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PART A

PRELIMINARY

Title

A1. These Rules may be cited as the National Assembly for Wales Members' Pension Scheme Rules 1999.

Interpretation and General Provisions

A2. (1) In these Rules

“the Act” means the Government of Wales Act 1998;

“the Taxes Act 1988” means the Income and Corporation Taxes Act 1988;

“actual period of reckonable service as a participating Member” and “actual period of reckonable service as a participating office holder” have the meanings assigned to them by Rule E1;

“added year” means a period of reckonable service as a participating Member purchased under Rule Q1 and Schedule 6 including a part of a year expressed in days and any future added year;

“aggregate period of reckonable service as a participating Member” and “aggregate period of reckonable service as a participating office holder” have the meanings assigned to them by Rule E2;

“basic or prospective pension or pensions” has the meaning assigned to it by Rule K6,

“contracted-out scheme” means an occupational pension scheme which is for the time being specified in a contracting-out certificate issued by the Secretary of State for Social Security under section 7 of the Pension Schemes Act 1993;

“contribution”, (except in the expression “contributions equivalent premium”), means any amount deducted from salary or deemed to have been paid under Rule D1 or Rule D2 and any reference to the payment of a contribution shall be construed accordingly;

“contributions equivalent premium” has the same meaning as in section 55(2) and 58(4) of the Pension Schemes Act 1993;

“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.

“financial year of the Scheme” means a year starting on 1 April and ending on the following 31 March;

“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 established under Rule B1;

“guaranteed minimum pension” has the same meaning as in section 8 of the Pension Schemes Act 1993;

“interest” (where the reference is to the payment of any sum with interest) means compound interest at the rate of three per cent per annum, the interest shall be calculated with annual rests;

“a Member's ordinary salary” means the amount of salary that is from time to time payable to a member of the National Assembly for Wales under section 16 of the Act and, in the case of a member who holds a qualifying office includes any salary payable to the member;

“the multiple” means

- (a) in respect of a pension under Rule F1 of a person who is or has been a participating Member, the relevant terminal salary under Rule F2(2), and
- (b) in respect of a pension under Rule F3 of a person who is or has been a participating office holder, the relevant terminal salary under Rule F4(4) multiplied by the average of all the contribution factors under Rule F4(2) calculated in relation to them for their aggregate period of reckonable service as a participating office holder;

“the National Assembly for Wales” means the Assembly established by section 1 of the Act;

“normal retirement date” means the date on which a participant reaches the age of sixty-five;

“office holder” has the meaning assigned to it by Rule C2(3);

“opted-out Member” has the meaning assigned to it by Rule C3(4);

“opted-out office holder” has the meaning assigned to it by Rule C4(4);

“overseas fund or scheme” means a fund or scheme which is established outside the United Kingdom and wholly or primarily administered outside the United Kingdom;

“participant” means a person making contributions to the Scheme and may be either a participating Member or a participating office holder or both a participating Member and a participating office holder;

“participating Member” means a person making contributions to the Scheme deducted from his or her salary as a Member of the National Assembly for Wales (or who is excused from making such 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 contributions to the Scheme deducted from his or her salary as an office holder;

“pension” does not include an allowance or gratuity;

“pensioner” means a person entitled to receive a pension from the Scheme; and may be either a pensioner Member or a pensioner office holder or both a pensioner Member and a pensioner office holder;

“pensioner Member” 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 a Member of the National Assembly for Wales;

“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;

“period of tenure of a qualifying office” has the meaning assigned to it by Rule C2(2);

“permitted maximum” for any tax year means the figure specified for that tax year in an order made under section 590C of the Taxes Act 1988;

“qualifying office” has the meaning assigned to it by Rule C2(3);

“relevant child” has the meaning assigned to it by Rule K3(5);

"the Assembly Cabinet" means the committee of the National Assembly for Wales established under section 56 of the Act;

"the Scheme" means the scheme from time to time in force;

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

"tax year" means a year beginning on the 6th April in any year and ending on the following 5th April.

(2) 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.

(3) In these Rules

- (a) references to
"candidate for election" includes a person on the list of candidates of a registered political party;
"elected" includes a person returned for an Assembly electoral region; and associated expressions (including those relating to re-election) shall be construed accordingly.
- (b) expressions shall, unless the contrary intention appears, have the meaning which they bear in the Act.

(4) For the purposes of establishing any person's entitlement to be a participating member 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 a member of the Assembly attributable to section 2(5) of the Act shall be disregarded.

PART B

TRUSTEES AND ADMINISTRATION

Establishment of the Fund

B1. (1) A Fund to be known as the National Assembly for Wales Members' Pension Fund shall be established for the purposes of this Scheme and shall be vested in and administered by the Trustees from time to time.

(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) 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.

Appointment of Trustees

B2 The provisions of Schedule 1 to these Rules shall have effect with respect to the number, qualification and proceedings of Trustees of the Scheme, the administration of the Scheme and the management and application of the assets of the Fund. The Trustees shall be responsible for the good management and administration of the Scheme in accordance with these Rules.

Investment of the Fund

B3. (1) The Trustees of the Fund 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.

(2) The Trustees may participate in a common investment scheme with the Trustees of other retirement benefit schemes providing that those schemes are either exempt approved schemes or relevant statutory schemes under Chapter I Part XIV of the Taxes Act 1988.

(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.

(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.

Indemnity for Trustees

B4. (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 National Assembly for Wales shall keep the Trustees indemnified against the consequences of the exercise of all the Trustees' powers and discretions providing that the National Assembly for Wales shall have control over the legal defence in respect of any proceedings against the Trustees, including the settlement of such proceedings.

(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.

PART C **MEMBERSHIP**

Membership for Members of the National Assembly for Wales

C1. Any person serving as a Member of the National Assembly for Wales shall automatically be a participating Member in the Scheme except any Member of that Assembly who has exercised an option under Rule C3 not to be a participant in the Scheme.

Membership for Office Holders

C2. (1) An office holder who has not exercised an option under Rule C5 and who is a participating Member shall be a participating office holder in the Scheme in respect of any period of tenure of a qualifying office.

(2) In these Rules "period of tenure of a qualifying office" 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.

(3) In these Rules "qualifying office" means any of the following offices:

- (a) the presiding officer;
- (b) the deputy presiding officer;
- (c) the Assembly First Secretary;
- (d) the Assembly Secretaries; and
- (e) the leader of the largest party not represented in the Assembly Cabinet; and
- (f) Chairs of Subject Committees established in accordance with section 57 of the Act.

and "office holder" means the holder of a qualifying office.

Right to opt out for Members of the National Assembly for Wales

C3. (1) A participating Member may exercise an option in writing under this Rule not to be a participant in the Scheme.

(2) Subject to paragraph (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 Member written notice of the exercise of the option.

(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 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 8 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 a Member of the National Assembly for Wales under section 9 of the Act

the effective opt-out date is the date of the Member's election as an Assembly Member and any contributions deducted from the Member since that election, under Rule D1 and if he or she is an office holder under Rule D2, shall be repaid to him or her.

(4) A Member of the National Assembly for Wales who has exercised his or her right under paragraph (1) above to opt out of the Scheme is referred to in these Rules as "an opted-out Member".

Right to opt out for office holders

C4. (1) An office holder who is a participating Member may exercise an option in writing under this Rule not to be a participating office holder in the Scheme.

(2) Subject to paragraph (3) 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.

(3) If the Trustees receive the written notice not more than twelve months after the date of commencement of a period of tenure of a qualifying office, the effective opt-out date is the date on which that period of tenure commenced and any contributions deducted from an office holder under Rule D2 in respect of that period of tenure shall be repaid to him or her.

(4) An office holder who has exercised an option under paragraph (1) above not to be a participating office holder or who has exercised the option under Rule C3(1) is referred to in these Rules as an opted-out office holder.

Right to opt in for Members of the National Assembly for Wales

C5 An opted-out Member may apply to rejoin the Scheme as a participating Member as from the date of any subsequent ordinary election to the National Assembly for Wales or subsequent other election at which the Member was elected to membership of the National Assembly for Wales ("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 the Member's salary under Rule D1 between the effective opt-in date and the first date thereafter when a deduction from his or her salary under Rule D1 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.

Right to opt in for office holders

C6. An opted-out office holder who is a participating Member may apply to rejoin the Scheme as a participating office holder as from the date of commencement of a new period of tenure of a qualifying office (“the effective opt-in date”) by giving notice in writing to the Trustees within a period of twelve 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 D2 between the effective opt-in date and the first date thereafter when a deduction from his or her salary under Rule D2 is made.

PART D

CONTRIBUTIONS

Contributions by participating Members

D1. (1) Subject to paragraph (4) below and to Rule D3, there shall be deducted from each payment in respect of salary made to a participating Member the appropriate percentage of that payment; and all sums so deducted shall be paid into the Fund.

(2) In this Rule, “salary” means a Member's ordinary salary. Where a Member’s ordinary salary is reduced by virtue of an order under section 17 (limit of salaries of Members of other public bodies) of the Act, “salary” means the reduced level of salary paid to the Member.

(3) For the purpose of paragraph (1) above the appropriate percentage is 6 per cent.

(4) Where a person's aggregate period of reckonable service as a participating Member exceeds that which would give rise to the maximum pension allowed in respect of that person as a participating Member under Rule F5, no deduction shall be made under this Rule from such Member’s salary payments. .

(5) If any salary from which a deduction is required to be made under this Rule is not drawn, there shall be set aside, out of moneys available for the payment, a sum equal to the relevant deduction, and any sum so set aside shall be paid into the Fund.

Contributions by participating office holders

D2. (1) Subject to Rule D3, there shall be deducted from each salary payment made to a participating office holder, the appropriate percentage of that payment; and all sums so deducted shall be paid into the Fund.

(2) In this Rule "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 a Member holding that office; and
- (b) the Member's ordinary salary as defined in Rule D1(2).

(3) For the purpose of paragraph (1) above, the appropriate percentage is 6 per cent.

(4) If any salary from which a deduction is required to be made under this Rule is not drawn, there shall be set aside, out of moneys available for the payment, a sum equal to the relevant deduction, and any sum so set aside shall be paid into the Fund.

