

This Working Copy is provided for ease of reference but is not formal Scheme documentation. It incorporates:

- the 52nd Deed of Variation (executed 12 May 2016)
- amendments in the 53rd Deed of Variation (executed 18 December 2018), 54th Deed of Variation (executed 20 February 2023) and 55th Deed of Variation (executed 13 December 2024)
- updates to Appendices 1 and 2 (adopted by the Trustee Board on 18 September 2019 and subsequently amended by the Trustee Board on 24 September 2024)
- and updates to Appendix 3 (adopted by the Trustee Board on 23 April 2018 and subsequently amended by the Trustee Board on 1 May 2019, 16 July 2021, 20 February 2023 and 25 February 2025)

Copies of the 52nd, 53rd, 54th and 55th Deeds of Variation are available on request by calling the Pension Service Line on 0303 081 2848 or emailing [mypension@bbc.co.uk](mailto:mypension@bbc.co.uk)

## **BBC PENSION SCHEME**

**WORKING COPY OF  
CONSOLIDATED TRUST DEED  
AND RULES AS AT 13  
DECEMBER 2024,  
(INCORPORATING THE 53<sup>RD</sup>, 54<sup>TH</sup>  
AND 55<sup>TH</sup> DEEDS OF VARIATION  
AND AMENDMENTS TO  
APPENDIX PARTS 1, 2 AND 3)**

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**THIS TRUST DEED** is made the twenty-third day of June One thousand nine hundred and forty nine **BETWEEN THE BRITISH BROADCASTING CORPORATION** (incorporated by Royal Charter) having its principal office at Broadcasting House Portland Place in the County of London (hereinafter called "the Corporation") of the one part and **JOHN ADAMSON** of Turf Hills Priory Close Stanmore in the County of Middlesex **THE RIGHT HONOURABLE GEOFFREY LLOYD** of 44 Lower Belgrave Street London W1 and **SIR WILLIAM JOHN HALEY JOHN GORDON LOVEBAND FRANCIS** and **EDWARD GEORGE CHADDER** all of Broadcasting House Portland Place London W1 (hereinafter called "the Trustees" which expression shall where the context so admits include the survivors or survivor of them or other the Trustees or Trustee for the time being hereof) of the other part

**WHEREAS:-**

- (A) This Deed is supplemental to a Trust Deed (hereinafter called "the Interim Trust Deed") dated the 23rd day of September 1947 and made between the same parties as this Deed whereby the Corporation established a Pension Fund to be constituted and administered in accordance with the provisions of a Definitive Deed which the Corporation thereby undertook to execute
- (B) This Deed is the Definitive Deed referred to in the preceding recital

**NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED** as follows:-

**1. DEFINITIVE TRUST DEED AND RULES**

This Trust Deed and the Rules annexed to it constitute the definitive trust deed and rules of the BBC Pension Scheme.

**2. INTERPRETATION**

This Trust Deed will be construed (including its governing law and defined terms) in accordance with Section 1 of the Rules.

**3. BBC'S COVENANT**

The BBC covenants with the Trustees to observe and perform the provisions of the Trust Deed and the Rules, insofar as they relate to it.

**4. FUND HELD ON TRUST**

The Trustees will hold the Fund on trust to provide the benefits under the Scheme, subject as provided in the Rules.

**5. ALTERATIONS**

This Trust Deed and the Rules may be altered under rule 19.2 of the Rules.

**THE RULES  
OF THE  
BBC PENSION SCHEME**

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## SECTION 1

### INTERPRETATION, GOVERNING LAW AND DEFINITIONS

#### 1.1 INTERPRETATION

- (1) In the interpretation of the Rules, unless the context requires otherwise -
  - (a) the singular includes the plural and vice versa;
  - (b) references to legislation enacted in the United Kingdom, but which does not extend to Northern Ireland, include any corresponding legislation in force in Northern Ireland;
  - (c) references to any legislation or any provision of it include references to any subordinate legislation made under it;
  - (d) references to any legislation or any provision of it include references to any previous legislation or provision relating to the same subject-matter or to any modification or re-enactment of it for the time being in force. References to any subordinate legislation or any provision are to be similarly construed.
- (2) The headings and footnotes to rules and Sections and summaries of Sections are not to affect their construction or interpretation.
- (3) Any provision (however framed) in the rules which would require the Trustees to make a payment which is an Unauthorised Payment shall be construed as conferring a discretion upon the Trustees to make that payment.

#### 1.2 GOVERNING LAW

The Rules are to be construed in accordance with English law. The Scheme and its administration are governed by English law.

#### 1.3 DEFINITIONS

In the Rules, unless the context requires otherwise -

**"Absence"** means absence from Service as an Employee, except on normal holiday leave or Family Leave. **"Absent"** has a corresponding meaning.

**"ACAS Agreement"** means the agreement reached following negotiations between the Joint Unions and the BBC at ACAS on 30 November 2010 in relation to the revaluation of benefits accrued by Career Average Benefits 2011 Members, the text of which is set out in Part 5 of the Appendix to the Rules.

**"Active Member"** means a Member who has not yet -

- (a) left Service (or opted-out or been treated as having left Service under the Rules); or
- (b) become a Pensioner in respect of the whole of his or her benefits under the Scheme.

**"Actuary"** means the actuary for the time being appointed under rule 16.1.

**"Basic Salary"** means the amount determined by the BBC as being an Employee's basic salary or wages payable under the terms of his or her Continuing or Fixed Term Contract, but also including from time to time any salary or wages given up by the Employee in return for -

- (a) the BBC's scheme known as Smart Pensions (as modified from time to time) under which his or her salary or wages is reduced in exchange for the Member ceasing to make contributions to the Scheme under Rule 3.1; or
- (b) such other flexible benefit arrangements as the BBC from time to time designates.

During the Scheme Year when a person becomes a Career Average Benefits 2011 Member the BBC may determine that a different amount of Basic Salary applies for the purposes of Career Average Benefits 2011 and that person's previous category of membership.

Except when calculating the Member's Prospective Pension for the purposes of rule 4A.7(2) 5A.7(2), 4B.1(4) and 5B.1(5) Basic Salary is determined in relation to each calendar month.

**"BBC"** means the British Broadcasting Corporation, or its replacement under rule 17.8.

**"CAB 2011 Earnings Cap"** means the figure determined for each Scheme Year as follows –

- (a) for the Scheme Year beginning 1 April 2011, it means £127,800;
- (b) at the start of each subsequent Scheme Year the figure will be increased by any published increase in the Government's index of consumer prices, or such other published index as the BBC decides, for the preceding September. If the amount is not a multiple of £600, the figure will be rounded up to the next nearest amount which is a multiple of £600 or of such other figure as the BBC decides.

**"Career Average Benefits 2011"** means the benefits set out in Sections 4A and 4B.

**"Career Average Benefits 2011 Member"** means a person admitted to membership of Career Average Benefits 2011 on or after 1 April 2011 and before 1 January 2012, or admitted as a Career Average Benefits 2011 Member under rule 9.2.

**"Career Average Benefits 2006"** means the benefits set out in Sections 5A and 5B.

**"Career Average Benefits 2006 Member"** means a person last admitted as an Active Member on or after 1 November 2006 and before 17 February 2011, or readmitted as a Career Average Benefits 2006 Member under rule 9.2.

**"Civil Partner"** means the person who was the only person in an undissolved registered civil partnership with the Member under the Civil Partnership Act 2004 (or is treated under that Act as having formed an undissolved registered civil partnership with the Member).

**"Class A Member"** means any Member who joined the Scheme on or after 1st June 1989 or any Member whom the Trustees, with the BBC's consent, have classified as such either generally or in an individual case.

**"Continuing Contract"** means a written contract of employment which is -

- (a) not expressed to expire on a specified date or at the end of a specified period; and
- (b) not determined by the BBC to be a Fixed-Term Contract; and
- (c) not of a temporary or casual nature.

**"Contracted-out Employment"** means a Member's salary related contracted-out employment by reference to the Scheme (as defined in section 8(1) of the Pension Schemes Act 1993).

**"Credit Derivative Transaction"** means any transaction that is linked to the credit standing or solvency of an entity or group of entities (whether taken together or comprised in an index) including a credit default swap.

**"Deferred Cash Sum"** means the aggregate cash sum payable on the Member's death under rule 6B.3(1) and/or rule 7B.3(1).

**"Deferred Pensioner"** means a Member who has left Service entitled to a pension, not yet in payment, under the Scheme (excluding a pension which is only an EPB or GMP).

