29.2 {contributions by participating AMs} is:
 - a. in relation to a payment of salary made in respect of a period ending prior to 1st April 2004, 6 per cent; and
 - b. in relation to a payment of salary made in respect of a period beginning on or after the 1st April 2004 and prior to 1st April 2005:-
 - i. 6 per cent where the Participating AM has not exercised the option under paragraph 2.a below to contribute at 10 per cent; or
 - ii. 10 per cent where the Participating AM has exercised the option under paragraph 2.a below to contribute at the higher rate; and
 - c. in relation to a payment of salary made in respect of a period beginning on or after 1st April 2005:-
 - i. 10 per cent where the Participating AM has not exercised the option under paragraph 2.b below to continue at 6 per cent; or
 - ii. 6 per cent where the Participating AM has exercised the option under paragraph 2.b below to contribute at the lower rate.
2. A Participating AM shall exercise the options referred to in paragraphs 1.b and 1.c above by giving notice in writing to the Trustees:-
 - a. in the case of a person who was a Participating AM between 1st April 2004 and 1st April 2005, appropriate notice to be provided no later than 14th March 2005 to exercise the option to contribute at the higher rate with effect from 1st April 2004; and
 - b. in the case of a person who is a Participating AM on or after 1st April 2005, and has

not already exercised an option in terms of paragraph a, not more than 3 months' notice from that date to contribute at the lower rate with effect from 1st April 2005; or in the case of a newly elected Participating AM after 1st April 2005, not more than three months' notice after the date of first election to contribute at the lower rate with effect from that date.

3. Pursuant to the exercise of the option in paragraph 2.a, a Member shall pay to the Trustees the sum representing the additional amount which would have been deducted from his or her salary had Participant Contributions been deducted from it at the rate of 10 per cent from the 1st April 2004.
4. Pursuant to the exercise of the option in paragraph 2.b the Trustees shall pay to the Member such sum representing the additional amount that has been deducted from his or her salary during the period when Participant Contributions were deducted at the rate of 10 per cent.

Office Holder Contributions

5. The percentage referred to in Rule 30.2 {contributions by participating office holders} is:
 - a. in relation to a payment of salary made in respect of a period ending prior to 1st April 2004, 6 per cent; and
 - b. in relation to a payment of salary made in respect of a period beginning on or after the 1st April 2004 and prior to 1st April 2005:-
 - i. 6 per cent where the Participating Office Holder has not exercised the option under paragraph 2.a to contribute at 10 percent; or
 - ii. 10 per cent where the Participating Office Holder has exercised the option under paragraph 2.a to contribute at the higher rate; and
 - c. in relation to a payment of salary made in respect of a period beginning on or after 1st April 2005:-
 - i. is 10 per cent where the Participating Office Holder has not exercised the option under paragraph 2.b to contribute at 6 per cent; or

ii. is 6 per cent where the Participating Office Holder has exercised the option under paragraph 2.b to contribute at the lower rate.

6. A Participating AM who is also a Participating Office Holder (or who subsequently becomes a Participating Office Holder) who exercises either of the options in paragraph 2, shall be deemed to have exercised that option (with the same effective date) in relation to his or her Office Holder Salary.
7. Pursuant to the exercise of the option in paragraph 2.a by a Participating AM who is also or subsequently becomes a Participating Office Holder, a Participating Office Holder shall pay to the Trustees the sum representing the additional amount which would have been deducted from his or her Office Holder Salary had Participant Contributions been deducted from it at the rate of 10 per cent from the 1st April 2004.
8. Pursuant to the exercise of the option in paragraph 2.b by a Participating AM who is also or subsequently becomes a Participating Office Holder, the Trustees shall pay to the Participating Office Holder such sum representing the additional amount that has been deducted from his or her Office Holder Salary during the period when Participant Contributions were deducted at the rate of 10 per cent.

Appropriate Fraction for Pensioner AMs

9. The AM Appropriate Fraction for the purposes of paragraph (a) of the definition is:
 - a. in the case of AM Reckonable Service during a year or part of a year ending prior to the 1st April 2004, one-fiftieth or a proportionate fraction of one-fiftieth;
 - b. in the case of AM Reckonable Service during a year or part of a year in the period between 1st April 2004 and 31st March 2005 of a Participating AM who has not exercised the option under paragraph 2.a, one-fiftieth or a proportionate fraction of one-fiftieth;
 - c. in the case of AM Reckonable Service during a year or part of a year in the period between 1st April 2004 and 31st March 2005 of a Participating AM who has exercised the option under paragraph 2.a, one-fortieth or a proportionate fraction of one-fortieth;
 - d. in the case of AM Reckonable Service during a year or part of a year in the period

between 1st April 2005 and the Commencement Date of a Participating AM who has not exercised the option under paragraph 2.b, one fortieth or a proportionate fraction of one-fortieth; and

- e. in the case of AM Reckonable Service during a year or part of a year in the period between 1st April 2005 and the Commencement Date of a Participating AM who has exercised the option under paragraph 2.b, one-fiftieth or a proportionate fraction of one fiftieth.