Earnings Cap

D3. Where in respect of any person's annual salary

- (a) as a Member of the National Assembly for Wales; or
- (b) as an office holder; or
- (c) as both (a) and (b) cumulatively

exceeds the permitted maximum, the contributions deducted from that annual salary shall be limited to the appropriate percentage (as defined in Rules D1 and D2) of that permitted maximum and where sub-paragraph (c) applies, the person's contributions under Rule D2 shall be reduced before his or her contributions under Rule D1.

PART E

RECKONABLE SERVICE

Actual Reckonable Service

E1. (1) Subject to paragraph (2) below and to Rules N1 (refunds), and P1, P2 and P3 (transfers out) for the purpose of these Rules any period during which any person

- (a) was or is a Member of the National Assembly for Wales; and
- (b) has made contributions to the Scheme,

is a period of reckonable service as a participating Member; and in these Rules "actual period of reckonable service as a participating Member", in relation to a person, means the period, or (if more than one) the aggregate of such periods, falling within this definition.

(2) In respect of a person who has been a participating office holder, and subject to Rules F7(3) (payment to office holder after normal retirement), N1 (refunds), P1, P2 and P3 (transfers out), any period during which a person is a participating office holder is a period of reckonable service as a participating office holder; and in these Rules “actual period of reckonable service as a participating office holder”, in respect of a person, means his or her period (or, if more than one, the aggregate of those periods) of reckonable service as a participating office holder.

Aggregate reckonable service

E2. (1) In respect of a person, his or her aggregate period of reckonable service as a participating Member is his or her actual period of reckonable service as a participating Member together with any increases in reckonable service attributable to sums received by way of transfer value or to the purchase of added years.

(2) In respect of a person, his or her aggregate period of reckonable service as a participating office holder is his or her actual period of reckonable service as a participating office holder together with any increase in reckonable service attributable to sums received by way of transfer value.

PART F

PENSION ENTITLEMENT

Entitlement of pensioner Members

F1. Subject to the provisions of these Rules, a person who has ceased to be a participating Member and who has reckonable service as a participating Member under Part E shall be entitled to receive a pension under this Rule when he or she fulfills both of the following conditions:

- (a) he or she ceases to be a Member of the National Assembly for Wales, and
- (b) attains the age of sixty-five years.

Amount payable to pensioner Members

F2. (1) Subject to Rules F5 and F6, G1 (Commutation), H1 (Early retirement) and J1 and J3 (Ill health pensions), the annual amount of the pension payable to a person under Rule F1 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 period of reckonable service as participating Member, by multiplying the relevant terminal salary by the appropriate fraction.

(2) In this Rule “the relevant terminal salary”

- (a) in relation to a person who has been a participating Member 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 a Member's ordinary salary for the last twelve months (whether continuous or discontinuous) during which that person was a participating Member; and
- (b) in relation to a person who has been a participating Member, but whose actual period of service as a participating Member was less than twelve months, means an amount calculated by taking the aggregate amount of a Member's ordinary salary for the period (whether continuous or discontinuous) for which he or she was a participating Member and multiplying it by the appropriate figure;

and in sub-paragraph (b) of this paragraph "the appropriate figure" in relation to a person, means the figure (whether being a whole number or not) by which the number of days comprised in his or her period of service as a Member of the National Assembly for Wales must be multiplied in order to be equal to a year.

(3) In paragraph (1) of this Rule "the appropriate fraction", in relation to a year or part of a year comprised in a person's aggregate period of reckonable service as a participating Member whose ordinary salary is not reduced by virtue of an order under section 17 (limit of salaries of Members of other public bodies) of the Act, means one-fiftieth, or, if the period includes a part of a year, a proportionate fraction of one-fiftieth. Where a Member's ordinary salary is or has been reduced by virtue of an order under section 17 of the Act "the appropriate fraction" for the periods while the Member's salary was reduced shall be one-fiftieth for each year reduced by the same proportion as the Member's salary was reduced relative to a Member's ordinary salary at that time. Fractions of a year shall count in a similar manner.

Entitlement of pensioner office holders

F3. (1) Subject to the provisions of these Rules, a person who has ceased to be a participating office holder and who has reckonable service as a participating office holder under Part E 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 F1.

(2) The same person may be entitled to a pension under Rule F1 and to a pension under this Rule; and the amounts of the two pensions shall be cumulative.

Amount payable to pensioner office holders

F4. (1) Subject to Rules F5 and F6, to G1 (Commutation) and to H1 (Early Retirement), 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 F3.

(2) For each year of which the whole or any part was comprised in the person's aggregate period of reckonable service as a participating office holder the following amounts shall be calculated

- (a) an amount equal to the sums deducted under Rule D2 in respect of that year from the person's salary (within the meaning of that Rule), and
- (b) an amount equal to the aggregate amount which fell to be deducted under Rule D1 from a participating Member's ordinary salary in respect of that year,

and for each such year there shall be calculated the amount (referred to in these Rules, in relation to any such year, as “the contribution factor” for that year) which is equal to the amount calculated under sub-paragraph (a) divided by the amount calculated under subparagraph (b) of this paragraph.

(3) For each such year as is mentioned in paragraph (2) of this Rule a contribution credit shall be calculated by multiplying the appropriate fraction of the relevant terminal salary by the amount of the contribution factor for that year; and, subject to Rule G1 the annual amount of the pension payable to the person under Rule F3 shall be an amount equal to the aggregate of the contribution credits calculated under this paragraph.

(4) In this Rule “the relevant terminal salary”

- (a) if the person's actual period of reckonable service as a participating office holder was twelve months or more, means the amount of a Member's ordinary salary for the last twelve months (whether continuous or discontinuous) comprised in that actual period of reckonable service; and
- (b) if the person's actual period of reckonable service as a participating office holder was less than twelve months, means an amount calculated by taking the amount of a Member's ordinary salary for the period (whether continuous or discontinuous) which constituted that actual period of reckonable service and multiplying it by the appropriate figure;

and in sub-paragraph (b) of this paragraph “the appropriate figure” means the figure (whether being a whole number or not) by which the number of days comprised in the person's actual period of reckonable service as a participating office holder must be multiplied in order to be equal to twelve months.

(5) In paragraph (3) of this Rule “the appropriate fraction” means one fiftieth.

(6) In paragraphs (2) and (3) of this Rule “year” (except in the expression “sixty-five years”) means a period of twelve months beginning with 1st April.

Permitted maximum pensions

F5 (1) The annual amount of the pension payable under Rule F1 or Rule F3 to a person shall not exceed whichever is the less of

- (a) the amount equal to two-thirds of the multiple; or

- (b) such maximum pension as is calculated in respect of that person in accordance with the provisions of Schedule 2; or
- (c) the amount equal to two-thirds of the permitted maximum.

(2) In the case of a person who is entitled to a pension both under Rule F1 and under Rules F3, 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 F3 shall be reduced before the pension payable under Rule F1.

Guaranteed minimum pensions

F6. (1) Notwithstanding any provision of these Rules to the contrary, any person entitled to receive a pension under Rule F1 or Rule F3 (including an early retirement pension or an ill-health pension by virtue of Part H or Part J)

- (a) shall be entitled to receive, subject to the provisions of Rule F7(3), from state 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.

Duration of pensions

F7. (1) Subject to the following provisions of this Rule, a pension under Rule F1 or Rule F3 (including an early retirement pension or an ill-health pension by virtue of Part H or Part J) shall continue for the life of the person to whom it is payable.

(2) No pension shall be payable to a person in respect of any period during which that person is a Member of the National Assembly for Wales.

(3) The provisions of this Rule shall not apply for the purposes of calculating the amounts payable under Rules M2(3), M2(4)(b), M3(2)(b), M4(2) or M7 (five year guarantee).

PART G

COMMUTATION

Commutation into lump sum

G1. (1) Any person who is entitled to receive a pension under Part F (including an ill-health pension payable by virtue of Part J) or who applies to receive a pension under Part H 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.

(2) Where a person 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.

(3) Any lump sum or reduction to be determined under paragraph (2) above shall be a sum or reduction either certified by the Actuary appointed under Rule S1, or calculated in accordance with tables to be prepared from time to time by the Actuary, as fulfilling the conditions specified in sub-paragraph (a) or sub-paragraph (b) of that paragraph, as the case may be.

(4) If, in the case of any person who has given notice under this Rule, the amount of the lump sum determined in accordance with paragraphs (2) and (3) 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.

(5) For the purposes of paragraph (4) above, the maximum commutable sum in the case of any person shall be calculated in accordance with Schedule 3 and shall be subject to an overall maximum of 120/80 of the permitted maximum.

(6) 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 paragraph (4) above below the rate of the guaranteed minimum pension.

PART H

EARLY RETIREMENT AND EARLY ABATED PENSIONS

Early retirement for Members

H1. (1) Where a person who

- (a) has ceased to be a Member of the National Assembly for Wales; and
- (b) has attained the age of fifty years;

applies in writing to the Trustees for an immediate pension under this Rule then, if the Trustees are satisfied that he or she does not intend to stand for re-election to the National Assembly for Wales, he or she shall be entitled to receive a pension under Rule F1 as if he or she had attained the age of 65 years on the date of his or her application or, if later, such other date as may be there specified; but the annual amount of the pension to which the person is so entitled, both before and after he or she attains the age of sixty-five years, shall (subject to Part G (Commutation)) be an amount calculated in accordance with Rule F2 and abated in accordance with Schedule 4.

(2) For the purpose of this Rule 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 to the extent that it is not concurrent with service as a Member of the National Assembly for Wales.

Early retirement for office holders who have been Members

H2. A person who is entitled to receive a pension under Rule H1 who is or has been a participating office holder shall (subject to Part G (Commutation)) be entitled also to receive a pension under Rule F3 calculated in accordance with Rule F4 and abated in accordance with Schedule 4 and payable from the same date as the pension payable under Rule H1.

PART J

ILL-HEALTH PENSIONS

Ill-health pensions based on service as a participating Member

J1. (1) A participant who because of ill-health ceases to be a participating Member before attaining the age of sixty-five years may apply to the Trustees for an early pension under Rule F1 if at the time when the participant so ceases (“the material time”) he or she would have become entitled to receive a pension under that Rule but for the fact that he or she has not attained the age of sixty-five years.