**"Derivative Transaction"** means -

- (a) any transaction which is a rate swap transaction, index linked transaction (including an inflation linked swap transaction), basis swap, total return swap, structured note, forward rate transaction, interest rate option, forward foreign exchange transaction (including those which are cash settled at maturity), cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, spreadlock or any other similar transaction (including any option with respect to any of these transactions whether or not called a swaption); or
- (b) any combination of these transactions.

**"Discretionary Dependant"** means a person to whom a Discretionary Pension is being paid under rule 4B.4, 5B.4, 6B.4 or 7B.4 (or any corresponding previous provision of the Scheme).

**"Discretionary Pension"** means a pension payable to a person who was, at the date the Member died -

- (a) financially dependent on the Member; or
- (b) in a financial arrangement of mutual dependence with the Member; or
- (c) dependent on the Member because of physical or mental impairment.

**"Discretionary Trusts"** means the trusts set out in rule 10.5.

**"Early Payment Reduction"** means the reduction of a Scale Pension to take account of its starting before Normal Pension Age.

The reduction is such percentage of the Scale Pension's initial annual amount as the BBC and the Trustees jointly decide, having consulted the Actuary, at the beginning of each

calendar year. Different percentages apply to different circumstances. The percentages currently decided will be published to Members. In circumstances where an Early Payment Reduction has not been decided, the reduction will be as the Trustees decide, having consulted the Actuary, except for voluntary early retirement under rule 7A.4 when it will be calculated by reference to the table below –

Leaving Service age	55	56	57	58	59	60
Percentage	10	8	6	4	2	0

The above is subject to the Preservation Requirement that the Trustees must be reasonably satisfied that the reduced pension's capital value is at least equal to what the unreduced pension's capital value would have been had the latter started on the day after Normal Pension Age.

**"Earnings Cap Consenting Member"** means an Active Member whose Pensionable Salary was restricted by the Scheme Earnings Cap in the Tax Year 2011/2012 and who has consented, in terms complying with section 67 of the Pensions Act 1995 (in particular the consent requirements of section 67B of that Act), to future increases in the Scheme Earnings Cap and Pensionable Salary being limited insofar as they apply to or in respect of him or her.

**"Employed Member"** means an Active Member or other Member, other than a Pensioner who has all their benefits from the Scheme in payment, who remains in the employment of a Participating Employer.<sup>1</sup>

**"Employee"** means -

- (a) a person employed on a Continuing Contract or Fixed-Term Contract by a Participating Employer; or
- (b) any other person (or category of persons) employed by a Participating Employer whom the BBC designates as an Employee (or as Employees). The BBC may revoke any such designation at any time.

**"Employer"** means the Participating Employer in whose Service a Member is or last was.

**"Enhanced Protection"** has the meaning given in paragraph 12 of Schedule 36 to the Finance Act 2004.

**"EPB"** means "equivalent pension benefits" under the National Insurance Act 1965.

**"Family Leave"** has the meaning given in rule 9.4.

**"Final Pensionable Salary"** means a New Benefits or Old Benefits Member's Pensionable Salary in respect of the last Year (calculated at a daily rate) of his or her Pensionable Service (which in this definition includes as an Active Member after Normal Pension Age).

Provided that -

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<sup>1</sup> Inserted by the 53<sup>rd</sup> deed of variation.

- (a) if a Member's Pensionable Salary is reduced during the last 10 Years of Pensionable Service, Final Pensionable Salary will be determined by the BBC. It will not be less than the Member's Pensionable Salary paid in the last Year of Pensionable Service, nor more than the greater of -
  - (i) the annual equivalent of his or her highest Pensionable Salary during the last 10 Years of Pensionable Service; and
  - (ii) the highest average annual equivalent of Pensionable Salary paid in any 3 consecutive Years ending in the last 10 Years of Pensionable Service;
- (b) if a Member's Pensionable Service includes Part-Time Employment, (a) above will not apply and this definition is modified as set out in rule 9.3; and
- (c) in calculating the Final Pensionable Salary of a Class A Member, his or her Pensionable Salary in respect of each day during a Year must not exceed the Scheme Earnings Cap (as determined subject to the proviso to paragraph (b) of its definition) on that day.

**"Fixed-Term Contract"** means a written contract of employment (which may be expressed to be a short-term contract) which is -

- (a) expressed to expire on a specified date or at the end of a specified period; or
- (b) determined by the BBC, either generally or in any individual case, to be a fixed-term contract.

**"Full Pension"** means the annual amount of a Pensioner's pension immediately before death, as it would have been but for any commutation or levelling adjustment under rules 4A.9, 5A.9, 6A.9 and 7A.9.

**"Fund"** means the assets from time to time held by the Trustees on the trusts of the Scheme.

**"GMP"** means "guaranteed minimum pension" as defined in section 8(2) of the Pension Schemes Act 1993.

**"Incapacity"** means physical or mental impairment that, on the evidence of a registered practitioner (as defined in the Finance Act 2004) appointed by the BBC, the Trustees are satisfied -

- (a) renders a Member incapable of carrying out his or her normal occupation; and
- (b) is likely permanently and substantially to impair the Member's earning capacity.

The Member will have ceased to carry out his or her normal occupation.

**"Interest"** means interest on Member Contributions at such rate and calculated in such manner as the Trustees from time to time prescribe by regulations.

**"ITEPA 2003"** means the Income Tax (Earnings and Pensions) Act 2003.

**"Joint Unions"** means those unions who were parties to the ACAS Agreement (including the National Unions of Journalists, BECTU, Unite, Equity and the Musicians Union).

**"Late Payment Increase"** means an increase in a Scale Pension to take account of its starting after Normal Pension Age or, if later, the time at which the Member left Pensionable Service.

The increase is such percentage of the Scale Pension's initial amount as the Trustees and the BBC jointly decide, having consulted the Actuary, from time to time which shall not exceed the percentage recommended by the Actuary having regard to the circumstances prevailing at the time. In circumstances where a Late Payment Increase has not been decided, the increase will be as the Trustees decide, having consulted the Actuary.

The above is subject to the Preservation Requirement that the Trustees must be reasonably satisfied that the adjusted pension's capital value is at least equal to the capital value of the pension that would have been paid, had the pension started on the day after Normal Pension Age.

**"Life Assurance Member"** means an individual who is in Life Assurance Membership under rule 2.9 (being prospectively entitled to a lump-sum death benefit under Section 8).

**"Life Cover Pensionable Salary"** means the amount determined by the BBC and notified to the Trustees.

**"Lifetime Allowance"** has the meaning given under section 218 of the Finance Act 2004 (broadly the amount of an individual's tax advantaged pension savings from all Registered Schemes). A Member's Lifetime Allowance will take account of any Lifetime Allowance Enhancement Factor which operates with respect to the Member.

**"Lifetime Allowance Enhancement Factor"** means any of the factors (for example for Members who register for primary protection) the operation of which is provided for in the provisions listed in section 218(5) of the Finance Act 2004.

**"Member"** means a person who has been admitted to membership of the Scheme and remains entitled or prospectively entitled to benefits from the Scheme, except solely as a Life Assurance Member.

**"Member Contributions"** means the contributions paid by an Active Member under rule 3.1 or a corresponding previous rule. They do not include any AVCs paid under rule 3.2 or a corresponding previous rule.

**"New Benefits"** means the benefits set out in Sections 6A and 6B.

**"New Benefits Member"** means a person last admitted as an Active Member on or after 1 October 1996 and before 1 November 2006, or readmitted as a New Benefits Member under rule 9.2.

**"Nominated Dependant"** means the person who is nominated by a Member in accordance with and satisfies the following provisions -

- (a) a Member can nominate one person to be his or her Nominated Dependant;

- (b) the form of nomination and supporting information will be as prescribed by the Trustees (currently PENS 26). Only one nomination may be in force at a time;
- (c) the Trustees must receive and accept the nomination not less than 6 months before the Member's death. They may decide to waive this condition in individual cases. They may reject a nomination without giving any reason;
- (d) the Member dies without leaving a Qualifying Spouse or Qualifying Civil Partner;
- (e) the person nominated is not under age 18 when the Member dies;
- (f) the person nominated is financially dependent on the Member, in a relationship with the Member of mutual financial dependence, or dependent on the Member because of physical or mental impairment;
- (g) the nomination remains in force when the Member dies. A nomination can be revoked by the Member at any time by written notice to the Trustees.