10. The AM Appropriate Fraction for the purposes of paragraph (b) of the definition is:

- a. in the case of AM Reckonable Service during a year or part of a year ending prior to the 1st April 2004, one-fiftieth or a proportionate fraction of one-fiftieth; and
- b. in the case of AM Reckonable Service during a year or part of a year in the period between 1st April 2005 and the Commencement Date, one-fiftieth or one-fortieth (as appropriate) or a proportionate fraction of one-fiftieth or one-fortieth, reduced by the same proportion as the participating AM's salary was reduced relative to AM Ordinary Salary at that time.

11. The Office Holder Appropriate Fraction is:

- a. in the case of Office Holder Reckonable Service during a year or part of a year ending prior to the 1st April 2004, one-fiftieth or a proportionate fraction of one-fiftieth;
- b. in the case of Office Holder Reckonable Service during a year or part of a year in the period between 1st April 2004 and 31st March 2005 of a Participating Office Holder who has not exercised the option under paragraph 2.a, one-fiftieth or a proportionate fraction of one-fiftieth;
- c. in the case of Office Holder Reckonable Service during a year or part of a year in the period between 1st April 2004 and 31st March 2005 of a Participating Office Holder who has exercised the option under paragraph 2.a, one-fortieth or a proportionate fraction of one-fortieth;
- d. in the case of Office Holder Reckonable Service during a year or part of a year in the period between 1st April 2005 and the Commencement Date of a Participating Office

Holder who has not exercised the option under paragraph 2.b, one-fortieth or a proportionate fraction of one-fortieth; and

- e. in the case of Reckonable Service as a Participating Office Holder during a year or part of a year in the period between 1st April 2005 and the Commencement Date of a Participating Office Holder who has exercised the option under paragraph 2.b, one-fiftieth or a proportionate fraction of one-fiftieth;

SCHEDULE 2

Percentage Abatement of Pension Entitlement for Pre May 2016 benefits

- 1 The Pension to which a Member is entitled by virtue of Rules 44 {early retirement for AMs} and 45 {early retirement for office holders} shall be abated, having regard to the Member's age and the length of his or her qualifying period of Reckonable Service at the start of the fifth Assembly and his or her age at the date the benefits are drawn, by the percentage specified in such tables and/or guidelines as may be prepared by the Actuary from time to time in accordance with the requirements set out in paragraphs 2 and 3 of this Schedule. For the avoidance of doubt, the abatement factors set out in the table at paragraph 8 below shall only be applied in calculating the early retirement benefits payable under the 'rule of 80' by reference to Members' Pre-6 May 2016 benefits only. To benefit from the favourable early retirement factors as set out in paragraph 8 below, a Member with a Pre-6 May 2016 benefits will need to have been an existing Member of the Scheme prior to 1 April 2007 with a minimum qualifying period of 15 years Reckonable Service as described in paragraphs 4 and 5 below as at 6 May 2016.
- 2 The relevant abatement percentage specified in the tables and/or guidelines prepared by the Actuary shall comply fully with the Preservation Requirements and shall be adopted and notified to Members by the Trustees at least every three years.
- 3 In preparing the tables and/or guidelines the Actuary must seek to achieve cost neutrality, i.e. that the likely total cost to the Scheme, over time, of paying Pensions is the same irrespective of the age at which individuals begin to be paid a Pension.
- 4 For the purpose of this Schedule, service of a person as a Member of the House of Commons of the Parliament of the United Kingdom or as a Member of the Parliament of the European Communities may count towards his or her qualifying period of Reckonable Service to the extent that it is not concurrent with service as an Assembly Member.
- 5 For the purposes of this Schedule, existing Members of the Scheme as at 1st December 2006, may only count that part of their service which constitutes Actual Reckonable Service in the Scheme after 1st December 2006, as a "qualifying period" of Reckonable Service. For the avoidance of doubt, all Reckonable Service prior to 1st December 2006 shall count as a qualifying period of Reckonable service.

- 6 A new entrant to the Scheme after 1st April 2007 or a Member who leaves Reckonable Service before or after the Commencement Date and subsequently re-joins the Scheme on or after the Commencement Date, shall not receive an early retirement un-abated Pension notwithstanding that his or her age together with his or her qualifying period of service amounts to 80 or more years.
- 7 Where the age or the qualifying period is not an exact number of years, the percentage abatement shall be obtained by interpolating both for the required age and for the required qualifying period as necessary.
- 8 The Table below is retained for historic calculation purposes only and the factors shown therein are those as at 6 May 2016 and may be superseded by such later factors as prepared by the Actuary from time to time.