(2) If on an application under this Rule the Trustees are satisfied

- (a) that the applicant does not intend to seek re-election to the National Assembly for Wales;

- (b) that the participant ceasing as mentioned in paragraph (1) above was a direct consequence of his or her ill-health; and
- (c) that the participant's ill-health is such as would prevent him or her from performing adequately the duties of a Member of the National Assembly for Wales,

the applicant shall be entitled to receive a pension under Rule F1 as from the material time.

(3) A person who, if he or she were to cease as mentioned in paragraph (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 paragraph (2) above to receive a pension under Rule F1 as from that time, they shall give the person notice in writing to that effect.

(4) The annual amount of a pension payable under Rule F1 to a person by virtue of this Rule shall (subject to Part G (Commutation)) be calculated in accordance with Rule F2, but for the purposes of that calculation his or her actual period of reckonable service as a participating Member shall be increased by a period equal to the period between the date on which he or she ceased to be a Member of the National Assembly for Wales (as mentioned in paragraph (1) above) and the date on which he or she would attain the age of sixty-five years. If at the time the Member retires his or her salary as a Member of the National Assembly for Wales is reduced by virtue of an order under section 17 (limit of salaries of Members of other public bodies) of the Act, then it shall be assumed for the purpose of this calculation that during the period until the person attains the age of sixty-five years he or she would continue to be paid a salary at such reduced level.

(5) For the purposes of this Rule a person who has ceased to be a participating Member in consequence of an ordinary election for the National Assembly for Wales shall be treated as having so ceased because of ill-health 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 ordinary election.

Ill-health pensions based on service as a participating office holder

J2. (1) A participant who because of ill-health ceases to be a participating office holder before attaining the age of sixty-five years may apply to the Trustees for an early pension under Rule F3 if at the time when the participant so ceases ("the material time") he or she would have become entitled to receive a pension under that Rule but for the fact that he or she has not attained the age of sixty-five years.

(2) If on an application under paragraph (1) above the Trustees are satisfied as mentioned in sub-paragraph (a) (so far as applicable) and sub-paragraphs (b) and (c) of Rule J1(2), the applicant shall be entitled to receive a pension under Rule F3 as from the material time.

(3) Rule J1(3) shall apply in relation to paragraphs (1) and (2) above as it applies to paragraphs (1) and (2) of that Rule, the reference to a pension under Rule F1 being for this purpose read as a reference to a pension under Rule F3.

(4) The annual amount of a pension payable under Rule F3 by virtue of this Rule shall (subject to Part G (Commutation)) be calculated in accordance with Rule F4.

(5) Rule J1(5) shall apply for the purposes of this Rule.

Ill-health pensions for former Members

J3. (1) A person who because of ill-health has, while neither a Member of the National Assembly for Wales nor a candidate for election to it, retired from gainful work before attaining the age of sixty-five years may apply to the Trustees for an early pension under Rule F1 if at the time when the person so retired he or she would have become entitled to receive a pension under that Rule but for the fact that he or she had not attained the age of sixty-five years.

(2) If on an application under this Rule the Trustees are satisfied

- (a) that the applicant does not intend to seek election to the National Assembly for Wales;
- (b) that his or her retirement from gainful work was a direct consequence of his or her ill-health and
- (c) that his or her ill-health is such as would prevent him or her from performing adequately the duties of a Member of the National Assembly for Wales,

the applicant shall, as from the date on which the Trustees are so satisfied, be entitled to receive a pension under Rule F1.

(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 paragraph (2) above and, if they are so satisfied, shall state the date from which the pension shall be payable.

(4) In this Rule “gainful work” means work under a contract of employment, or as the holder of an office, 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.

Ill-health pensions for former office holders

J4. Rule J3 shall apply in relation to a person who because of ill-health has, while neither a Member of the National Assembly for Wales nor a candidate for election to

it, retired from gainful work before the age of sixty-five years and who applies to the Trustees for an early pension under Rule F3; and where Rule J3 applies to such a person any reference to Rule F1 shall be construed as a reference to Rule F3.

Medical evidence

J5. (1) Every application under Part J must be accompanied by medical evidence of the applicant's state of health.

(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.

Trustees' power to review ill-health pensions

J6. (1) The Trustees may at any time review the award of an ill-health pension made under Part J if they have reason to believe that the recipient of the pension has recovered sufficiently such that, were a fresh application to be made at the date of the review for an ill-health pension, the ill-health pension would not be granted.

(2) As part of any review made under this Rule the Trustees may ask for medical evidence under Rule J5 as though the review were a fresh application. However, the cost of any report or examination requested by the Trustees shall be borne by the Trustees and met as an expense of the Scheme. If a person receiving an ill-health pension declines reasonable assistance to the Trustees then the Trustees may infer that the person's health is sufficient to prevent the award of an ill-health pension.

(3) If the Trustees conclude that a person receiving an ill-health pension has recovered sufficiently that were a fresh application to be made at the date of the review for an ill-health pension that it would not be granted, then the Trustees shall stop the ill-health pension. The Trustees shall give one month's notice to the recipient of any decision to stop a pension under this Rule.

(4) The Trustees shall not stop a pension under this Rule if the recipient is aged 65 years or more at the date of the review.

PART K

WIDOWS, WIDOWERS AND CHILDREN

Equal Treatment

K1. Rules K2, 3, 4, 5, 7, 8 and 9 shall apply in relation to widows and widowers 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 (Rule K2(5), (6), (7) and (8)).

Pensions for Widows and Widowers

K2. (1) Subject to the provisions of this Rule, widows and widowers of spouses who were at the time of their death either:

- (a) a participant; or
- (b) a pensioner; or
- (c) a deferred pensioner;

shall be entitled to receive a pension under this Rule.

(2) The annual amount of a pension payable under this Rule to a widow or widower shall be five-eighths of the basic or prospective pension or pensions of his or her late spouse.

(3) Subject to paragraphs (4) and (6), a pension payable under this Rule to a widow or widower shall continue for his or her life or until remarriage; but in the case of remarriage the Trustees may, if they think fit, at any time direct that the pension shall be restored if satisfied that the subsequent marriage has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding the subsistence of that marriage.

(4) Subject to paragraphs (5) and (6), no pension shall be payable under this Rule to a widow or widower who, at his or her spouse's death, was cohabiting with another person; and if a widow or widower entitled to such a pension cohabits with another person, the pension shall cease to be payable. Provided that the Trustees may, if they think fit, direct that the pension shall be paid or restored, as the case may be, if satisfied that the cohabitation has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding that the cohabitation continues.

(5) Notwithstanding anything in these Rules and in particular notwithstanding the provisions of paragraphs (3) and (4) above

- (a) the widow of a man 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 of that man; and
- (b) the widower of a woman 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 woman's guaranteed minimum pension which is attributable to earnings factors for the tax year 1988-89 and subsequent tax years.

(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 sub-section, the widow of a person shall, notwithstanding the provisions of paragraphs (3) and (4) above, be entitled to a pension under paragraphs (1) and (2) above, but if after she has attained the age of sixty years she remarries or cohabits with another person the Trustees may direct that the pension be restricted to the guaranteed minimum pension to which she is entitled.

(7) Where a person dies in circumstances in which, apart from this paragraph, a widow's or widower's pension calculated in accordance with paragraph (2) would be payable to a widow or widower married by that person 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 person at the date of the marriage, then if

- (a) there are no children of that marriage; and
- (b) the person was married to his or her spouse after the termination of his or her service in contracted-out employment in respect of which the widow's or widower's pension is payable; and
- (c) the rate of the widow's or widower's pension payable would be in excess of the guaranteed minimum pension calculated in accordance with paragraph (5)(a) or (5)(b) as appropriate

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

Pensions for Children

K3. (1) Subject to the provisions of this Rule, a children's pension shall be payable for the benefit of any relevant child or children of a person who has died if at the time of his or her death the conditions specified in Rule K2(1) are fulfilled in his or her case.

(2) The annual amount of a children's pension payable under this Rule for the benefit of any relevant child or children of a person who has died in the circumstances mentioned in the previous paragraph shall be:

- (a) a sum equal to one-quarter of the basic or prospective pension or pensions of the deceased if there is one child or, if there is more than one, a sum equal to three sixteenths of the basic or prospective pension or pensions of the deceased for each relevant child not exceeding two; or
- (b) if the widow or widower is dead and subject to paragraph (4) below, a sum equal to five-sixteenths of the basic or prospective pension or pensions of the deceased for each relevant child not exceeding two.

(3) Where the deceased left a widow or widower who was (or, apart from the provision as to cohabitation, would have been) entitled to a pension under Rule K2 and that pension

- (a) has ceased to be payable in consequence of the remarriage of the widow or widower, or
- (b) was not payable, or has ceased to be payable, by reason of the provision as to cohabitation,

any children's pension under this Rule shall cease to be payable or, as the case may be, shall not be payable, unless and until the Trustees for exceptional reasons direct that the children's pension shall be payable.

(4) A children's pension under this Rule 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 or such of them as the Trustees may from time to time direct.

(5) In this Rule “child” in relation to any person includes an illegitimate child, a stepchild or an adopted child and “relevant child” (subject to the provisions of Schedule 5) means any child of the deceased, or of any wife or husband of the deceased, who

- (a) is under seventeen years of age; or
- (b) is under twenty-two years of age and is within a period of full-time education as defined by Schedule 5; 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 paragraph or incapable, and likely to remain permanently incapable, by reason of bodily or mental infirmity, 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 Parliament 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,

and “the provision as to cohabitation” means Rule K2(4).

Death in service of participating Member

K4. (1) Where a person has died and, at the time of his or her death, he or she was a participating Member, paragraph (2) below and Rule K5 (so far as applicable) shall apply if he or she widow or widower is entitled to receive a

pension under Rule K2, or if a children's pension is payable under Rule K3 for the benefit of any relevant child or children.

(2) If the deceased died before attaining the age of sixty-five years, the annual amount of any pension payable to his or her widow or widower under Rule K2, or for the benefit of any relevant child or children of the deceased's under Rule K3, shall be calculated as if he or she had immediately before his or her death ceased because of ill-health to be a Member of the National Assembly for Wales and had by virtue of Rule J1 been entitled to receive a pension under Rule F1 as from the date of such cessation.