**"Normal Pension Age"** means -

- (a) for a New Benefits Member or an Old Benefits Member, age 60;
- (b) for a Career Average Benefits 2011 Member or a Career Average Benefits 2006 Member, age 65.

**"Old Benefits"** means the benefits set out in Sections 7A and 7B.

**"Old Benefits Member"** means a person last admitted as an Active Member before 1 October 1996 or readmitted as an Old Benefits Member under rule 9.2.

**"Participating Employer"** means -

- (a) the BBC; and
- (b) any Associated Employer (as defined in rule 17.1) which is for the time being bound by an undertaking with the Trustees to participate in the Scheme, whether under rule 17.2 or a corresponding previous provision of the Scheme; and
- (c) the Trustees, if they have executed a deed poll binding themselves as a Participating Employer.

**"Part-Time Employment"** means, in relation to an Employee, employment by the Employer which is notified to the Trustees by the Employer as part-time employment.

**"Pensionable Salary"** means a Member's Basic Salary from the Employer. It includes London weighting and such other regular additions to Basic Salary as the BBC may determine from time to time. It does not include any other allowance, bonus, overtime earnings or temporary or fluctuating emoluments not specifically recognised by the BBC as being included in Pensionable Salary.

The Pensionable Salary of a Career Average Benefits 2011 Member must not exceed the CAB2011 Earnings Cap.

The Pensionable Salary of a Career Average Benefits 2006 Member, New Benefits Member or Old Benefits Member who is a Class A Member must not exceed the Scheme Earnings Cap (as determined subject to the proviso to paragraph (b) of its definition).

**"Pensionable Service"** means -

- (a) Service before Normal Pension Age falling within a Member's last or only period as an Active Member;
- (b) Service on or after Normal Pension Age falling within a Member's last or only period as an Active Member on Career Average Benefits 2011, Career Average Benefits 2006 or New Benefits;
- (c) Service on or after Normal Pension Age falling within a Member's last or only period as an Active Member on Old Benefits, if an election remains in force under rule 3.1(2)(b).

Provided that, if a New Benefits or an Old Benefits Member's Service includes Part-Time Employment, this definition is modified as set out in rule 9.3.

**"Pensioner"** means a Member being paid a pension under the Scheme by virtue of his or her own membership (including a pension which is only an EPB or GMP).

**"Pre A-day Limits"** means the restrictions and limits on contributions and benefits consistent with the restrictions and limits (in whatever terms) set out in the Trust Deed and the Rules and the Occupational Pension Scheme Notes published by the former Inland Revenue Pension Schemes Office on 23 March 2001 which were necessary for the purposes of complying with the requirements of the Scheme's exempt approval up to 6 April 2006, provided that:

- (a) all references to the "permitted maximum" in such restrictions and limits are to be read as references to the Scheme Earnings Cap instead; and
- (b) any restrictions and limits on the amount of cash lump sum for which pension may be exchanged are to be replaced by a reference to the permitted maximum as defined in paragraph 2 of Schedule 29 to the Finance Act 2004 as amended (if applicable) by paragraphs 24 to 34 of Schedule 36 to that Act or any other applicable legislation; and
- (c) any references to the approval of the Board of Inland Revenue in such limits and restrictions are to be read as references to the approval of the Trustees, except that where any such approval could result in the increase of Pre-A Day Limits beyond the level that applied immediately before 6 April 2006 the agreement of the BBC shall be required before any such approval is granted.

**"Preservation Requirements"** has the meaning given in section 69 of the Pension Schemes Act 1993.

**"Qualifying Child"** means, in relation to a Member -

- (a) the Member's natural child (including one unborn when the Member died) or adopted child; or



- (b) a child with respect to whom the Trustees decide that the Member, when he or she died, stood *in loco parentis* or that the child was (or would have been if it had been born before the Member died) financially dependent on him or her.

A child remains a Qualifying Child for so long as he or she satisfies at least one of the following conditions -

- (i) he or she is under age 18; or
- (ii) he or she is under age 23 and is in full-time education or training, of a type and length and at a place approved by the Trustees; or
- (iii) the Trustees determine that he or she will be a Qualifying Child because of dependence on the Member due to physical or mental impairment. This determination will have effect subject to such terms or conditions as are specified and will be revocable.

Once a child no longer falls within the definition of Qualifying Child, his or her entitlement to the Qualifying Children's pension will stop. On any change in the number of a Member's Qualifying Children the amount of the Qualifying Children's pension will be recalculated by reference to the number of Qualifying Children following the change.

**"Qualifying Civil Partner"** means the person who was the only Civil Partner of and ordinarily resident with a Member when he or she died. The exception is that, in relation to a Deferred Pensioner or Pensioner, a Civil Partner will not be treated as the Qualifying Civil Partner if their civil partnership was registered after the Member left Service and less than 6 months before the Member died.

Provided that the Trustees may decide -

- (a) to waive the above exception in individual cases;
- (b) to treat a non-resident Civil Partner as being ordinarily resident with the Member.

Any such determination may be subject to any terms or conditions.

**"Qualifying Overseas Scheme"** means a "recognised overseas pension scheme" as defined in section 150(8) of the Finance Act 2004.

**"Qualifying Service"** means "pensionable service" as defined for the purpose of the Preservation Requirements and any period which, following a transfer in, is "linked qualifying service" under section 179 of the Pension Schemes Act 1993. Rule 9.7 sets out how Qualifying Service is calculated if there is a break in Pensionable Service.

**"Qualifying Spouse"** means the person who was the only spouse of and ordinarily resident with a Member when he or she died and includes a legally married same sex spouse under the Marriage (Same Sex Couples) Act 2013. References to "marriage", "divorce", "spouse" or related terms under the Rules shall be construed accordingly. The exception is that, in relation to a Deferred Pensioner or Pensioner, a spouse will not be treated as the Qualifying Spouse if their marriage took place after the Member left Service and less than 6 months before the Member died.

Provided that the Trustees may decide -

- (a) to waive the above exception in individual cases;
- (b) to treat a non-resident spouse as being ordinarily resident with the Member.

Any such determination may be subject to any terms or conditions.

**"Registered Scheme"** has the meaning given by section 150(2) of the Finance Act 2004.

**"Remuneration"** in relation to any year means the aggregate of the total emoluments which are assessable to income tax under Schedule E for the year in question.

**"Rules"** means these rules (including the Schedules) and includes any alteration to them for the time being in force.

**"Schedule"** means a schedule to the Rules.

**"Schedule E"** means in relation to the taxation of an individual's earnings Schedule E for the Tax Years before the Tax Year 2003/4 and Chapters 4 and 5 of Part 2 of ITEPA 2003 the Tax Year 2003/4 and subsequent Tax Years.

**"Scheme"** means the BBC Pension Scheme (formerly known as the BBC New Pension Scheme) as constituted by the Trust Deed and the Rules.

**"Scheme Administrator"** means the person or persons appointed to be responsible for the discharge of the functions conferred or imposed on the scheme administrator of the Scheme under part 4 of the Finance Act 2004, as defined in section 270 of the Finance Act 2004.

**"Scheme Earnings Cap" -**

- (a) for the Tax Years up to and including the Tax Year 2005/06, has the meaning ascribed to it by section 590C(2) of the Income and Corporation Taxes Act 1988 (being in the Tax Year 2005/06 £105,600);
- (b) for Tax Years after the Tax Year 2005/6 means the figure that would have been arrived at if section 590C(2) of the Act had remained in force on or after 6 April 2006 and HM Treasury had made the orders required by that section as it had effect immediately before its repeal.

Provided that, in respect of an Earnings Cap Consenting Member and for the purposes only of determining that Member's Pensionable Salary (and thus Final Pensionable Salary), with effect on and from 1 April 2014 (being the start of the Scheme Year 2014/2015) the Scheme Earnings Cap means the Scheme Earnings Cap under (b) above for the Tax Year 2013/2014 increased as set out in paragraphs (i) and (ii) below.

- (i) The Scheme Earnings Cap will not increase under (b) above on 6 April 2014 or at the start of any subsequent Tax Year. Instead the Scheme Earnings Cap will increase by the percentage under (ii)(A) below on the date, or dates, in a Scheme Year on which the Base Salary of the Member is increased by his or her Employer or, if applicable, by the percentage under (ii)(B) below on the effective date of the annual general pay award.