Abatement by Single Percentage from Date Pension Payable

Age pension brought into payment	Qualifying period (years)					
	20 or more	19	18	17	16	15 or less
50	42.1	44.8	47.2	49.4	51.4	53.3
51	39.2	42.1	44.8	47.2	49.4	51.4
52	36.1	39.2	42.1	44.8	47.2	49.4
53	32.7	36.1	39.2	42.1	44.8	47.2
54	29.1	32.7	36.1	39.2	42.1	44.8

55	25.2	29.1	32.7	36.1	39.2	42.1
56	21	25.2	29.1	32.7	36.1	39.2
57	16.4	21	25.2	29.1	32.7	36.1
58	11.5	16.4	21	25.2	29.1	32.7
59	6	11.5	16.4	21	25.2	29.1
60	0	6	11.5	16.4	21	25.2
61	0	0	6	11.5	16.4	21
62	0	0	0	6	11.5	16.4
63	0	0	0	0	6	11.5
64	0	0	0	0	0	6
65	0	0	0	0	0	0

SCHEDULE 3

Persons Qualifying for Child's Pension

1 For the purposes of Rule 56 {pensions for children} a Child shall be treated as within a period of full-time education while:

(a) receiving full-time instruction at any university, college, school or other educational establishment; or

(b) undergoing full-time or substantially full-time training for any trade, profession or vocation; and any question arising under this paragraph shall be determined by the Trustees.

2 A Child shall not be treated as a Relevant Child for the purposes of Rule 56 {pensions for children}

(a) as being an illegitimate or adopted Child of the deceased Member; if such Child was born or adopted, as the case may be, after the termination of the marriage or last marriage of the deceased Member; or

(b) as being the Child of the spouse of the deceased Member, if that child was born or became that Child of that spouse after the termination of the spouse's marriage with the deceased Member;

unless, in the case of an adopted Child falling within sub-paragraph (a) or sub-paragraph (b) of this paragraph, the Trustees, if satisfied that before the material event therein mentioned the deceased Member (or, as the case may be, the deceased and his or her spouse) had already formed the intention of adopting the Child, and that the Child was then wholly or mainly dependent on the deceased Member, or in the case of an illegitimate Child falling within sub-paragraph (a) above, the Trustees if satisfied that had the Child been born prior to the death of the deceased, that Child would have been wholly or mainly dependent on the deceased; direct that the Child shall be treated as a Relevant Child.

3 A Child shall not be treated as a Relevant Child for the purposes of Rule 56 {pensions for children} as being:

- (a) the illegitimate Child of the deceased Member; or
- (b) a Child of the spouse of the deceased Member,

unless the Child was wholly or mainly dependent on the deceased Member; at the time of the death of the deceased Member.

- 4 A Child shall not be treated as a Relevant Child for the purposes of Rule 56 {pensions for children} if, at the date of the death of the deceased Member, the Child is married to or cohabiting with another person; and a Child who thereafter marries or cohabits with another person shall thereupon cease to be a Relevant Child unless and until the Trustees, being satisfied that the marriage or cohabitation has been terminated and that for exceptional reasons it is proper to do so, direct that the Child shall be so treated.

SCHEDULE 4

Purchase of Added Years

1 **Purchase of Added Years by Periodical Contributions**

1.1 Subject to sub-paragraph 1.3 below, a Participating AM may apply in writing to the Trustees to purchase Added Years by Periodical Contributions payable until he or she attains Normal Retirement Age and the Trustees shall accept his or her application if all the following conditions in respect of that application are satisfied:

- (a) the Participating AM will not at his or her next birthday after the date of the application have attained Normal Retirement Age;
- (b) the Participating AM has satisfied the Trustees, in whatever manner the Trustees shall require, that he or she is in good health;
- (c) the number of Added Years which the Participating AM has applied to purchase does not exceed the maximum permitted by virtue of the contributions that are permitted to be made by paragraph 5 of this Schedule; and
- (d) the Participating AM has supplied to the Trustees such information and evidence as they may require and has indicated whether his or her application is made under the provisions of this subparagraph 1.1 or under the provisions of sub-paragraph 1.2 below.

1.2 Subject to sub-paragraph 1.3 below, a Participating AM may, within the period of twelve months immediately following the date when he or she commenced a period of service as an Assembly Member, or within such longer period as the Trustees may in special circumstances and at their discretion allow, apply in writing to the Trustees to purchase Added Years by the payment of Periodical Contributions for a period of three or four years and the Trustees shall accept his or her application if, at the date when the Trustees receive the application, the Participating AM has not reached Normal Retirement Age and if the conditions of sub-paragraphs 1.1(b), 1.1(c) and 1.1(d) above are satisfied in respect of that application.