Enhancement of initial widows' and widowers' pensions

K5. (1) In this Rule “the 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.

(2) Where a widow or widower of a person who was at the time of his or her death a pensioner Member is entitled to receive a pension under Rule K2, paragraphs (3) and (4) of this Rule shall apply.

(3) If, for any part of the three month period, the aggregate of the following amounts, namely

- (a) the amount payable to the widow or widower by way of pension under Rule K2 apart from this paragraph; and
- (b) any amount which (by direction of the Trustees under Rule K3(4)) is payable to such widow or widower by way of pension under Rule K3 for the benefit of any relevant child or children of the deceased,

is less than the amount mentioned in paragraph (4) below, then for that part of that period the amount payable to such widow or widower by way of pension under Rule K2 shall be increased by the difference.

(4) The said amount is the amount which, if the deceased had lived, would have been payable to the deceased for the part of the three month period in question by way of pension under one or both of Rule F1 and Rule F3.

(5) Where a person has died and, at the time of his or her death, he or she was participating Member, paragraphs (6) and (7) of this Rule (so far as applicable) shall apply if he or she widow or widower is entitled to receive a pension under Rule K2 or if a children's pension under Rule K3 is payable for the benefit of any relevant child or children.

(6) If, for any part of the three month period, the aggregate of the following amounts, namely

- (a) the amount payable to the deceased's widow or widower by way of pension under Rule K2 apart from this paragraph; and

- (b) any amount which (by direction of the Trustees under Rule K3(4)) is payable to the deceased's widow or widower by way of pension under Rule K3 for the benefit of any relevant child or children of the deceased,

is less than the amount mentioned in paragraph (7) below, then for that part of that period the amount payable to such widow or widower by way of pension under Rule K2 shall be increased by the difference.

(7) The said amount is the amount which would have been payable to the deceased for the part of the three month period in question if

- (a) the deceased had lived and had at the material time become entitled to a pension under Rule F1; and
- (b) the annual amount of that pension had been a sum equal to the Member's ordinary salary at the rate in force at the material time.

In this paragraph "the material time" means the date when the deceased died.

(8) The preceding provisions of this Rule are without prejudice to paragraphs (3), (4), (7) and (8) of Rule K2 (duration of widow's or widower's pension, and restrictions on payment).

Meaning of "basic or prospective pension or pensions"

K6. In these Rules "basic or prospective pension or pensions"

- (a) in relation to a person 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 Member, the annual amount of the pension calculated in accordance with Rule F2 or, if he or she died while a participating Member before attaining the age of sixty five years, the annual amount of the pension calculated by virtue of Rule K4; and
 - (ii) where the deceased was or had been a participating office holder, the annual amount of the pension, calculated in accordance with Rule F4, which such deceased office holder would have been entitled to receive under Rule F3, if immediately before his or her death he or she had fulfilled the conditions specified in sub-paragraphs (a) and (b) of Rule F1; and
- (b) in relation to a person 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 Part F, including an ill health pension calculated in accordance with Part J; 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 G1 (commutation) or H1 or H2 (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 person 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 Member, the annual amount of the pension, calculated in accordance with Rule F2, which he or she would have been entitled to receive under Rule F1 if he or she had ceased to be a Member of the National Assembly for Wales immediately before death and he or she had then fulfilled the conditions specified in sub-paragraphs (a) and (b) of Rule F1;
 - (ii) where the deceased was a participating office holder; the annual amount of the pension, calculated in accordance with Rule F4, which he or she would have been entitled to receive under Rule F3 if immediately before death he or she had fulfilled the conditions specified in sub-paragraphs (a) and (b) of Rule F1.

Pensions for Partners

K7 (1) On the death of a member on or after 1st November 2002 who was at the time of his or her death either;

- (a) a participant; or
- (b) a pensioner; or
- (c) a deferred pensioner;

and in respect of whom no widow's or widower's pension is payable under the preceding provisions of this Section K, there shall be payable to his or her Partner a pension of an amount equal to that otherwise payable to a widow or widower under the provisions of Rule K2.

(2) In paragraph (1) above and in Rule K8 (1) and Rule K9 "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 K7, 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 inter-dependency subsisting for at least the twelve month period prior to the death of the member.

(3) The provisions of Rules M2, and M5 shall apply if a pension is being paid under Rule K7 unless the Trustees otherwise determine.

(4) The provisions of Rules M3 and M6 shall not apply if a pension is being paid under this Rule K7 unless the Trustees otherwise determine.

(5) With due alteration for detail, the provisions of paragraphs (3) relating to cessation on remarriage and (4) relating to cessation on cohabitation of Rule K2 shall apply to a Partner's pension payable under this Rule K7.

(6) The provisions of Rules K4 and K5 shall not apply to a Partner's pension payable under this Rule K7 unless the Trustees otherwise determine.

Dependants' Pensions

K8 (1) In circumstances where no widow's or widower's or Partner's pension is payable on the death of a person falling within the categories specified in Rule K2 (1) or Rule K7 (1), the Trustees may, at their absolute discretion, pay all or part of the pension otherwise payable to a widow, widower or Partner to another Dependant on such terms and for such time as the Trustees shall determine.

(2) In paragraph (1) above and in Rule K9 references to a "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.

(3) With due alteration for detail, the provisions of paragraphs (3) relating to cessation on remarriage and (4) relating to cessation on co-habitation of Rule K2 shall apply to a Dependant's pension being paid under this Rule K8.

(4) The provisions of Rules M2 and M5 shall apply if a pension is being paid under this Rule K8 unless the Trustees otherwise determine.

(5) The provisions of Rules M3 and M6 shall not apply to a pension being paid under this Rule K8 unless the Trustees otherwise determine.

(6) The provisions of Rules K4 and K5 shall not apply to a pension being paid under this Rule K8 unless the Trustees otherwise determine.

Dependants' Pensions on death of a member survived by both a widow(er) and a Partner

K9 (1) Where a person dies in circumstances in which, apart from this paragraph, a widow's or widower's pension calculated in accordance with Rule K2 would be payable but that person is also survived by a Partner the pension payable to that person's widow or widower shall be limited to the amounts payable under Rule K2 (5) and (6) and the excess shall be paid to that person's Partner.

(2) The provisions of Rules M2 and M5 shall apply if a pension is being paid under this Rule unless the Trustees otherwise determine.

(3) With due alteration for detail, the provisions of paragraphs (3) relating to cessation on remarriage, (4) relating to cessation on cohabitation and (5) and (6) relating to state widow/widower entitlement of Rule K2 shall apply to a widow(er)'s or Partner's pension payable under this Rule K9.

(4) The provisions of Rules K4 and K5 shall not apply to a pension being paid under this Rule K9 unless the Trustees otherwise determine.

PART L

DEATH GRATUITIES

Gratuity on death in service

L1. (1) Where a person 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 person.

(2) A gratuity granted under this Rule in respect of a participant shall 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 paragraph (4) below, to the extent that a nomination is treated as not being in force, to the participant's personal representatives.

(3) 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.

(4) 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.

(5) 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.

(6) Subject to paragraph (7) 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

- (a) the amount equal to three times the participant's salary at the time of his or her death if that death occurred prior to 1st November 2002; or an amount equal to four times the participant's salary at the time of his or her death if that death occurred on or after 1st November 2002; or
- (b) the aggregate of the contributions paid by that participant, and not refunded to him or her, together with interest on each such contribution from the date on which it was paid.

(7) The amount of the gratuity in paragraph (6) above shall be subject to an overall maximum of four times the permitted maximum.

(8) In paragraph (6) above "salary" means

- (a) where the participant is a participating Member, a Member's ordinary salary at the time of his or her death, but where the Member's salary has been reduced by virtue of an order under section 17 (limit of salaries of Members of other public bodies) of the Act "salary" shall mean that reduced amount payable at the time of his or her death;
- (b) where the participant is a participating office holder, his or her salary as an office holder at the time of his or her death as defined by Rule D2(2);

and, where the participant is both a participating Member and a participating office holder, the aggregate of those two amounts.

Gratuity on death after retirement

L2. (1) Where a pensioner dies and no pension in respect of him or her is payable under Rule K2 or Rule K3, the Trustees may, if they think fit in their discretion to do

so, but subject to paragraph (2) below, grant to his or her personal representatives a gratuity under this Rule.

(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 M4(2) or Rule M7.

(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 L1 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 Part F, Part H or Part J together with any lump sum paid to the pensioner under Rule G1;

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.

PART M

FIVE YEAR GUARANTEE

Entitlement

M1. (1) Rules M2, M3, M4, M5 and M6 shall apply in respect of a deceased pensioner Member.

(2) Rule M7 shall apply in respect of a deceased pensioner office holder.

Guarantees for widows and widowers

M2. (1) Where a pensioner Member dies during the pensioner Member's five year period and is survived by a widow or widower, paragraphs (2) to (6) of this Rule shall apply.

(2) If, for any part of the pensioner Member's five year period, the aggregate of the following amounts namely

- (a) the amount payable to the widow or widower by way of pension under Rule K2 apart from this paragraph (including any enhancement payable under Rule K5); and
- (b) any amount which (by direction of the Trustees under Rule K3(4)) is payable by way of pension under Rule K3 for the benefit of any relevant child or children of the deceased pensioner Member,

is less than the amount mentioned in paragraph (3) of this Rule, then for that part of that period the difference shall be payable to the widow or widower.

(3) The said amount is the amount which, if the deceased pensioner Member had lived, would have been payable to him or her for the part of the pensioner Member's five year period in question by way of pension under Rule F1 (including an early retirement pension or an ill-health pension payable by virtue of Rule H1, J1 or J3).

(4) If the widow or widower of the deceased pensioner Member dies during the pensioner Member's five year period, there shall be paid to the personal representatives of the widow or widower 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 K3(4)) would have been payable under Rule K3 for the benefit of any relevant child or children of the deceased pensioner Member if the annual sum payable under Rule K3(2) (after the death of the widow or widower of the deceased pensioner Member) in respect of each relevant child had continued during the period ending on the pensioner Member's children's prospective pension end date for that child;
- (b) the amount which would have been payable to the deceased pensioner Member if the annual amount of the pension to which the deceased pensioner Member was entitled under Rule F1 (including an early retirement pension or an ill health pension payable by virtue of Rule H1, J1 or J3) were to have been paid to him or her during the remainder of the pensioner Member's five year period.