- (ii) The percentage increase(s) in the Member's Scheme Earnings Cap in any Scheme Year will be the higher of:
  - (A) the lower of 1% and the percentage increase in the Member's Base Salary since the start of that Scheme Year; and
  - (B) only if the Member has had no increase in his or her Base Salary in that Scheme Year, the lower of 1% and the percentage increase in the Base Salary of Staff under their annual general pay award in that Scheme Year. In the event of doubt in any year, the Member's Employer will determine which pay award, if any, constitutes the annual general pay award for this purpose.

In this proviso:

**"Staff"** means employees of the Member's Employer on Hours and Days conditions in grades 2 to 11, or such other group of its employees as the Employer, with the Trustees' consent, determines for this purpose.

**"Base Salary"** means what would have been the Basic Salary of the Member or Staff (as the case may be) but for the 1% limit in increases for pension purposes applied by the Employer. If the Member is, or has been, in Part-Time Employment, then the increase will be determined relative to the change in full-time equivalent Base Salary.

By way of examples to aid understanding of (i) and (ii) above:

Example (I): if the Member received a 0.4% increase in Base Salary on 1 August 2014, the Scheme Earnings Cap would increase by 0.4% on that date. If the Member then received a further 1.0% increase in Base Salary on 1 December 2014 the Scheme Earnings Cap would further increase on that date by just under 0.6% of its then amount, to make in aggregate a 1.0% overall increase since 1 April 2014.

Example (II): if the Member received a 0.5% increase in Base Salary on 1 June 2014, the Scheme Earnings Cap would increase by 0.5% on that date. If Staff (but not the Member) then received a 1.0% increase on 1 August 2014, there would be no increase in the Scheme Earnings Cap on that date as the Member had already had an increase in the Scheme Year.

Example (III): if Staff (but not the Member) received a 0.5% increase in Base Salary on 1 August 2014, the Member's Scheme Earnings Cap would increase by 0.5% on that date. If the Member then received a 0.8% increase in Base Salary on 1 December 2014 the Scheme Earnings Cap would further increase on that date by just under 0.3% of its then amount, to make in aggregate a 0.8% overall increase since 1 April 2014.

**"Scheme Year"** means a period beginning on 1 April and ending on the following 31 March.

**"Section"** means a section of the Rules.

**"Service"** means -

- (a) service as an Employee; and
- (b) any other period that the BBC at any time, with the approval of the Member, determines to be Service.

**"Short Service Benefit"** has the meaning given in section 71(2) of the Pension Schemes Act 1993. A Member is entitled to Short Service Benefit if he or she satisfies the requirements of section 71(1) of that Act.

**"Standard Revaluation Rate"** has the meaning given in rule 4A.1(b)(i).

**"State Pension Age"** means -

- (a) for the purpose of GMPs: a woman's 60<sup>th</sup> birthday and a man's 65<sup>th</sup> birthday;
- (b) for the purpose of EPBs: a woman's 60<sup>th</sup> birthday and a man's 65<sup>th</sup> birthday; and
- (c) for all other purposes: an individual's State "pensionable age" under the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995.

**"Tax Year"** means a year of assessment for income tax as defined in the Income and Corporation Taxes Act 1988.

**"Transfer Credits"** has the meaning given in section 181 of the Pension Schemes Act 1993.

**"Triviality Requirements"** means

- (a) those set out in the following paragraphs of Schedule 29 to the Finance Act 2004 –
  - (i) paragraph 7 in respect of the Member;
  - (ii) paragraph 20 on the Member's death; and
  - (iii) paragraphs 10 or 21 on the winding up of the Scheme; and
- (b) those set out in part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009.

**"Trust Deed"** means the definitive trust deed, relating to the BBC Pension Scheme (formerly known as the BBC New Pension Scheme), to which the Rules are annexed, and includes any alterations to and any deeds supplemental to that deed.

**"Trustee Remuneration"** means remuneration, fees and expenses (including any premium for trustee indemnity insurance).

**"Trustees"** means the trustee or trustees for the time being of the Scheme and (where the context requires) the directors of a body corporate which is a trustee of the Scheme. In addition -

- (a) for the purposes of rules 13.6 to 13.8 it includes any past trustees or directors and any past or present officer of a body corporate which is a trustee of the Scheme;
- (b) for the purposes of rules 13.6 and 13.8 it includes any third party who is, was or becomes a member of the Investment Committee of the Trustees or any other committee of the Trustees as shall be agreed for the time being by the BBC and the Trustees for the purposes of this definition in relation to his or her membership of that committee; and

(c) for the purposes of rule 13.6, where a body corporate is a trustee of the Scheme, it includes any person who would not otherwise be included in this definition if that person is an "Office Holder" of that body corporate, as determined in accordance with the definition of the term "Office Holder" within its articles of association.

**"Unauthorised Payment"** has the meaning given by section 160(5) of the Finance Act 2004 (broadly a payment made to or in respect of a Member or an Employer that potentially attracts additional tax charges);

**"Widow"** and **"Widower"** have the meanings given in Schedule 3 (GMP Rules).

**"Year"** means a period of 365 days, excluding 29 February.

## **SECTION 2**

### **MEMBERSHIP**

#### ***Summary***

*There are five categories of membership of the Scheme -*

- *Career Average Benefits 2011 (Sections 4A and 4B)*
- *Career Average Benefits 2006 (Sections 5A and 5B)*
- *New Benefits (Sections 6A and 6B)*
- *Old Benefits (Sections 7A and 7B)*
- *Life Assurance (Section 8)*

#### **2.1 CAREER AVERAGE BENEFITS 2011 MEMBERSHIP**

- (1) An Employee will be admitted to membership of Career Average Benefits 2011 if he or she -
- (a) is not currently, but was immediately before being admitted to Career Average Benefits 2011, an Active Member entitled to Career Average Benefits 2006, New Benefits or Old Benefits;
  - (b) elects to opt out of his or her previous category of membership and immediately applies to join Career Average Benefits 2011, before 1 January 2012 and in the form prescribed by the Trustees (currently PENS 30A).

The BBC may, in individual cases, waive all or any of the eligibility conditions in (a) and (b) above.

- (2) No Employee will be admitted to membership of Career Average Benefits 2011 after 31 December 2011 unless rule 9.2 applies.

#### **2.2 CAREER AVERAGE BENEFITS 2006 MEMBERSHIP**

Each Active Member who was admitted to membership between 1 November 2006 and 30 November 2010 will be entitled to Career Average Benefits 2006.<sup>2</sup>

#### **2.3 NEW BENEFITS MEMBERSHIP**

Each Active Member who was admitted to membership between 1 October 1996 and 31 October 2006 will be entitled to New Benefits.

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<sup>2</sup> The BBC issued a notice to the Trustees on 25 November 2010 under the then rule 2.4(b) directing the Trustees not to admit further Employees to membership of Career Average Benefits after 30 November 2010. The Trustees and the BBC later amended rule 2.1 to reflect that direction, with the rule amendment taking effect from 17 February 2011.

## **2.4 OLD BENEFITS MEMBERSHIP**

Each Active Member who was admitted to membership before 1 October 1996 will be entitled to Old Benefits.

## **2.5 MEMBERSHIP - SPECIAL CASES**

Notwithstanding rules 2.1, 2.2, 2.3 and 2.4 -

- (a) if, after admitting a Member, the Trustees find that there was (in their opinion) a material inaccuracy in, or omission from any information provided by the Member in connection with his or her admission, the Trustees may take whatever steps they consider appropriate (including reducing or varying benefits or expelling the individual from membership of the Scheme);
- (b) the BBC may direct the Trustees that an individual or a class of Employee is not to be admitted under rule 2.1. The Trustees must comply with any such direction;
- (c) an individual or a class of Employee may be admitted to or remain in Membership on special terms under rule 9.2;
- (d) subject to rule 2.8(1)(d) each separate period as an Active Member, and the benefits attributable to it, will be separate and distinct from and unaffected by any other period and its benefits.

Any terms of re-admission must not be inconsistent with the Preservation Requirements. In particular, if the Member became entitled to Short Service Benefit when Pensionable Service previously terminated, he or she must be entitled to Short Service Benefit in respect of Pensionable Service following re-admission.

## **2.6 COMPULSORY CESSATION OF ACTIVE MEMBERSHIP**

- (1) A Member will cease to be an Active Member if his or her contract of employment changes to -
  - (a) a Fixed-Term Contract, the Member having completed less than such period as the BBC may specify from time to time (currently 2 years) of continuous employment with Participating Employers; or
  - (b) one of a non-pensionable nature;as determined in either case by the BBC.
- (2) On the effective date of the contract change in (1) the Member will be treated as leaving Service, except -
  - (a) for the purpose of rule 2.9 (Life Assurance Membership); and
  - (b) no pension may start or be commuted until he or she actually leaves Service, unless any of rules 4A.3, 4A.5, 5A.3, 5A.5 6A.3, 6A.4A, 7A.3 or 7A.4A applies or the BBC decides otherwise.