1.3 No new applications may be made under this Schedule 4 on or after the Commencement Date.

1.4 An application by a Participating AM to purchase Added Years shall be irrevocable on and from the date when the Trustees accept the application.

1.5 Where an application by a Participating AM to purchase Added Years by Periodical Contributions is accepted by the Trustees:

(a) those Periodical Contributions shall, subject to the provisions of paragraph 2 of this Schedule, be payable:

(i) in the case of an application under paragraph 1.1 of this Schedule, from the date of the participating AM's birthday next following the receipt by the Trustees of the application and until the Participating AM attains Normal Retirement Age; and

(ii) in the case of an application under paragraph 1.2 of this Schedule, for whichever of the periods of three or four years the Participating AM has chosen for the payment of Periodical Contributions beginning on such date not later than two months from the date of acceptance of the application as the Trustees shall specify by notice in writing to the participating AM;

(b) with effect from 1 April 2010, Periodical Contributions by a Participating AM shall be payable by deductions from the Member's ordinary salary, or in the case of a Participating AM who chooses to take a lower salary payable by deduction from and based upon his or her reduced salary; and in the case of arrears, in such manner as the Trustees shall require; and

(c) the Periodical Contributions payable by a Participating AM for the Added Years shall be calculated in accordance with tables prepared from time to time by the Actuary.

2 **Interrupted Service**

2.1 If a Participating AM dies or ceases to be an Assembly Member because of ill-health in circumstances to which Rule 46 {tier 1 ill health pensions based on service as a participating AM} or Rule 47 {tier 2 ill-health pension} applies and he or she:

(a) has applied to purchase Added Years by Periodical Contributions; and

- (b) has been notified in writing by the Trustees that his or her application has been accepted,

no further Periodical Contributions will be payable from the day following the date of his or her death or from the day following the date he or she ceases to be an Assembly Member, as the case may be, and, in the case of death or cessation in circumstances where Rule 46 { tier 1 ill health pensions based on service as a participating AM} any Added Years that he or she has applied to purchase by Periodical Contributions shall be credited in full as AM Reckonable Service.

- 2.2 If a Participating AM who has applied to purchase Added Years by Periodical Contributions and whose application has been accepted by the Trustees ceases to be an Assembly Member in circumstances to which Rule 46 {tier 1 ill health pensions based on service as a participating AM} or Rule 47 {tier 2 ill-health pensions} does not apply, no such Periodical Contributions will be payable by him or her from the day following the date when he or she ceases to be an Assembly Member but his or her AM Reckonable Service will in respect of each application be increased by $(A \times B) / C$

where-

A is the number of Added Years he or she applied to purchase by Periodical Contributions;

B is the period (expressed to the nearest day) during which Periodical Contributions have been paid;

C is the total period during which Periodical Contributions would have been payable in accordance with paragraph 1.5(a) above.

- 2.3 If a Member to whom sub-paragraph 2.2 has applied subsequently commences a further period of AM Reckonable Service:

- (a) before he or she has attained Normal Retirement Age; and

- (b) before the Commencement Date,

in circumstances in which the periods together constitute Aggregate AM Reckonable Service, then subject to subparagraphs 2.4 and 2.6, he or she may give notice to the Trustees in

writing within the period of three months beginning with the date upon which he or she commenced the further period of AM Reckonable Service that he or she intends to resume payment of Periodical Contributions in respect of the Added Years for which he or she was making Periodical Contributions in his or her immediately preceding period of AM Reckonable Service and such Periodical Contributions shall then be payable from the date when he or she commenced the further period of AM Reckonable Service and shall continue until the Participating AM attains Normal Retirement Age at the rate or rates applicable during that immediately preceding period.

2.4 Where a Participating AM who ceased to pay Periodical Contributions by reason only of his or her ceasing to serve as an Assembly Member for a period but subsequently became an Assembly Member again before the Commencement Date and resumed the purchase of Added Years by Periodical Contributions in accordance with sub-paragraph 2.3 thereafter becomes entitled to a Pension under Rule 32, his or her AM Reckonable Service shall be increased in accordance with subparagraph 2.2 except that C shall be read as the total period during which he or she would have paid Periodical Contributions for those Added Years if his or her service as a Participating AM had been continuous.

2.5 If a Participating AM to whom sub-paragraph 2.2 has applied, subsequently commences a further period of service as a Participating AM:

(a) before he or she has attained Normal Retirement Age; and

(b) before the Commencement Date,

in circumstances in which the periods together constitute Aggregate AM Reckonable Service, then subject to sub-paragraphs 2.4 and 2.6, he or she may, if, in consequence of his or her break in service as a Participating AM, there has been a reduction in the number of Added Years which he or she is able to purchase in full, with the agreement of the Trustees and, subject to the provisions of paragraphs 1.1(b) and 5 of this Schedule, apply to purchase by Periodical Contributions payable until he or she attains Normal Retirement Age some or all of the number of Added Years comprised in that reduction at the rate applicable to the Participating AM's birthday next following the receipt by the Trustees of his or her application.