(5) In this Part, "the pensioner Member's five year period" means the period of five years beginning with the day on which the pensioner Member became entitled to receive a pension or pensions under Rule F1 (including an early retirement pension or an ill health pension payable by virtue of Rule H1, J1 or J3).

(6) In this Part, "the pensioner Member's children's prospective pension end date" means, in respect of any relevant child of a deceased pensioner Member 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 6, such later date as the Trustees may determine being no later than the day before that on which the child reaches twenty two years of age; and

- (b) the end of the pensioner Member's five year period.

Guarantees where children but no spouse survive

M3. (1) Where a pensioner Member dies during the pensioner Member's five year period and is survived by a relevant child or children, but no spouse, paragraph (2) of this Rule shall apply.

(2) There shall be paid to the personal representatives of the deceased pensioner Member 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 K3 (by direction of the Trustees under Rule K3(4)) for the benefit of any relevant child or children of the deceased pensioner Member, if the annual sum payable under Rule K3(2) (after the death of the pensioner Member) in respect of each relevant child were to continue during the period ending on the pensioner Member's children's prospective pension end date for that child;
- (b) the amount which would have been payable to the deceased pensioner Member if the annual amount of the pension to which he or she was entitled under Rule F1 (including an early retirement pension or an ill health pension payable by virtue of Rule H1, J1 or J3) were to have been paid to him or her during the remainder of the pensioner Member's five year period.

Guarantees where no survivors

M4. (1) Where a pensioner Member dies within the pensioner Member's five year period and is not survived by his or her spouse nor by any relevant child or children, paragraph (2) of this Rule shall apply.

(2) There shall be paid to the personal representatives of the deceased pensioner Member a lump sum calculated as if the annual amount of the pension to which he or she was entitled under Rule F1 (including an early retirement pension or an ill health pension payable by virtue of Rule H1, J1 or J3) were to be paid to him or her during the remainder of the pensioner Member's five year period.

- (3) This Rule shall not apply if a gratuity is granted under Rule L2.

Remarriage or cohabitation of surviving spouse

M5. (1) If during a deceased pensioner Member's five year period

- (a) the widow or widower of that deceased pensioner Member remarries or cohabits with another person; and
- (b) the Trustees direct that the widow's or widower's pension be paid or restored under Rule K2(3) or (4);

the Trustees may direct that payments under Rule M2(2) shall continue until the end of the pensioner Member's five year period or until such earlier date as the Trustees may in their discretion think fit.

(2) If, during a deceased pensioner Member's five year period

- (a) the widow or widower of that deceased pensioner Member remarries or cohabits with another person; and
- (b) the Trustees direct that only the guaranteed minimum pension to which the widow or widower is entitled to be paid;

the Trustees may direct that a lump sum be paid to the personal representatives of the deceased calculated as follows:

- (i) if the Trustees direct under Rule K3(3) that the pensions payable to any relevant child or children of the deceased shall for exceptional reasons be payable, by deducting the total of the guaranteed minimum pension payable to the widow or widower during the remainder of the pensioner Member's five year period from the amount calculated in accordance with Rule M3(2); or
- (ii) otherwise, by deducting the total of the guaranteed minimum pension payable to the widow or widower during the remainder of the pensioner Member's five year period from the amount calculated in accordance with Rule M4(2);

or, in either case, any such lesser sum as the Trustees may in their discretion think fit.

Early termination of child's period of full time education

M6. If

- (a) a sum has been paid to the personal representatives of the widow or widower of a deceased pensioner Member under Rule M2(4) or to the personal representatives of a deceased pensioner Member under Rule M3(2); and
- (b) the period of full time education of any relevant child of the deceased pensioner Member has come to end on a date earlier than the pensioner Member'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 Member's children's prospective pension end date;
- (ii) the total of the pensions which have been paid for their benefit.

Deceased pensioner office holders

M7. (1) Rules M2, M3, M4, M5 and M6 shall apply in relation to a deceased pensioner office holder and his or her widow or widower and any relevant child or children as they apply in relation to a deceased pensioner Member and his or her widow or widower and relevant child or children but where those Rules apply in relation to a deceased pensioner office holder

- (a) any reference to “pensioner Member” shall be construed as a reference to “pensioner office holder”; and
- (b) any reference to “the pensioner Member'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 Member'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 F1 shall be construed as a reference to Rule F3; and
- (e) any reference to Rule H1 shall be construed as a reference to Rule H2; and
- (f) any reference to Rule J1 shall be construed as a reference to Rule J2; and
- (g) any reference to Rule J3 shall be construed as a reference to Rule J4.

(2) In this Part

“the 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 5, such later date as the Trustees may determine being no later than the day before that on which the child reaches twenty-two years of age;and
- (b) the end of the pensioner office holder's five year period;

“the 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 F3 (including an early retirement pension or an ill health pension payable by virtue of Rule H2, J2 or J4).

PART N

REFUNDS

Refund to contributor

N1. (1) Subject to paragraphs (3) and (5) below contributions paid by a person 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 contributions were paid respectively, if the conditions specified in the next following paragraph are fulfilled.

(2) The conditions referred to in paragraph (1) of this Rule are that

- (a) the person has ceased to be a participant;
- (b) his or her aggregate period of reckonable service as a participating Member is less than two years; and
- (c) he or she has not become entitled to a pension under these Rules.

(3) If, after a refund of contributions under this Rule, the person becomes entitled to pay and pays contributions under Rule D1 or Rule D2, 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,

repay to the Trustees the sum so refunded, with interest from the date on which it was refunded provided that in any tax year the amount of the repayment together with

- (i) the contributions made by him or her under Rule D1 or Rule D2; and
- (ii) any contributions made by him or her under Rule Q1; and
- (iii) any other additional voluntary contributions

shall not exceed 15 per cent of his or her salary as a Member of the National Assembly for Wales or as an office holder or both or, if smaller, 15 per cent of the permitted maximum; 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.

(4) Any amount (whether of principal or interest) repaid by the participant to the Trustees under paragraph (3) of this Rule shall be treated for the purposes of this Rule as if it were a contribution paid by him or her at the date of repayment.

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

(6) For the purpose of calculating a person's actual period of reckonable service as a participating Member, no account shall be taken of any period in respect of which 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.

Refund after death

N2. Where a person has died

- (a) without leaving a widow, widower or relevant child who is, or may become, entitled in respect of that person to receive a pension under Rules K2 or K3; and
- (b) in circumstances where the conditions specified in sub-paragraphs (a) and (c) of paragraph (2) of Rule N1 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 person's personal representatives the contributions paid by the participant and not previously refunded to him or her, with interest from the dates on which the contributions were paid respectively.

Deduction of tax from refunds of contributions

N3. On making any repayment of contributions (including interest on contributions) under Rule N1, the Trustees shall be entitled to deduct from the repayment any tax to which they may become chargeable under subsection (2) of section 598 of the Taxes Act 1988 (charge to tax: repayment of employee's contributions).

PART P

TRANSFERS

Transfers to other pension schemes

P1. (1) At the request of any person

- (a) who has been a participant but who has ceased to be a Member of the National Assembly for Wales; and
- (b) whose aggregate period of reckonable service is at least two years; and
- (c) who has not become entitled to a pension under these Rules,

the Trustees shall pay into or for the purposes of any one, or more than one, scheme or annuity to which this Rule applies, a sum or sums representing the transfer value of that person's accrued pension rights in the Scheme.

(2) This Rule applies to any scheme or annuity which satisfies the requirements prescribed by Chapter IV of the Pension Schemes Act 1993 and Rules made thereunder.

(3) A person may require the Trustees to pay a transfer value in respect of him or her at any time before a date

- (a) not more than one year before the date on which he or she attains the age of sixty-five years; or
- (b) not more than six months after the date on which he or she ceases to be a participant,

whichever is the later.

Transfers to other pension scheme after opt out

- P2. (1) At the request of any person who
- (a) is an opted-out Member; and
 - (b) has not become entitled to a pension under these Rules other than a guaranteed minimum pension arising under Rule F6,

the Trustees shall pay into or for the purpose of any one or more than one scheme or annuity to which this Rule applies the transfer value calculated in accordance with paragraph (3) below.

(2) This Rule applies to any fund or scheme specified in Rule P1(2) above.

(3) For the purposes of this Rule the transfer value payable will be the value of the person's accrued pension rights.

(4) Paragraph (3) of Rule P1 shall apply for the purposes of this Rule.

Transfer to overseas pension schemes

P3. (1) At the request of any person who has been a participant but who has ceased to be a Member of the National Assembly for Wales and who has not become entitled to a pension under these Rules other than a guaranteed minimum pension, the Trustees shall pay into or for the purposes of any one, or more than one, fund or scheme to which this Rule applies a sum or sums representing the transfer value of that person's accrued pension rights in the Scheme.

(2) This Rule applies to any overseas fund or scheme which is approved by the Trustees, provided that the Trustees shall before giving such approval consult and have regard to the views of the Board of Inland Revenue as to the suitability of the fund or scheme for the purposes of this Rule.

(3) At the request of any person

- (a) in respect of whom any sum has been paid under this Rule into or for the purposes of an overseas fund or scheme; and
- (b) who is not at the time the request is made a Member of the National Assembly for Wales,

the Trustees may receive a sum out of, or out of monies held for the purposes of, that fund or scheme, equal to the sum paid under this Rule together with interest thereon from the date of that payment at such a rate as may be agreed by the Trustees.

Effect of transfers out on reckonable service

P4. Where any sums are paid by the Trustees under Rule P1, P2 or P3 in respect of any person, then

- (a) for the purpose of calculating that person's aggregate period of reckonable service as a participating Member, or his or her aggregate period of reckonable service as a participating office holder, no account shall be taken of any period before the date of that payment; and
- (b) for the purposes of Rules N1 and N2 any contributions paid by him or her before that date shall be treated as not having been paid.