## **2.7 OPTING OUT OF MEMBERSHIP**

- (1) An Employee can opt out of active membership of the Scheme by giving not less than 2 months' written notice, in the form prescribed by the Trustees (currently PENS 30).
- (2) On the effective date of the above notice an Active Member will be treated as leaving Service, except -
  - (a) for the purpose of rule 2.9 (Life Assurance Membership);
  - (b) no pension may start or be commuted until he or she actually leaves Service, unless any of rules 4A.3, 4A.5, 5A.3, 5A.5, 6A.4A, 7A.3 or 7A.4A applies or the BBC decides otherwise.
- (3) The Trustees may waive any of the notice requirements under (1) above.

## **2.8 CAREER AVERAGE BENEFITS 2011**

- (1) Where an Employee opts out of Career Average Benefits 2006, New Benefits or Old Benefits and immediately joins Career Average Benefits 2011 -
  - (a) rule 2.5(d) will apply to each separate period of Pensionable Service that he or she accrues as an Active Member;
  - (b) he or she may be entitled to benefits as a Deferred Pensioner in respect of any period of Pensionable Service completed in the Scheme before he or she joined Career Average Benefits 2011;
  - (c) rule 2.7(2)(b) will apply as regards any benefits accrued by the Employee up to the date immediately before he or she joined Career Average Benefits 2011; and
  - (d) notwithstanding rule 2.5(d) the payment of any cash sum death benefits from Career Average Benefits 2011 will be subject to payment provisions published by the Trustees, with the BBC's consent, with the intention that the aggregate maximum cash sum death benefit that is payable in respect of an individual under the Scheme, together with the amount of any cash sum he or she has previously commuted under the Scheme, in relation to Pensionable Service accrued during the same period of continuous employment will be no greater than –
    - (i) four times Life Cover Pensionable Salary on the death of an Active Member;
    - (ii) four times Life Cover Pensionable Salary on the death of a Pensioner in receipt of an Incapacity pension before Normal Pension Age under rule 4B.2(1); and
    - (iii) two times Life Cover Pensionable Salary on the death of a person who is no longer an Active Member (other than a person covered by (ii) above).

Provided that no Member will, as a result of joining Career Average Benefits 2011, be subject to any restriction on the amount of cash sum death benefit that is payable in respect of him or her from Career Average Benefits 2006, New Benefits or Old Benefits.



- (2) An Employee who opts out of Career Average Benefits 2006, New Benefits or Old Benefits in accordance with rule 2.8(1) and who joins Career Average Benefits 2011 may only do so on or after 1 April 2011 and before 1 January 2012 or some later date under rule 9.2.

## **2.9 LIFE ASSURANCE MEMBERSHIP**

- (1) An individual will be in Life Assurance Membership for so long as -
- (a) he or she became an Employee -
    - (i) before 1 December 2010; or
    - (ii) on or after 1 December 2010 following a career break from the BBC as notified to the Trustees by the BBC; and
  - (b) he or she is not an Active Member or Pensioner.

Provided that no Employee will be admitted to Life Assurance Membership after 30 November 2010 unless the Employee opts out of Active Membership after 30 November 2010 and remains in Service, or unless rule 9.2 applies.<sup>3</sup>

- (2) Notwithstanding (1) above, the BBC may direct the Trustees that an individual or a class of Employee is not to be admitted to Life Assurance Membership. The Trustees must comply with any such direction.

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<sup>3</sup> The BBC issued a notice to the Trustees on 25 November 2010 under the then rule 2.7(2) directing the Trustees not to admit further individuals to Life Assurance Membership after 30 November 2010. The Trustees and the BBC later amended rule 2.7(1) to reflect that direction, with the rule amendment taking effect from 17 February 2011.

## SECTION 3

### CONTRIBUTIONS

#### ***Summary***

- *Members must contribute a percentage of Pensionable Salary (rule 3.1)*
- *Old Benefits and New Benefits Members may pay Additional Voluntary Contributions (rule 3.2)*
- *Participating Employers pay towards the "balance of cost" (rules 3.4 and 3.5)*

#### **3.1 MEMBERS' CONTRIBUTIONS**

- (1) Each Active Member must contribute to the Scheme -
  - (a) for Career Average Benefits 2011, 6.0% of his or her Pensionable Salary, or such other percentage as the BBC, with the Trustees' consent, decides; or
  - (b) for Career Average Benefits 2006, 6.0% of his or her Pensionable Salary, or such lower percentage\* as the BBC, with the Trustees' consent, decides; or
  - (c) for New Benefits or Old Benefits, 7.5% of his or her Pensionable Salary, or such lower percentage as the BBC, with the Trustees' consent, decides.
- (2) The Trustees may, by regulations, prescribe when contributions under this rule start and stop. Subject to such regulations, a Member will stop contributing when he or she leaves Service or if earlier -
  - (a) when he or she completes 40 years' Pensionable Service if he or she is a New Benefits or Old Benefits Member, other than when rule 7A.3 applies;
  - (b) reaches Normal Pension Age if he or she is an Old Benefits Member, unless he or she elects to continue as an Active Member.
- (3) During Family Leave or other Absences an Active Member must contribute in accordance with rule 9.4 or 9.5 respectively.

#### **3.2 ADDITIONAL VOLUNTARY CONTRIBUTIONS**

##### **(1) "AVCs" and "Published Provisions"**

An Active Member who is a New Benefits or Old Benefits Member may, with the Trustees' agreement, pay, vary or stop paying additional voluntary contributions ("AVCs") to the Scheme, in accordance with AVC provisions published by the Trustees, with the BBC's consent ("**the Published AVC Provisions**"). AVCs will be applied by the Trustees to provide additional benefits to or in respect of the Member in accordance with the Published AVC Provisions.

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\*On 1 November 2006 the agreed percentage for Career Average Benefits 2006 Members was 4%.

The Trustees may -

- (a) require the Member to give them written notice (not exceeding 12 months) of intention to pay AVCs at a specified rate or to vary that rate;
- (b) impose a lower limit for the payment of AVCs. This must not be greater than 0.5% of the Member's earnings for the Tax Year in question or (if greater) 3 times the lower earnings limit (under section 5 of the Social Security Contributions and Benefits Act 1992); and
- (c) disregard the Member's remuneration in kind in determining the maximum amount of AVCs he or she may pay.

(2) ***Limits on contributions***

The Active Member's Member Contributions and AVCs in any Tax Year must not, in total, exceed 15% of his or her Remuneration for that year or (where Basic Salary includes salary or wages given up under flexible benefit arrangements) such other percentage (including nil) as the BBC may decide. In the case of an Active Member who is a Class A Member Remuneration must not exceed the Scheme Earnings Cap for that Tax Year unless the Trustees and the BBC determine otherwise.

(3) ***Investment of AVCs***

The Member must give the Trustees written notice (which they must comply with as soon as administratively practicable) as to how he or she wishes the AVCs to be invested, within the Published AVC Provisions.

(4) ***Benefits from AVCs***

The Member must give the Trustees written notice as to what form of additional benefits, within the Published AVC Provisions, he or she wishes the proceeds of the AVCs to be applied to provide. The Trustees must comply with that notice. Insofar as the Member does not give notice (or it does not apply in the particular circumstances) the Trustees must apply the proceeds in accordance with the Published AVC Provisions. The Trustees must secure that the value of the additional benefits is reasonable, having regard to -

- (a) the amount of the voluntary contributions; and
- (b) the value of the other benefits under the Scheme.

(5) ***Return of surplus AVCs***

Any surplus AVCs will be returned (less tax) to the Member, if and to the extent that the return constitutes a refund of excess contributions lump sum within the meaning of paragraph 6 of Schedule 29 of the Finance Act 2004 (contributions by an individual to all of his or her Registered Schemes exceed 100% of his or her UK earnings).

### **3.3 METHOD OF COLLECTING MEMBERS' CONTRIBUTIONS**

- (1) Each Member's Member Contributions and AVCs will be deducted from his or her remuneration by the Employer and paid, on the Member's behalf, to the Trustees (or as they direct) at such intervals as the Trustees may require. Such payments must be made within the period required under section 49(8) of the Pensions Act 1995.
- (2) The Trustees may, with the BBC's consent, agree with the Member that his or her Contributions and/or AVCs are paid in some other manner (e.g. by way of a salary sacrifice arrangement).