2.6 Sub-paragraphs 2.3, 2.4 and 2.5 shall not apply where the application to purchase Added Years before the Participating AM ceased to be an Assembly Member was made under paragraph 1.2 above.

3 **Purchase of Added Years by lump sum**

3.1 Subject to the provisions of sub-paragraph 3.2, a Participating AM may apply in writing to the Trustees before the Commencement Date to purchase Added Years by a lump sum payment.

3.2 The Trustees shall accept an application to purchase Added Years under this paragraph 3 if all the following conditions in respect of that application are satisfied:

- (a) the Participating AM has not reached Normal Retirement Age;
- (b) the Participating AM applies to the Trustees within such period as the Trustees may at their discretion allow;
- (c) the Participating AM has not applied to the Trustees under the provisions of Rule 46 {tier 1 ill health pensions based on service as a participating AM} or Rule 47 {tier 2 ill-health pensions} for an early Pension because of ill-health;
- (d) the number of Added Years which the Member applies to purchase does not exceed the maximum permitted by virtue of the contributions that are permitted to be made by paragraph 5 of this Schedule; and
- (e) the Participating AM has supplied to the Trustees such information and evidence as they may require.

3.3 A Participating AM who has applied to purchase Added Years under the provisions of paragraph 1.2 and to whom paragraph 2.2 applies may, in respect of any such application if:

- (a) in consequence of ceasing to be a Participating AM, there has been a reduction in the number of Added Years which he or she is able to purchase in full;
- (b) the conditions of paragraphs 3.2(c), 3.2(d) and 3.2(e) are satisfied in respect of the application made under this sub-paragraph; and
- (c) the application under this sub-paragraph is made within three months of him or her ceasing to be a Participating AM and in any event before the Commencement Date,

apply in writing to the Trustees to purchase by a lump sum payment some or all of the number of Added Years comprised in that reduction at the rate applicable at the participating AM's birthday next following the receipt by the Trustees of the application.

4 Lump sum payments

4.1 Any Participating AM who has applied to the Trustees to purchase Added Years by a lump sum payment shall, within the period of six months commencing on the date when his or her application, is accepted by the Trustees, make the lump sum payment which shall be calculated by reference to AM Ordinary Salary at the time when his or her application was received by the Trustees and in accordance with tables to be prepared from time to time by the Actuary and the amount of their AM Reckonable Service shall be increased accordingly with effect from the date that the lump sum payment is received by the Trustees.

4.2 If, after an application to purchase Added Years by lump sum payment has been made by a Participating AM and accepted by the Trustees, the payment is not received by the Trustees within the period of six months commencing on the date when the application is accepted by the Trustees, the application to purchase shall cease to be valid.

5 Limits on contributions for purchase of Added Years

5.1 The total amount of a Participating AM's contributions for the purchase of Added Years (whether made as Periodical Contributions under paragraph 1 or by way of lump sum under paragraph 3), when aggregated with his or her Participant Contributions under Rule 29 {contributions by participating AMs} and any other additional voluntary contributions, shall not in any Tax Year exceed 20% of AM Ordinary Salary.

6 Further applications to purchase Added Years

6.1 Subject to the provisions of this Schedule, the Trustees may accept more than one application from a Participating AM to purchase Added Years by the payment of Periodical Contributions or lump sum payments.

7 Limitations on buying Added Years and general provisions

7.1 The Trustees must reject an application to buy Added Years on or after 1 April 2011, if the corresponding increase in Reckonable Service, when taken with the applicant's "anticipated

Reckonable Service", would entitle the applicant to an annual Pension under Rule 32 which exceeds the lesser of:

- (a) the amount equal to two-thirds of the Final Salary; and
- (b) the amount equal to two-thirds of the Permitted Maximum.

7.2 An applicant's "anticipated Reckonable Service" is the Reckonable Service as a Participating AM which the applicant would obtain if he or she continued as such and continued making Participant Contributions under Rule 29 {contributions by participating AMs} at the same rate until:-

- (a) where applying to buy by Periodical Contributions, the end of the period for which instalments are payable, or
- (b) where applying to buy by lump sum, the next ordinary general election day.

7.3 The Trustees must reject an application to buy Added Years if they consider that this would give rise to a lifetime allowance or annual allowance tax charge in respect of the applicant respectively payable under sections 214 and 227 of the Finance Act .

7.4 The provisions of this Schedule are without prejudice to any maximum pension imposed in relation to a Participating AM by Rule 34.