Certification by the Actuary

P5. For the purposes of Rules P1, P2 and P3, any transfer value of the whole or part of a person's accrued pension rights under these Rules shall be such sum as shall satisfy the requirements prescribed under Chapter IV of the Pension Schemes Act 1993 and shall be certified by, or calculated in accordance with tables prepared by, the Actuary appointed under Rule S1.

Transfers from other pension schemes

- P6. (1) At the request of any person who
- (a) is a participating Member; or
 - (b) is an opted-out Member who applies to rejoin the Scheme under Rule C5,

the Trustees shall receive any sums payable by way of transfer value in respect of him or her out of, or out of moneys held for the purposes of, any scheme or annuity to which Rule P1 applies, or under any enactment for the time being in force which authorises the transfer of pension rights.

(2) Where any sums are received by the Trustees under paragraph (1) above at the request of a person who is a participating Member at the time when the request is made

- (a) his or her aggregate period of reckonable service as a participating Member 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 N1 and N2, 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 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 D1.

(3) Any period determined by the Trustees under paragraph (2)(a) above shall be a period or number of years either certified by the Actuary appointed under Rule S1 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.

PART Q

ADDED YEARS

Purchase of added years by participating Members

Q1. Schedule 6 shall have effect with respect to the purchase of added years by a participating Member, and subject to the provisions of that Schedule, the aggregate period of reckonable service of a participating Member shall be treated as increased by the period of added years so purchased.

PART R

CONTRIBUTIONS BY THE NATIONAL ASSEMBLY FOR WALES

National Assembly for Wales to contribute to the Fund

R1. (1) In respect of each financial year of the Scheme the National Assembly for Wales shall contribute to the Fund an amount in accordance with the recommendation of the Actuary appointed under Rule S1.

(2) The amount of the contribution by the National Assembly for Wales may be nil in any particular year if that is in accordance with the recommendation of the Actuary.

PART S

ACTUARIAL VALUATIONS

Appointment of an Actuary

S1. (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.

(2) The Actuary shall be either

- (a) the Government Actuary; or
- (b) a Fellow of the Institute of Actuaries who holds a current Scheme Actuary certificate issued by the Institute of Actuaries; or
- (c) a Fellow of the Faculty of Actuaries who holds a current Scheme Actuary certificate issued by the Faculty of Actuaries.

Actuarial valuations

S2. (1) As soon as practicable after the date on which the National Assembly for Wales first meets the Actuary shall prepare a report to the Trustees of the Scheme on the general financial position of the Scheme as at that date, except that the Actuary, with the consent of the Trustees of the Scheme, may prepare the report as at a different date being not more than three months after the National Assembly for Wales first meets.

(2) The Actuary shall prepare further reports on the general financial position of the Scheme at dates that are agreed with the Trustees. 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.

(3) 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.

Content of each actuarial valuation

S3. Each report by the Actuary shall

- (a) advise on the value of the liabilities of the Scheme compared to its assets;
- (b) recommend a contribution rate to be paid by the National Assembly for Wales to the Scheme.

Actuarial valuations to be laid before the National Assembly for Wales

S4. 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.

PART T

MISCELLANEOUS AND SUPPLEMENTAL

Application of pensions

T1. (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 disorder 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 paragraph (2) below.

(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 disordered; 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.

SCHEDULE 1

Rule B2

General provisions as to Trustees

Appointment of Trustees etc.

1. The Trustees shall be no more than five in number.
2. No person shall be appointed to be a Trustee unless he or she is a member of the National Assembly for Wales but a person shall not cease to be a Trustee merely because he or she ceases to be a member of the National Assembly for Wales.
3. The National Assembly for Wales may appoint or dismiss any Trustee to or from that office. A Trustee may resign from office by notice in writing to the presiding officer of the National Assembly for Wales.

4. The Trustees may act by a majority of those present at any meeting of the Trustees at which a quorum is present.
5. The procedure of the Trustees shall, subject to the provisions of these Rules, be such as the Trustees may determine; and the quorum for any meeting of the Trustees shall be three.
6. 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, by reason of a ordinary election for the National Assembly for Wales or for any other reason, there are for the time being no Trustees.

Administrative provisions

7. The Trustees may employ such officers and servants (if any) as they think necessary in connection with the management of the Scheme; and the expenses of managing it, including the fees of professional advisers 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 defrayed out of the Fund.
8. The Trustees of the Scheme 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.
9. The Trustees of the Scheme shall review any acquisition or disposal of the assets of the Fund by such person as may be appointed under paragraph 8 on an annual basis.
10. Upon a review pursuant to paragraph 9, the Trustees may ratify the acquisition or disposal, or may take such other action in respect of it as they think fit.
11. The Trustees shall keep proper accounts and shall prepare in respect of each financial year of the Scheme 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.
12. 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.
13. The auditor shall examine and certify every statement of account prepared under paragraph 11 of this Schedule 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.

SCHEDULE 2

Rule F5

Maximum Pensions

1. In this Schedule, unless the context otherwise requires:

“Class A participant” means any participant who joined the principal 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 principal scheme;

“Class B participant” means any participant who joined the principal 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 principal scheme before 17th March 1987 and has not elected to become a Class A participant;

“index” at any time, means the index of retail prices published by the Office for National Statistics, or any successor agreed as appropriate by the Board of Inland Revenue, for the calendar month three months prior to that time;

“pensionable service” means actual service as a participant;

“retained benefits” means benefits for a participant derived from

- (a) retirement benefits schemes approved or seeking approval under Chapter I Part XIV or relevant statutory schemes as defined in section 611A of the Taxes Act 1988, excluding benefits in respect of service;
- (b) funds to which section 608 of the Taxes Act 1988 applies, excluding benefits in respect of service;
- (c) retirement benefit schemes which have been accepted by the Board of Inland Revenue as “corresponding” for the purposes of section 596(2)(b) of the Taxes Act 1988, excluding benefits in respect of service;
- (d) retirement annuity contracts or trust schemes approved under section 620 of the Taxes Act 1988, or personal pension schemes (other than arrangements to which only minimum contributions are paid) which related to relevant earnings from the current employment, or previous employments (including periods of self employment whether alone or in partnership);
- (e) transfer payments from overseas schemes held in a type of arrangement defined in (a) or (d) above excluding those in respect of service,

including such benefits which have been transferred to another scheme, whether or not in the United Kingdom, but excluding such benefits which relate to service with an unassociated employer which is concurrent with service;

provided that:

- (i) if the total of the retained benefits is less than a pension of £260 those retained benefits may be disregarded; and
- (ii) if the participant's earnings in the 12 months after entry to the principal scheme do not exceed one quarter of the permitted maximum, benefits from those sources, other than those

transferred into the principal scheme, shall not be classed as retained benefits.

“service” means service as a Member of the National Assembly for Wales or as an office holder, and includes, where appropriate, any increase in reckonable service attributable to sums received by way of transfer value or to the purchase of added years.

2. This Schedule sets out the maximum pension payable to a person at the relevant date.

Class A Participant

3. (1) On retirement at any time after age 50, except before normal retirement date on grounds of incapacity, a pension of 1/60th of the multiple for each year of service (not exceeding 40 years) or, if greater, the lesser of-

- (a) 1/30th of the multiple for each year of service (not exceeding 20 years), and
- (b) 2/3rds of the multiple minus the pension value of all retained benefits.

(2) On retirement before the normal retirement date on grounds of incapacity an immediate pension in accordance with sub-paragraph (1) above on the basis of the number of years which would have counted as service had the participant remained in service to the normal retirement date.

(3) On leaving pensionable service before the normal retirement date a deferred pension

- (a) for participants who remain in service, of that proportion of the amount calculated in accordance with sub-paragraph (2) above that the number (not exceeding 40) of years of service completed before leaving pensionable service bears to the potential number (not exceeding 40) of years of service had the participant remained in service to the normal retirement date;
- (b) for other participants the amount calculated in accordance with sub-paragraph (1) above;

increased by up to 3 per cent for each complete year, or, if greater, in proportion to any increase in the index which has occurred during the period of deferment.

(4) Benefits for a Class A participant are further restricted as necessary to ensure that the participant's total retirement benefit under these Rules, from any free standing additional voluntary contributions scheme and from any other additional voluntary contributions does not exceed 1/30th of the permitted maximum for each year of service. For the purpose of this limit service is the aggregate of service provided that the total shall not exceed 20 years. The permitted maximum in this context is that for the year of assessment in which the benefits commence to be paid or, if earlier, are transferred out under Rule P1 or P2. For the purpose of calculating

the total retirement benefit the pension equivalent of benefits in any form other than pension is one twelfth of its cash value.

Class B and Class C Participants

4. (1) On retirement at the normal retirement date a pension of 1/60th of the multiple for each year of service (not exceeding 40 years) or, if greater, the lesser of

- (a) (i) for Class C participants the fraction of the multiple ascertained from the following table:

<i>Years of service</i>	<i>Appropriate fraction</i>
6	8/60
7	16/60
8	24/60
9	32/60
10 or more	40/60

(ii) for Class B participants 1/30th of the multiple for each year of service (not exceeding 20 years), and

- (b) 2/3rds of the multiple minus the pension value of all retained benefits.

(2) On retirement before normal retirement date

(a) on grounds of incapacity, the amount calculated in accordance with sub-paragraph (1) above on the basis that service is taken as the potential number of years of service had the participant remained in service to the normal retirement date;

(b) other than on grounds of incapacity the greater of

(i) 1/60th of the multiple for each year of service (not exceeding 40 years), and

(ii) that proportion of the amount calculated in accordance with paragraph (a) above that the number (not exceeding 40) of years of service completed before leaving service bears to the potential number (not exceeding 40) of years of service had the participant remained in service to normal retirement date.

(3) On retirement after normal retirement date a pension of the greatest of

(a) the amount calculated in accordance with sub-paragraph (1) above at the actual date of retirement, save that, to the extent that the amount is calculated by reference to that part of the participant's actual period of reckonable service as a participating Member as fell after he or she attained the age of sixty-five years, the overall limit of two-thirds of the multiple may be disregarded; or

(b) the amount which could have been provided at normal retirement date in accordance with subparagraph (1) above

increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

(4) On leaving pensionable service before normal retirement date a deferred pension calculated in accordance with paragraph (2)(b) above but increased by up to 3 per cent for each complete year, or, if greater, in proportion to any increase in the index which has accrued during the period of deferment.