### **3.4 EMPLOYERS' CONTRIBUTIONS**

Each Participating Employer will pay to the Trustees -

- (a) such contributions as may be certified, from time to time, by the Actuary to be properly payable by it to provide the benefits payable and prospectively payable under the Scheme; and
- (b) such further contributions as, on the admission of any person to membership of the Scheme, are certified by the Actuary to be necessary to provide the benefits prospectively payable under the Scheme in respect of such person.

Any contributions payable under this rule shall be an annual or other periodical contribution or a lump sum or a lump sum payable by instalments accordingly as may be determined by the BBC and approved by the Actuary.

### **3.5 EMPLOYERS' CONTRIBUTIONS – PENSIONS ACT 2004**

- (1) This rule will apply from the effective date of the first formal valuation after 21 September 2005 under rule 16.2.
- (2) Each Participating Employer shall comply with its funding obligations under Part 3 of the Pensions Act 2004 (as amended) and pay contributions in accordance with the schedule of contributions prepared, maintained and revised as required by the Pensions Act 2004 (as amended).
- (3) Part 3 of the Pensions Act 2004 -
  - (a) provides the contributions payable to the Scheme are determined by the Trustees with the agreement of the BBC and not by the Actuary;
  - (b) provides these contributions may not be lower than those which the Actuary would have provided for if he or she, rather than the Trustees with the agreement of the BBC, had the responsibility for setting them;
  - (c) governs what happens where the Trustees and the BBC are unable to reach agreement on the contributions payable.
- (4) The summary contained in (3) above is not part of the Rules.

## SECTION 4A

### CAREER AVERAGE BENEFITS 2011 – STANDARD MEMBERS' BENEFITS

#### **Summary**

*For a Career Average Benefits 2011 Member the Scheme provides -*

- *a Scale Pension (rule 4A.1) on leaving Service at or after 65 (rules 4A.2 and 3)*
- *a deferred pension for early leavers (rule 4A.6)*
- *reduction of the Scale Pension on early payment (rules 4A.4 and 5)*
- *the option, subject to the consent of the BBC, to receive pension while still in Service (rule 4A.5)*
- *an Incapacity pension (rule 4A.7)*
- *option of commutation (rule 4A.9)*

#### **4A.1 "SCALE PENSION"**

Section 4A sets out the standard benefits payable to a Career Average Benefits 2011 Member. In it -

**"Scale Pension"** means a pension for life calculated as follows -

- (a) For each Scheme Year during which the Member is in Pensionable Service, 1.67% (or such other percentage as the BBC and the Trustees decide) of the Member's Pensionable Salary in that Scheme Year determined on a daily basis.
- (b) While the Member is an Active Member or a Deferred Pensioner, the pension attributable to each Scheme Year up to and including the Scheme Year ending in the previous calendar year will be revalued as follows -
  - (i) (Subject to (ii) to (iv) below) on 1 April in each Scheme Year starting with 1 April 2013 the pension will be revalued by the lower of the percentage increase in the Government's index of consumer prices published for the previous calendar year ending 31 December (or such other published index of prices which the BBC, with the Trustees' consent, decides) and 4%. This shall be known as the **"Standard Revaluation Rate"**.
  - (ii) (Subject to (iii) and (iv) below) the BBC will notify the Trustees in writing if either of the two triggers set out in the ACAS Agreement has been satisfied. When giving such notice, the BBC will indicate to the Trustees whether the BBC wishes to disapply the Standard Revaluation Rate, provided that it may disapply the Standard Revaluation Rate only in any Scheme Year starting on or after 1 April 2017. In those circumstances the BBC and the Trustees may jointly determine a different revaluation percentage which will apply in the Scheme Year in question. If agreement cannot be reached jointly between the BBC and the Trustees, the Actuary will decide. For these purposes the Actuary will act as an expert and not as an arbitrator, and the Actuary's decision shall be final and binding.

- (iii) (Subject to iv below) if the ACAS Agreement has, in relation to increases to that Member's pension, been replaced by another agreement (including any replacing a replacement) reached between the Joint Unions (or any body or bodies which replaces any bodies forming part of the Joint Unions) and the BBC which is notified in writing to the Trustees, the pension attributable to each Scheme Year will be revalued in accordance with the terms of that agreement.
- (iv) If the ACAS Agreement and all replacement agreements (if any) referred to in (iii) above have, in relation to increases to that Member's pension, been terminated by agreement between the Joint Unions (or any body or bodies which replaces any bodies forming part of the Joint Unions) and the BBC which is notified in writing to the Trustees, the pension attributable to each Scheme Year will be revalued by such amounts and on such dates as the BBC and the Trustees decide.

In all cases (i) to (iv) above, the current approach to revaluation will be notified to Members.

- (c) The initial annual pension payable is the aggregate of the revalued pension accrued under (a) and (b) above.

#### **4A.2 PAYMENT AT NORMAL PENSION AGE**

An Active Member who leaves Service at Normal Pension Age will receive the Scale Pension, starting the next day.

#### **4A.3 LATE PAYMENT**

An Active Member who remains in Service after Normal Pension Age will receive the Scale Pension, starting on the earlier of -

- (a) the day after he or she leaves Service; and
- (b) his or her 75<sup>th</sup> birthday.

#### **4A.4 EARLY PAYMENT**

An Active Member who -

- (a) leaves Service having reached age 55 but not Normal Pension Age; and
- (b) does not receive an Incapacity pension; and
- (c) has completed at least two Years' Qualifying Service as an Active Member; and
- (d) makes a written request in the form prescribed by the Trustees (currently form PENS 10)

will, if the BBC agrees, receive the Scale Pension reduced by the Early Payment Reduction, starting the next day. The BBC has discretion to waive the Early Payment Reduction, in whole or in part, provided that it or the Employer pays such additional contributions as the Trustees, having consulted the Actuary, may require.

#### **4A.5 FLEXIBLE PAYMENT**

A Member in Service who -

- (a) has reached age 55 but has not yet left Service; and
- (b) has completed at least two Years' Qualifying Service as an Active Member; and
- (c) makes a written request in the form prescribed by the Trustees

will, if the BBC agrees, receive all or part of the Scale Pension, starting on such date as the Member decides, but reduced by the Early Payment Reduction, if the pension starts before Normal Pension Age. Receipt of the Scale Pension under this rule and any related death benefits which are subsequently payable from Section 4B is in accordance with the flexible payment provisions published by the Trustees, with the BBC's consent.

#### **4A.6 DEFERRED PENSION**

An Active Member who leaves Service before Normal Pension Age, without receiving either a refund of Member Contributions or cash transfer sum under rule 4A.10 or an immediate pension, will be entitled to receive the Scale Pension starting the day after Normal Pension Age.

On receiving a written request from the Member, the Trustees will start paying the pension from such date as they decide -

- (a) after they are satisfied that the Member is suffering from Incapacity, in which case the Trustees have discretion to waive all or part of the Early Payment Reduction; or
- (b) on or after the Member's 55<sup>th</sup> birthday but before Normal Pension Age, in which case the Scale Pension will be reduced by the Early Payment Reduction; or
- (c) on or after Normal Pension Age, in which case the Scale Pension is payable

but not later than the Member's 75<sup>th</sup> birthday.

#### **4A.7 INCAPACITY PENSION**

- (1) An Active Member who leaves Service before Normal Pension Age due to Incapacity will, if the BBC and the Trustees so decide, receive -

- (a) if he or she has completed at least two Years' continuous Pensionable Service, the Scale Pension, starting the next day;
- (b) otherwise, the Scale Pension reduced by the Early Payment Reduction.

For the purposes of calculating the two Years' continuous Pensionable Service under (a) above the period of Pensionable Service accrued by the Member in Career Average Benefits 2011 shall be aggregated with the period of Pensionable Service accrued by the Member immediately before he or she became a Career Average Benefits 2011 Member.

If a Member is incapable of carrying on any occupation, the Scale Pension will, if the BBC and the Trustees so decide, be increased by the Member's Prospective Pension.

Rule 10.4 sets out the provisions for the review of Incapacity pensions.

(2) **"Member's Prospective Pension"**

In this rule, **"Member's Prospective Pension"** means the additional pension that the Member would have earned under rule 4A.1, without revaluation, had he or she remained in Pensionable Service until Normal Pension Age. It is calculated using the annual rate of the Member's Pensionable Salary, as the BBC determines it would have been but for the effect of Family Leave (rule 9.4) or Other Absences (rule 9.5), immediately before leaving Service.