SCHEDULE 5

Pension Sharing on Divorce

- 1 The provisions of this Schedule shall apply to a Civil Partner as they apply to a spouse and shall apply to dissolution of a Civil Partnership as they apply to divorce on marriage. The provisions of this Schedule shall be construed such that no lump sum death benefit shall be payable on the death of an Ex-Spouse Participant or former Civil Partner after age 75. In the event of inconsistency the following provisions of this Schedule shall be treated as overriding all other provisions of the Scheme. The following words shall have the following meanings:-

Definitions

"Aggregate Retirement Benefit" in relation to a Participant means the aggregate of:-

- (a) his or her Pension under this Scheme and any Associated Scheme; and
- (b) the Pension equivalent of his or her Lump Sum Retirement Benefits and in respect of a Class A Participant this shall be calculated as one twelfth of its total cash value.

"Associated Scheme" means:

- (a) in respect of a Class A Participant any Relevant Scheme which is a Connected Scheme or which provides benefits in respect of Reckonable Service;
- (b) in respect of a Class B Participant any Relevant Scheme providing benefits in respect of Reckonable Service.

"Class A Participant" means any Participant who joined the Scheme on or after 1st June 1989 or any other Participant who has elected to become a Class A Participant (however termed) under the rules of the Scheme;

"Class B Participant" means any Participant who joined the Scheme on or after 17th March 1987 and before 1st June 1989 and has not elected to become a Class A Participant;

"Class C Participant" means any Participant who joined the Scheme before 17th March 1987 and has not elected to become a Class A Participant;

"Connected Scheme" means any Relevant Scheme which is connected with the Scheme in relation to a Participant i.e. if:

- (a) there is a period during which the Participant has been the employee of two associated employers;
- (b) that period counts under both schemes as a period in respect of which benefits are payable;
- (c) the period counts under one scheme for service with one employer and under the other scheme for service with the other employer.

For the purpose of this definition employers shall be deemed to be associated if one is controlled either directly or indirectly by the other or both are controlled by a third party, control in either case having the meaning set out in Section 840 of the Taxes Act 1988 or in the case of a close company as set out in Section 414 of the Taxes Act 1988.

"Dependant" means a person who has been financially dependent on the Member and who in the opinion of the Trustees ought properly to receive a benefit under the Scheme in the event of the Member's death whether or not the Member has notified the Trustees that he or she wishes that person to be considered as a recipient of such benefits.

"Ex-Spouse" means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order, agreement or equivalent provision.

"Ex-Spouse Participant" is an Ex-Spouse who participates in the Scheme.

"Lump Sum Retirement Benefit" means the total value of all retirement benefits payable in any form other than non-commutable Pension under this and any other Associated Scheme.

"Negative Deferred Pension" means the amount by which the Participant's Pension or deferred Pension under the Scheme which arose/arises from service with the National Assembly for Wales is reduced at the Relevant Date by section 31 of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation, following a Pension Sharing Order, agreement or equivalent provision. For this purpose, service with the National Assembly for Wales includes all periods of service with other employers which give rise to

benefits in this Scheme where a transfer payment has been made to the Scheme in respect of that other service.

"Participant" is defined in Rule 2.2 of the Rules.

"Pension Credit" means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

"Pension Credit Benefit" in relation to a scheme, means the benefits payable under the scheme to or in respect of a person by virtue of rights under the scheme attributable (directly or indirectly) to a Pension Credit.

"Pension Credit Rights" means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

"Pension Debit" means a debit under section 29(1)(a) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

"Pension Debit Member" means a Participant whose benefits have been permanently reduced by a Pension Debit. Such a Participant will be:

- (a) a Participant whose earnings at the date at which his or her marriage was dissolved or annulled exceeded 14 of the Permitted Maximum for the year of assessment in which the dissolution or annulment occurred. A Participant's ordinary salary for these purposes shall be taken to be the total emoluments
 - (i) which were paid to the Participant in consequence of Pensionable service to which the Scheme relates during the year of assessment before the year of assessment in which the marriage was dissolved or annulled, and
 - (ii) from which tax has been deducted in accordance with the Income Tax (Employments) Regulations 1993.

"Pension Sharing Order" means any order or provision as is mentioned in section 28(1) of the Welfare Reform and Pensions Act 1999 or Article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

"Personal Pension Scheme" shall have the meaning ascribed to it by section 1 of the Pension Schemes Act 1993.

"Reckonable Service" means:

- (a) in respect of a Class A Participant the aggregate of all periods of service and all other periods which count in respect of any associated employment or any Connected Scheme;
- (b) in respect of a Class B Participant his or her service.

"Relevant Date" in relation to a Member means the earliest of the following:-

- (a) the date he or she retires;
- (b) the date he or she leaves service;
- (c) the date he or she dies;
- (d) the date he or she ceases to be a Participant; and
- (e) his or her Normal Retirement Age.

"Relevant Scheme" means any retirement benefits scheme other than the Scheme which is capable of obtaining and is seeking tax registered status with HMRC.

"service" means aggregate Reckonable Service as set out in Rule 28 {aggregate reckonable service}.