SCHEDULE 3

Rule G1

Part I

Commutation of Pensions

1. (1) In this Schedule, unless the context otherwise requires “Class A Participant”, “Class B participant” and “Class C participant” have the meaning assigned to them in Schedule 2;
“N” means in respect of the pension of a person, the period in years and any fraction of a year of his or her actual reckonable service before the relevant date or (if earlier) his or her sixty-fifth birthday,
“NS” means in respect of the pension of a person, the lesser of 40 years and the period in years and any fraction of a year of his or her prospective actual reckonable service at the relevant date;
“pension” means a pension, expressed as an annual amount, under Part F (pension entitlement), Part H (early retirement) or Part J (ill-health pensions) as the case may be and “maximum pension” shall be construed accordingly;
“prospective actual reckonable service” means in respect of a person
 - (a) at a date falling before his or her sixty-fifth birthday, his or her actual reckonable service before and after that date, assuming continuous actual reckonable service by him or her from that date until age sixty-five;
 - (b) at a date falling on or after his or her sixty-fifth birthday, his or her actual reckonable service at age sixty-five;“retained benefits” has the meaning assigned to it in Schedule 2;
“retained lump sum benefits” means retained benefits which are payable as single payments whether by way of commutation of accrued pension rights, refund of contributions or otherwise;
- (2) Any reference in this Schedule to the beginning of a period of actual reckonable service of a person means the date on which that person becomes a participant other than after an interval in his or her actual reckonable service occurring on an ordinary election of the National Assembly for Wales.
- (3) Any reference in this Schedule to a person being or no longer being a participant shall be construed as a reference to whichever of those circumstances is applicable to the calculation of his or her pension.

Class A Participant

Maximum commutation for Members (including those retiring on grounds of ill-health)

2. For the purposes of Rule G1(4), in the case of a Class A participant entitled to a pension under Rule F1

(1) who has no retained lump sum benefits and who either was a Member of the National Assembly for Wales on his or her sixty-fifth birthday or is so entitled by virtue of Rule J1 or J3 (ill-health pensions), the commutable sum shall be the amount of

- (i) the number of eightieths of the multiple, either specified in the table in Part II of this Schedule in relation to the number of complete years of his or her actual reckonable service or (if the period of that service includes a fraction of a year) calculated proportionately by reference to the numbers specified in that table; and
- (ii) the product of three-eighths of the multiple and any period, expressed in years and any fraction of a year, determined in respect of him or her under Rule P6(2) (Transfers from other pension schemes),

subject to a maximum of the amount of 120/80 of the multiple;

(2) who has retained lump sum benefits, but would otherwise be within sub-paragraph (1) above, the amount of the maximum commutable sum shall be whichever is the greater of

- (i) the amount of 120/80 of the multiple, less the amount of his or her retained lump sum benefits; and
- (ii) the amount of the product of three-eighths of the multiple and the aggregate, expressed in years and any fraction of a year subject to a maximum of forty years, of his or her actual reckonable service and of any period determined in respect of him or her under Rule P6(2) (Transfers from other pension schemes).

Maximum commutation for Members on early retirement

3. For the purposes of Rule G1(4), in the case of a Class A participant entitled to a pension under Rule H1

(1) who has no retained lump sum benefits, was no longer a Member of the National Assembly for Wales on his or her sixty-fifth birthday and is not entitled to a pension by virtue of Rule J1 or J3 (ill-health pensions), the amount of the maximum commutable sum, subject to a maximum of 120/80 of the multiple, shall be whichever is the greater of

- (i) the amount of the product of N/NS and the number of eightieths of the multiple, either specified in the table in Part II of this Schedule in relation to the number of complete years of his or her prospective actual reckonable service or (if the period of that service includes a fraction of a year) calculated proportionately by reference to the numbers specified in that table; and

- (ii) the amount of the product of three-eightieths of the multiple and the period, expressed in years and any fraction of a year, of his or her actual reckonable service,

(2) who has retained lump sum benefits but would otherwise be within sub-paragraph (1) above, the amount of the maximum commutable sum shall be whichever is the greater of

- (i) the aggregate of:
 - (a) the amount referred to in sub-paragraph (1)(i) above, subject to a maximum of the product of N/NS and the amount referred to in paragraph 2(2)(i), and
 - (b) the amount referred to in paragraph 2(1)(ii), subject to a maximum of the amount of $120/80$ of the multiple, less his or her retained lump sum benefits; and
- (ii) the amount referred to in paragraph 2(2)(ii).

Maximum commutation for office holders (including those retiring on grounds of ill health)

4. For the purposes of Rule G1(4), in the case of a Class A participant entitled to a pension under Rule F3

(1) who has no retained lump sum benefits and who either was an office holder on his or her sixty-fifth birthday or is so entitled by virtue of Rule J2 or J4 (ill-health pensions), the amount of the maximum commutable sum shall be the amount of

- (i) the number of eightieths of the multiple, specified in the table in Part II of this Schedule in relation to the number of years, each beginning on 1st April, during which he or she had any actual reckonable service; and
- (ii) the product of three-eightieths of the multiple and any period, expressed in years and any fraction of a year, determined in respect of him or her under Rule P6(3) (Transfers from other pension schemes),

subject to a maximum of the amount of $120/80$ of the multiple;

(2) who has retained lump sum benefits, but would otherwise be within sub-paragraph (1) above, the amount of the maximum commutable sum shall be whichever is the greater of

- (i) the amount of $120/80$ of the multiple, less his or her retained lump sum benefits; and
- (ii) the amount of the product of three-eightieths of the multiple and, subject to a maximum of forty years, the aggregate of
 - (a) the number of years, each beginning on 1st April, during which he or she has any actual reckonable service; and
 - (b) the number of years (if any) determined in respect of him or her under Rule P6(3).

Maximum commutation for office holders on early retirement

5. For the purposes of Rule G1(4), in the case of a Class A participant entitled to a pension under Rule H2

(1) who has no retained lump sum benefits, was no longer an office holder on his or her -fifth birthday and is not entitled to a pension by virtue of Rule J2 or J4, the amount of the maximum commutable sum, subject to a maximum of 120/80 of the multiple, shall be whichever is the greater of

- (i) the amount of the product of N/NS and the number of eightieths of the multiple, specified in the table in Part II of this Schedule in relation to the number of years, each beginning on 1st April, during which any part of his or her prospective actual reckonable service falls; and
- (ii) the amount of the product of three-eightieths of the multiple and the number of years, each beginning on 1st April, during which he or she has any actual reckonable service,

aggregated with the amount referred to in paragraph 4(1)(ii);

(2) who has retained lump sum benefits but would otherwise be within sub-paragraph (1) of this paragraph, paragraph 3(2) above shall apply in respect of his or her, as if set out in this paragraph.

Earnings cap

6. For a Class A participant the maximum commutable sum shall be further limited to an overall maximum of 120/80 of the permitted maximum.

Class B and Class C Participants

7. Paragraphs 2, 3, 4 and 5 of this Schedule shall apply to Class B and Class C participants save that

(1) in the case of a Class B or Class C participant who satisfies the conditions set out in paragraph 2 above there may be added to the maximum commutable sum calculated by virtue of that paragraph the amount of the product of three-eightieths of the multiple and the period, expressed in years and any fraction of a year and subject to a maximum of five years, being his or her actual reckonable service in excess of forty years and occurring after his or her sixty-fifth birthday, and

(2) in the case of a Class B or Class C participant who satisfies the conditions set out in paragraph 4 above there may be added to the permitted maximum sum calculated by virtue of that paragraph the amount of the product of

- (a) subject to a maximum of five, the number of years, each beginning on 1st April, during which he or she had any actual reckonable service, being years in excess of the first 40 such years and beginning after his or her sixty-fifth birthday; and
- (b) three-eightieths of the relevant terminal salary under Rule F4(4); and

- (c) the average of all the contribution factors under Rule F4(2) in relation to him or her for the years under (a) above or (where the maximum under (a) applies) the first five of those years.

Part II

Maximum Commutation of Pensions

TABLE

Number of years	Number of eightieths
1	3
2	6
3	9
4	12
5	15
6	18
7	21
8	24
9	30
10	36
11	42
12	48
Number of years	Number of eightieths
13	54
14	63
15	72
16	81
17	90
18	99
19	108
20 or more	120

SCHEDULE 4

Rule H1

Percentage Abatement of Pension Entitlement

1. The pension to which a person is entitled by virtue of Rule H1 shall be abated, having regard to the person's age and the length of his or her qualifying period at the date of his or her application or, if later, such other date as may be there specified, from the date from which that pension is payable by the percentage specified in the table below.
2. The pension to which a person is entitled by virtue of Rule H1 shall not be reduced below the rate of the guaranteed minimum pension, as provided for by Rule F7.

Abatement by Single Percentage from Date Pension Payable

Age pension brought into payment	<i>Qualifying period (years)</i>					
	20 or more	19	18	17	16	15 or less
65	0.0	0.0	0.0	0.0	0.0	0.0
64	0.0	0.0	0.0	0.0	0.0	7.0
63	0.0	0.0	0.0	0.0	7.0	13.7
62	0.0	0.0	0.0	7.0	13.7	19.9
61	0.0	0.0	7.0	13.7	19.9	25.6
60	0.0	7.0	13.7	19.9	25.6	30.8
59	7.0	13.7	19.9	25.6	30.8	35.6
58	13.7	19.9	25.6	30.8	35.6	39.9
57	19.9	25.6	30.8	35.6	39.9	43.7
56	25.6	30.8	35.6	39.9	43.7	47.0
55	30.8	35.6	39.9	43.7	47.0	50.0
54	35.6	39.9	43.7	47.0	50.0	52.8
53	39.9	43.7	47.0	50.0	52.8	55.4
52	43.7	47.0	50.0	52.8	55.4	57.7
51	47.0	50.0	52.8	55.4	57.7	59.7
50	50.0	52.8	55.4	57.7	59.7	61.8

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.