**4A.8 CONTRACTING OUT**

Career Average Benefits 2011 Members were not in Contracted-Out Employment.

**4A.9 COMMUTATION**

When a Member's pension becomes payable, he or she can exercise the following option by giving notice in the form prescribed by the Trustees (currently PENS 1B Career Average) before the pension starts. This option cannot be exercised or cancelled once the pension is in payment.

- (a) The Member can commute for a lump sum such part of his or her pension, as the Trustees decide, provided that it must not exceed four times the Member's initial annual pension, or such other amount as the BBC allows.

Commutation under this paragraph does not affect entitlement to or the amount of any pension payable under rule 4B.2

The commutation rate will be decided by the BBC and the Trustees jointly, having consulted the Actuary, at the beginning of each calendar year. Currently for each £12 lump sum the initial annual pension is reduced by £1.

- (b) If the Trustees have received evidence from a registered medical practitioner (as defined in the Finance Act 2004) appointed by the BBC that the Member is expected to live for less than a Year the lump sum can exceed the amount in (a) above, subject to the requirements of paragraph 4 in Schedule 29 of the Finance Act 2004.

The commutation rate will be in accordance with commutation tables provided by the Actuary.

- (c) The Trustees may pay to a person a lump sum instead of a pension provided they are satisfied the Triviality Requirements are met.

Commutation under this paragraph will include any pension or other benefit prospectively payable on the Member's death.

The commutation rate will be decided by the Trustees, having consulted the Actuary.



#### **4A.10 REFUND OF MEMBER CONTRIBUTIONS**

Subject to the provisions of Chapter 5 of Part IV of the Pension Schemes Act 1993 relating to Members with more than three months' Qualifying Service having the right to elect for a 'cash transfer sum', a Member who -

- (a) ceases to be an Active Member before Normal Pension Age, without receiving an Incapacity pension under rule 4A.7; and
- (b) has completed less than 2 Years' Qualifying Service; and
- (c) has not made a transfer into the Scheme from a personal pension scheme (as defined in section 1 of the Pension Schemes Act 1993)

will receive a refund of his or her Member Contributions, plus Interest and less any tax payable in connection with the payment.

## SECTION 4B

### CAREER AVERAGE BENEFITS 2011 – DEATH BENEFITS

#### **Summary**

*Following a Career Average Benefits 2011 Member's death the Scheme provides -*

- *a cash sum in certain circumstances*
- *a pension for the Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant*
- *a pension for Qualifying Children*

#### **4B.1 DEATH OF AN ACTIVE MEMBER IN SERVICE**

If a Career Average Benefits 2011 Member dies whilst an Active Member the following benefits are payable -

##### **(1) Cash sum**

The Trustees will hold on the Discretionary Trusts a cash sum equal to the smaller of –

- four times the annual rate of the Member's Life Cover Pensionable Salary at death less any cash sum the Member has previously commuted under the Scheme and less any Deferred Cash Sum in relation to Pensionable Service accrued during the Member's last period of continuous employment; and
- the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.

If (b) is smaller than (a) the Trustees will apply the difference to increasing the pensions payable to the Member's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

The cash sum will be zero if it would otherwise be negative.

##### **(2) Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension**

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension. Alternatively, if there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension. The pension is payable for life and starts on the day after the Member's death. The initial annual amount will be the sum of -

- (a) 50% of the Scale Pension to which the Member would have been entitled if it had begun immediately before death, ignoring any Early Payment Reduction; and
- (b) 50% of the Member's Prospective Pension.

The Trustees can reduce the pension if the beneficiary is more than 10 Years younger than the Member. The Trustees will decide the amount of any reduction, having consulted the Actuary.

(3) ***Qualifying Children's Pension***

The Trustees will pay a pension in respect of the Member's Qualifying Children, starting on the day after the Member's death. The initial annual amount will be –

- (a) whilst a pension is being paid under (2) above – 50% of that pension for each Qualifying Child (up to a maximum of two);
- (b) whilst no pension is being paid under (2) above – the amount of pension to which a Qualifying Spouse would be entitled under (2) above for each Qualifying Child (up to a maximum of two).

(4) ***"Member's Prospective Pension"***

In this rule "**Member's Prospective Pension**" means -

- (a) if the Member dies in Service before Normal Pension Age, the additional pension that the Member would have earned under rule 4A.1, without revaluation, had he or she remained in Pensionable Service until Normal Pension Age. It is calculated using the annual rate of the Member's Pensionable Salary, as the BBC determines it would have been but for the effect of Family Leave (rule 9.4) or Other Absence (rule 9.5), immediately before death; or
- (b) if the Member dies on or after Normal Pension Age, the Scale Pension to which the Member was entitled immediately before death.

## **4B.2 DEATH IN RETIREMENT**

If a Career Average Benefits 2011 Member dies whilst a Pensioner receiving benefits from this Section, the following benefits are payable -

(1) ***Cash Sum***

If the Pensioner dies before Normal Pension Age whilst receiving an Incapacity pension under rule 4A.7, the Trustees will hold on the Discretionary Trusts a cash sum equal to the smaller of -

- (a) four times the annual rate of the Member's Life Cover Pensionable Salary when Service ceased, less (i) any cash sum the Member has previously commuted under the Scheme; (ii) any Deferred Cash Sum relating to Pensionable Service accrued during the Member's last period of continuous employment; and (iii) any cash sum payable on the Pensioner's death under rule 6B.2(1)(a) or rule 7B.2(1)(a); and

- (b) the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.

If (b) is smaller than (a) the Trustees will apply the difference in increasing the pensions payable to the Member's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

The cash sum will be zero if it would otherwise be negative.

(2) ***Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension***

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension. Alternatively, if there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension. The pension is payable for life and will start on the day after the period to which the Pensioner's last pension payment relates. The initial annual amount will be 50% of the Pensioner's Full Pension.

The Trustees can reduce the pension if the beneficiary is more than 10 Years younger than the Member. The Trustees will decide the amount of any reduction, having consulted the Actuary.

(3) ***Qualifying Children's Pension***

The Trustees will pay a pension in respect of the Member's Qualifying Children, starting on the day after the period to which the Pensioner's last pension payment relates. The initial annual amount will be -

- (a) whilst a pension is being paid under (2) above - 50% of that pension for each Qualifying Child (up to a maximum of two);
- (b) whilst no pension is being paid under (2) above - the amount of pension to which a Qualifying Spouse would be entitled under (1) above for each Qualifying Child (up to a maximum of two).

#### **4B.2A DEATH OF A PENSIONER IN SERVICE**

- (1) If a Career Average Benefits 2011 Member dies in Service whilst a Pensioner receiving benefits from this Section, then in addition to the benefits payable under rule 4B.2 the Trustees will hold on the Discretionary Trusts a cash sum.
- (2) The cash sum will be equal to the smaller of –
  - (a) twice the annual rate of the Member's Life Cover Pensionable Salary at death less any cash sum the Member has previously commuted under the Scheme and less any Deferred Cash Sum relating to Pensionable Service accrued during the Member's last period of continuous employment; and

- (b) the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.

If (b) is smaller than (a) the Trustees will apply the difference in increasing the pensions payable to the Member's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

The cash sum will be zero if it would otherwise be negative.

#### **4B.3 DEATH IN DEFERMENT**

If a Career Average Benefits 2011 Member dies whilst a Deferred Pensioner the following benefits are payable -

(1) ***Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension***

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension. Alternatively, if there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension. The pension is payable for life and will start on the day after the Deferred Pensioner's death. The initial annual amount will be 50% of the Scale Pension to which the Member would have been entitled if it had begun immediately before death, ignoring any Early Payment Reduction.

The Trustees can reduce the pension if the beneficiary is more than 10 Years younger than the Member. The Trustees will decide the amount of any reduction, having consulted the Actuary.

(2) ***Qualifying Children's Pension***

The Trustees will pay a pension in respect of the Member's qualifying children, starting on the day after the Deferred Pensioner's death. The initial annual amount will be -

- (a) whilst a pension is being paid under (1) above - 50% of that pension for each Qualifying Child (up to a maximum of two);
- (b) whilst no pension is being paid under (1) above - the amount of pension to which a Qualifying Spouse would be entitled under (1) above for each Qualifying Child (up to a maximum of two).