- 2 Part or all of the Member's retirement benefits or rights to benefits under the Scheme may be assigned to his or her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision.
- 3 An Ex-Spouse may be invited by the Trustees to participate in the Scheme either:-
 - (a) solely for the provision of a Pension Credit Benefit; or

- (b) for the wholly separate provision of a Pension Credit Benefit where benefits accrue or have accrued to that individual under the Scheme for any other reason.

The invitation will be upon such terms and conditions as the Trustees shall determine. The decision of the Trustees whether or not to invite an Ex-Spouse to participate shall be final and binding on all parties.

- 4 The Trustees must make provision for the Pension Credit Benefit under the Scheme to be treated as provided separately from any benefits provided under the Scheme for the same individual as a Participant or as the Dependant of a Participant.
- 5 Participation in the Scheme offered to the Ex-Spouse either where the requirement in paragraph 4 is satisfied, or where the Ex-Spouse only has Pension Credit Benefits under the Scheme.
- 6 The following options will be available to the Ex-Spouse Participant in relation to the Pension Credit Benefit, subject to compliance with Social Security legislation.
 - (i) A Pension can be paid at the request of the Ex-Spouse Participant at any time from Normal Retirement Age or from between age 60 and Normal Retirement Age on an actuarially reduced basis. The Ex-Spouse Participant cannot defer commencement of the Pension beyond his or her 75th birthday. If he or she is aged 75 or over at the date the Pension Sharing Order is implemented, the Pension must come into payment immediately. There is no limit on the amount of the Pension. Such Pension should not be commuted, surrendered or assigned except in accordance with the Scheme Rules. Such a Pension must be payable for life unless it is fully commuted under paragraph 5(iv) and may be guaranteed for up to a maximum of five years.
 - (ii) The Ex-Spouse Participant shall not have the option to take a lump sum in commutation of part of the Pension at the time the Pension first becomes payable.
 - (iii) Where the Ex-Spouse Participant dies before benefits come into payment a lump sum death benefit may be paid to any person at the discretion of the Trustees subject to a maximum of five times the Pension payable and to such Finance Act restrictions as may then be in force.
 - (iv) Full commutation of the Pension Credit Rights on the ground of triviality is permitted when the Pension first becomes payable. Where the Ex-Spouse Participant is also

entitled to benefits under the Scheme arising from service as a Participant for the purposes of determining the aggregate value of the total benefits payable to the Participant under the triviality rule benefits from Pension Credit Rights must be included. Where the Ex-Spouse Participant is also entitled to benefits under the Scheme arising from service as a Participant full commutation of the Pension Credit Rights on the grounds of triviality will only be permitted where benefits arising from service as a Participant are simultaneously commuted.

- (v) The Ex-Spouse Participant whose Pension has not yet commenced may request that the Trustees arrange a transfer of his or her Pension Credit Rights to another registered Pension scheme in accordance with section 169 of the Finance Act, if he or she is already a member of that scheme or an Ex-Spouse Participant in that scheme. The Ex-Spouse Participant may request that the Trustees arrange a transfer of his or her Pension Credits Rights to any other scheme if HMRC's requirements are satisfied in relation to a transfer to that scheme. The Trustees must confirm to the receiving scheme or arrangement, that the transfer value consists wholly or partly of Pension Credit Rights for the benefit of an Ex-Spouse Participant.
- (vi) The rights to a Pension Credit Benefit under the Scheme shall not be absolute, but shall be forfeited upon the bankruptcy of the Ex-Spouse Participant. Such benefits may then be paid to any individuals or individual as specified by the Trustees, in their absolute discretion.

7 Notwithstanding any other provisions of the Rules, the benefits for a Pension Debit Member are additionally subject to the following limits, subject to compliance with Social Security legislation:

- (i) The Pension shall not exceed the Aggregate Retirement Benefit less the Negative Deferred Pension in this Scheme and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Participant the Negative Deferred Pension in any Connected Scheme.
- (ii) The lump sum from this and any Associated Scheme shall not exceed;
 - (a) for Pension Debit Members or Class A Participants or Class B Participants an amount determined by $2.25 \times$ the initial annual Pension payable.

(b) for Pension Debit Members who are Class C Participants an amount of the greater of:

(I) 2.25 x the initial annual Pension payable or

(II) an amount determined in accordance with the Rules as if there had been no Pension Debit, less 2.25 x the Negative Deferred Pension.

For the purposes of this paragraph, the initial annual Pension should be calculated on the following bases:

(aa) if the Pension payable for the year changes, the initial Pension payable should be taken;

(bb) it should be assumed that the Pension Debit Member will survive for a year;

(cc) the effect of commutation should be ignored.