SCHEDULE 5

Rule K3

Persons Qualifying for Children's Pensions

1. In this Schedule "the deceased" means the person on whose death a children's pension is or may be payable under Rule K3, and "child" has the same meaning as in that Rule.
2. For the purposes of Rule K3 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.
3. A child shall not be treated as a relevant child for the purposes of Rule K3

- (a) as being an illegitimate or adopted child of the deceased; if such child was born or adopted, as the case may be, after the termination of the marriage or last marriage of the deceased; or
- (b) as being the child of the spouse of the deceased, if that child was born or became that child of that spouse after the termination of the spouse's marriage with the deceased;

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 (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, 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.

4. A child shall not be treated as a relevant child for the purposes of Rule K3 as being
- (a) the illegitimate child of the deceased; or
 - (b) a child of the spouse of the deceased,

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

5. A child shall not be treated as a relevant child for the purposes of Rule K3 if, at the date of the death of the deceased, 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 6

Rule Q1

Purchase of Added Years

1. In this Schedule, unless the context otherwise requires
- “payment for the purchase of added years” means such a payment whether payable periodically or by way of a single lump sum;
- “periodical contributions” means the sums payable by a participating Member whose application to purchase added years other than by a single payment has been accepted by the Trustees;
- “relevant terminal salary” has the same meaning as “the relevant terminal salary” in Rule F2(2).

Purchase of added years by periodical contributions

2. (1) A participating Member may apply in writing to the Trustees to purchase added years by periodical contributions payable until he or she attains the age of 65 years and the Trustees shall accept his or her application if all the following conditions in respect of that application are satisfied

- (i) the participating Member will not at his or her next birthday after the date of the application have attained the age of sixty-five;
- (ii) the participating Member has satisfied the Trustees, in whatever manner the Trustees shall require, that he or she is in good health;
- (iii) the number of added years which the participating Member has applied to purchase does not exceed the maximum permitted by paragraph 8 of this Schedule; and
- (iv) the participating Member 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 or under the provisions of sub-paragraph (2) below.

(2) A participating Member may, within the period of twelve months immediately following the date when he or she commenced a period of service as a 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 Member has not reached the age of 65 years and if the conditions of sub-paragraphs (ii), (iii) and (iv) of subparagraph (1) above are satisfied in respect of that application.

3. An application by a participating Member to purchase added years shall be irrevocable on and from the date when the Trustees accept the application.

4. Where an application by a participating Member to purchase added years by periodical contributions is accepted by the Trustees

- (1) those periodical contributions shall, subject to the provisions of paragraph 5 of this Schedule, be payable
 - (a) in the case of an application under paragraph 2(1) of this Schedule, from the date of the participating Member's birthday next following the receipt by the Trustees of the application and until the participating Member attains the age of 65 years; and
 - (b) in the case of an application under paragraph 2(2) of this Schedule, for whichever of the periods of three or four years the participating Member 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 Member;

(2) periodical contributions by a participating Member shall be payable by deductions from his or her salary or, in the case of arrears, in such manner as the Trustees shall require; and

(3) the periodical contributions payable by a participating Member for the added years shall be calculated in accordance with tables prepared from time to time by the Actuary appointed under Rule S1.

Interrupted Service

5. (1) If a participating Member dies or ceases to be a Member of the National Assembly for Wales because of ill-health in circumstances to which Rule J1 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 a Member of the National Assembly for Wales, as the case may be, and any added years that he or she has applied to purchase by periodical contributions shall be credited in full as reckonable service as a participating Member.

(2) If a participating Member who has applied to purchase added years by periodical contributions and whose application has been accepted by the Trustees ceases to be a Member of the National Assembly for Wales in circumstances to which Rule J1 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 a Member of the National Assembly for Wales but his or her reckonable service as a participating Member 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 4(1) above.

(3) If a Member to whom sub-paragraph (2) of this paragraph has applied subsequently commences a further period of service as a participating Member before he or she has attained the age of 65 years, in circumstances in which the periods together constitute an aggregate period of reckonable service as a participating Member, then subject to subparagraphs (4) and (6) of this paragraph, 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 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 service and such periodical contributions shall then be payable from the date when he or she commenced the further period of service as a participating Member and shall continue until the participating Member attains the

age of 65 years at the rate or rates applicable during that immediately preceding period.

(4) Where a participating Member who ceased to pay periodical contributions by reason only of his or her ceasing to serve as a Member of the National Assembly for Wales for a period but subsequently became a Member of the National Assembly for Wales again and resumed the purchase of added years by periodical contributions in accordance with sub-paragraph (3) of this paragraph thereafter becomes entitled to a pension under Rule F1, his or her reckonable service as a participating Member shall be increased in accordance with subparagraph (2) of this paragraph 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 Member had been continuous.

(5) If a participating Member to whom sub-paragraph (2) of this paragraph has applied, subsequently commences a further period of service as a participating Member before he or she has attained the age of 65 years, in circumstances in which the periods together constitute an aggregate period of reckonable service as a participating Member, then subject to sub-paragraphs (4) and (6) of this paragraph, he or she may, if, in consequence of his or her break in service as a participating Member, 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 2(1)(ii) and 8(1) of this Schedule, apply to purchase by periodical contributions payable until he or she attains the age of 65 years some or all of the number of added years comprised in that reduction at the rate applicable to the participating Member's birthday next following the receipt by the Trustees of his or her application.

(6) Sub-paragraphs (3), (4) and (5) of this paragraph shall not apply where the application to purchase added years before the participating Member ceased to be a Member of the National Assembly for Wales was made under paragraph 2(2) above.

Purchase of added years by lump sum

6. (1) Subject to the provisions of sub-paragraph (2) of this paragraph, a participating Member may apply in writing to the Trustees to purchase added years by a lump sum payment.

(2) The Trustees shall accept an application to purchase added years under this paragraph if all the following conditions in respect of that application are satisfied

- (i) the participating Member has not reached the age of 65;
- (ii) the participating Member applies to the Trustees within the period of twelve months immediately following the date when he or she commenced a period of service as a participating Member or within such longer period as the Trustees may in special circumstances and at their discretion allow;

- (iii) the participating Member has not applied to the Trustees under the provisions of Rule J1 for an early pension because of ill-health
- (iv) the number of added years which the Member applies to purchase does not exceed the maximum permitted by paragraph 8 of this Schedule; and
- (v) the participating Member has supplied to the Trustees such information and evidence as they may require.

(3) A participating Member who has applied to purchase added years under the provisions of paragraph 2(2) and to whom paragraph 5(2) applies may, in respect of any such application if

- (a) in consequence of ceasing to be a participating Member, 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 (iii), (iv) and (v) of sub-paragraph (2) of this paragraph 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 Member,

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 Member's birthday next following the receipt by the Trustees of the application.

Lump sum payments

7. (1) Any participating Member 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 a Member's 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 appointed under Rule S1 and the amount of their reckonable service as a participating Member shall be increased accordingly with effect from the date that the lump sum payment is received by the Trustees.

(2) If, after an application to purchase added years by lump sum payment has been made by a participating Member 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.

Limits on purchase of added years

8. (1) Subject to sub-paragraph (2) below, the amount of a participating Member's periodical contributions for the purchase of added years, when aggregated with his or her contributions under Rule D1 and any other additional voluntary

contributions, shall not in any tax year exceed 15 per cent of a Member's ordinary salary or, if smaller, 15 per cent of the permitted maximum.

(2) Sub-paragraph (1) above shall not apply to the purchase of added years by periodical contributions payable for a period of three years in accordance with paragraph 4(1)(b), and for the purpose of the calculation referred to in sub-paragraph (1) such periodical contributions shall be disregarded.

(3) Subject to sub-paragraph (1) above, the maximum added years that a participating Member may purchase both by lump sum payment and by periodical contributions shall be calculated, so that his or her pension under Rule F1, or under Rule F3 when aggregated with the pension equivalent of any lump sum under Rule G1 and any pension under any additional voluntary contributions scheme shall not exceed whichever may be appropriate of the limits set out in Schedule 2.

Further applications to purchase added years

9. Subject to the provisions of this Schedule, the Trustees may accept more than one application from a participating Member to purchase added years by the payment of periodical contributions or lump sum payments.

General

10. The provisions of this Schedule are without prejudice to any maximum pension imposed in relation to a participating Member by Rule F5 and Schedule 2 (maximum pensions payable).

SCHEDULE 7

Pension Sharing on Divorce

1. 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” is as defined in Schedule 2 of the Rules.

“Class B participant” is as defined in Schedule 2 of the Rules.

“Class C participant” is as defined in Schedule 2 of the Rules.

“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 in accordance with Section 590A(3) and (4) of the Taxes Act 1988 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 416 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 Part A2(1) 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:

- (i) a participant whose earnings at the date at which his or her marriage was dissolved or annulled exceeded $\frac{1}{4}$ 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 -
 - (a) 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
 - (b) 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 Chapter IV of Part IV of the Taxes Act 1988.

“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 date.

“Relevant Scheme” means any retirement benefits scheme other than the Scheme which is capable of obtaining and is seeking or has Revenue Approval.

“service” is defined in Schedule 2 of the Rules.

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:-

- (i) solely for the provision of a Pension Credit Benefit; or
- (ii) 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.

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 age 65 or from between ages 60 and 65 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 Inland Revenue limits 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 scheme approved under Chapter I Part XIV of the Taxes Act 1988 if he or she is already a member of that scheme or an Ex-Spouse Participant in that scheme or to a scheme approved under Chapter IV Part XIV of the Taxes Act 1988. The Ex-Spouse Participant may request that the Trustees arrange a transfer of his or her Pension Credits Rights to any other scheme if the Inland Revenue'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.

6. 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) $2.25 \times$ the initial annual pension payable or
 - (II) an amount determined in accordance with the Rules as if there had been no Pension Debit, less $2.25 \times$ 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.

7. 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 scheme approved under Chapter I Part XIV of the Taxes Act 1988 or a scheme approved under Chapter IV Part XIV of the Taxes Act 1988.

8. 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. If a transfer of the fund underlying the benefits for the participant is made to a scheme approved under Chapter I Part XIV of the Taxes Act 1988 or a scheme approved under Chapter IV Part XIV of the Taxes Act 1988, the Trustees must give full details of the Pension Debit to the receiving scheme/arrangement.

9. 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.