8 Where appropriate, the Trustees must give full details of the Pension Debit and a lump sum certificate specifying the maximum permissible lump sum, to the receiving scheme/arrangement where the fund underlying the benefits for a Pension Debit Member is transferred to another registered Pension scheme.

9 Where the Trustees accept a transfer payment and are informed by the transferor of the details of a Pension Debit relating to the transfer payment, the Trustees must take account of the Pension Debit, if appropriate, in the calculation of any limit on benefits for that Participant.

10 If the Ex-Spouse dies after a Pension Sharing Order, agreement or equivalent provision is made but before it is acted upon by the Trustees, the following benefits may be paid. A lump sum death benefit may be paid to any person at the discretion of the Trustees. The lump sum is limited to 25% of what would have been the cash equivalent of the fund which would have provided the Pension Credit Rights for the Ex-Spouse.

SCHEDULE 6

Transitional Provisions

Application

- 1 The transitional provisions in this Schedule shall apply to a Participant who was aged 55 or over on 1 April 2012 and who was in continuous Reckonable Service between 1 April 2012 and the Commencement Date.

Transitional Provisions for Participants

- 2 If this Schedule applies to a Participant, his Pension under Rule 41 or Rule 42 shall be calculated with the following modifications:
 - (a) references to the Commencement Date shall be replaced with 6 May 2021 in the following definitions and Rules but if the Secretary of State exercises his power under section 4 of the Act to vary the date of the next ordinary general election to the Assembly, it means the day after the poll at that election:
 - (A) The definition of "CARE Benefits" and "Pre-CARE Benefits" and "Contribution Factor" in Rule 2.2
 - (B) Rule 29.2 {Contributions by Participating AMS}
 - (C) Rule 30 {Contributions by Participating Office Holders}
 - (D) Rule 32.2 {entitlement of pensioner AMS};
 - (E) Rule 33.3 {entitlement of pensioner office holders};
 - (F) Rule 37.1 {effective date and persons affected}; and
 - (G) Rule 38.1 {Amount payable to Pensioner AMS}
 - (H) Rule 39.1 {Amount payable to Pensioner Office Holders}
 - (I) Rule 40.1 {effective date and persons affected};

- (J) Rule 41.1 {Amount payable to Pensioner AMS};
- (K) Rule 42 {Amount payable to Pensioner Office Holders};
- (L) Rule 55.2(b) {Pensions for Surviving Adult Dependants}
- (M) Schedule 1, paragraphs 9d. and 9e., 10b. and 11d. and 11e..

Transitional Provisions for Widows, Widowers and Children

3 If this Schedule applies to a Participant, any Pension payable upon his or her death shall be calculated with the following modification:

- (b) in Rule 55.2 references to the Commencement Date shall be replaced with [1st May 2021

SCHEDULE 7

Employer Cost Cap Valuations

Valuation

1. The Government Actuary must calculate the Employer Cost Cap and carry out subsequent Cost Cap Valuations of the Scheme in order to calculate the Cost Cap Cost of the Scheme, in accordance with this Schedule 7 and Treasury directions under sections 11 and 12 of the PSPA.

Effective date

2. The provisional Employer Cost Cap is 14.4% of pensionable earnings of Members of the Scheme;
3. The first Cost Cap Valuation will have an effective date of 1 April 2017;
4. The second, and each subsequent, Cost Cap Valuation of the Scheme must have an effective date which is three years later than the effective date of the previous valuation.

Cost Cap Valuations

5. Actuarial valuations of the Scheme must be undertaken in accordance with Treasury directions under section 11 of the PSPA.
6. The Cost Cap Cost must be calculated as at each Cost Cap Valuation Date in accordance with Treasury directions under section 12 PSPA.

Comparison with the Employer Cost Cap

7. At each Cost Cap Valuation, the Government Actuary must compare the Cost Cap Cost to the Employer Cost Cap.
8. Where the Cost Cap Cost goes beyond the margin either side of the Employer Cost Cap specified in regulations under section 12(5)(a) PSPA, the Remuneration Board must consult with such person as appear to it likely to be affected by any steps that will be taken with a view to reaching agreement on the steps to be taken to achieve a position where the Cost

Cap Cost equals the Employer Cost Cap. If following such consultation agreement is not reached on the steps that will be taken to achieve that position, the Remuneration Board must adopt the method described in (a) or (b) below for a combination of such methods to achieve that position:

- (a) the appropriate fraction for the purposes of Rule 38.2 of the Scheme as the amount of earned Pension for a year to be adjusted for Reckonable Service after the date of adjustment by such an amount and for such a period as recommended by the Actuary; and/or
- (b) the appropriate percentage for the purposes of Rules 29 and 30 as the contributions by Participating AMs and Participating Office Holders for a year to be adjusted for Reckonable Service after the date of adjustment by such an amount and for such a period as recommended by the Actuary;

so that in any case (or a combination) the Cost Cap Cost equals the Employer Cost Cap.