#### **4B.4 DISCRETIONARY PENSIONS**

If a Career Average Benefits 2011 Member dies without leaving a Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant, the Trustees may pay any number of Discretionary Pensions. They will decide the amount, duration and terms of each Discretionary Pension.

The initial amount of all Discretionary Pensions must not exceed an amount, as determined by the Actuary, equivalent to the pension that would have been payable had there been a Qualifying Spouse of the same age as the Member.

## SECTION 5A

### CAREER AVERAGE BENEFITS 2006 – STANDARD MEMBERS' BENEFITS

#### **Summary**

*For a Career Average Benefits 2006 Member the Scheme provides –*

- *a Scale Pension (see rule 5A.1) on leaving Service at or after 65 (rule 5A.2 and 3)*
- *a deferred pension for early leavers (rule 5A.6)*
- *reduction of the Scale Pension on early payment (rules 5A.4 and 5)*
- *the option, subject to the consent of the BBC, to receive pension while still in Service (rule 5A.5)*
- *an Incapacity pension (rule 5A.7)*
- *option of commutation (rule 5A.9)*

#### **5A.1 "SCALE PENSION"**

Section 5A sets out the standard benefits payable to a Career Average Benefits 2006 Member. In it –

**"Scale Pension"** means a pension for life calculated as follows –

- (a) For each Scheme Year during which the Member is in Pensionable Service, 1.67% (or such other percentage as the BBC and the Trustees decide) of the Member's Pensionable Salary in that Scheme Year determined on a daily basis.
- (b) While the Member is an Active Member or a Deferred Pensioner, the pension attributable to each Scheme Year will be revalued by such amounts and on such dates as the BBC and the Trustees decide. The current approach to revaluation will be notified to Members.
- (c) The initial annual pension payable is the aggregate of the revalued pension accrued under (a) and (b) above.

#### **5A.2 PAYMENT AT NORMAL PENSION AGE**

An Active Member who leaves Service at Normal Pension Age will receive the Scale Pension, starting the next day.

#### **5A.3 LATE PAYMENT**

An Active Member who remains in Service after Normal Pension Age will receive the Scale Pension, starting on the earlier of -

- (a) the day after he or she leaves Service; and
- (b) his or her 75<sup>th</sup> birthday.

#### **5A.4 EARLY PAYMENT**

An Active Member who –

- (a) leaves Service having reached age 55 but not Normal Pension Age; and
- (b) does not receive an Incapacity pension; and
- (c) has completed at least two Years' Qualifying Service as an Active Member; and
- (d) makes a written request in the form prescribed by the Trustees (currently form PENS 10)

will, if the BBC agrees, receive the Scale Pension reduced by the Early Payment Reduction, starting the next day. The BBC has discretion to waive the Early Payment Reduction, in whole or in part, provided that it or the Employer pays such additional contributions as the Trustees, having consulted the Actuary, may require.

#### **5A.5 FLEXIBLE PAYMENT**

A Member in Service who –

- (a) has reached age 55 but has not yet left Service; and
- (b) has completed at least two Years' Qualifying Service as an Active Member; and
- (c) makes a written request in the form prescribed by the Trustees

will, if the BBC agrees, receive all or part of the Scale Pension, starting on such date as the Member decides, but reduced by the Early Payment Reduction, if the pension starts before Normal Pension Age. Receipt of the Scale Pension under this rule and any related death benefits which are subsequently payable from Section 5B are in accordance with the flexible payment provisions published by the Trustees, with the BBC's consent.

#### **5A.6 DEFERRED PENSION**

An Active Member who leaves Service before Normal Pension Age, without receiving either a refund of Member Contributions or cash transfer sum under rule 5A.10 or an immediate pension, will be entitled to receive the Scale Pension starting the day after Normal Pension Age.

On receiving a written request from the Member, the Trustees will start paying the pension from such date as they decide -

- (a) after they are satisfied that the Member is suffering from Incapacity, in which case the Trustees have discretion to waive all or part of the Early Payment Reduction; or
- (b) on or after the Member's 55<sup>th</sup> birthday but before Normal Pension Age, in which case the Scale Pension will be reduced by the Early Payment Reduction; or
- (c) on or after Normal Pension Age, in which case the Scale Pension is payable but not later than the Member's 75<sup>th</sup> birthday.



## **5A.7 INCAPACITY PENSION**

- (1) An Active Member who leaves Service before Normal Pension Age due to Incapacity will, if the BBC and the Trustees so decide, receive –
  - (a) if he or she has completed at least two Years' continuous Pensionable Service, the Scale Pension, starting the next day;
  - (b) otherwise, the Scale Pension reduced by the Early Payment Reduction.

If a Member is incapable of carrying on any occupation, the Scale Pension will, if the BBC and the Trustees so decide, be increased by the Member's Prospective Pension.

Rule 10.4 sets out the provisions for the review of Incapacity pensions.

### **(2) "Member's Prospective Pension"**

In this rule, "**Member's Prospective Pension**" means the additional pension that the Member would have earned under rule 5A.1, without revaluation, had he or she remained in Pensionable Service until Normal Pension Age. It is calculated using the annual rate of the Member's Pensionable Salary, as the BBC determines it would have been but for the effect of Family Leave (rule 9.4) or Other Absences (rule 9.5), immediately before leaving Service.

## **5A.8 CONTRACTING OUT**

Career Average Benefits 2006 Members were not in Contracted-Out Employment.

## **5A.9 COMMUTATION**

When a Member's pension becomes payable, he or she can exercise the following option by giving notice in the form prescribed by the Trustees (currently PENS 1B Career Average) before the pension starts. This option cannot be exercised or cancelled once the pension is in payment.

- (a) The Member can commute for a lump sum such part of his or her pension, as the Trustees decide, provided that it must not exceed four times the Member's initial annual pension, or such other amount as the BBC allows.

Commutation under this paragraph does not affect entitlement to or the amount of any pension payable under rule 5B.2

The commutation rate will be decided by the BBC and the Trustees jointly, having consulted the Actuary, at the beginning of each calendar year. Currently for each £12 lump sum the initial annual pension is reduced by £1.

- (b) If the Trustees have received evidence from a registered medical practitioner (as defined in the Finance Act 2004) appointed by the BBC that the Member is expected to live for less than a Year the lump sum can exceed the amount in (a) above, subject to the requirements of paragraph 4 in Schedule 29 of the Finance Act 2004.

The commutation rate will be in accordance with commutation tables provided by the Actuary.

- (c) The Trustees may pay to a person a lump sum instead of a pension provided they are satisfied the Triviality Requirements are met.

Commutation under this paragraph will include any pension or other benefit prospectively payable on the Member's death.

The commutation rate will be decided by the Trustees, having consulted the Actuary.

#### **5A.10 REFUND OF MEMBER CONTRIBUTIONS**

Subject to the provisions of Chapter 5 of Part IV of the Pension Schemes Act 1993 relating to Members with more than three months' Qualifying Service having the right to elect for a 'cash transfer sum', a Member who -

- (a) ceases to be an Active Member before Normal Pension Age, without receiving an Incapacity pension under rule 5A.7; and
- (b) has completed less than 2 Years' Qualifying Service; and
- (c) has not made a transfer into the Scheme from a personal pension scheme (as defined in section 1 of the Pension Schemes Act 1993)

will receive a refund of his or her Member Contributions, plus Interest and less any tax payable in connection with the payment.

## SECTION 5B

### CAREER AVERAGE BENEFITS 2006 – DEATH BENEFITS

#### **Summary**

*Following a Career Average Benefits 2006 Member's death the Scheme provides -*

- *a cash sum in certain circumstances*
- *a pension for the Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant*
- *a pension for Qualifying Children*

#### **5B.1 DEATH OF AN ACTIVE MEMBER IN SERVICE**

If a Career Average Benefits 2006 Member dies whilst an Active Member the following benefits are payable -

**(1) Cash sum**

The Trustees will hold on the Discretionary Trusts a cash sum equal to the smaller of four times the annual rate of the Member's Life Cover Pensionable Salary at death and the Lifetime Allowance.

**(2) Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension**

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension. Alternatively, if there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension. The pension is payable for life and starts on the day after the Member's death. The initial annual amount will be the sum of -

- 50% of the Scale Pension to which the Member would have been entitled if it had begun immediately before death, ignoring any Early Payment Reduction; and
- 50% of the Member's Prospective Pension.

The Trustees can reduce the pension if the beneficiary is more than 10 Years younger than the Member. The Trustees will decide the amount of any reduction, having consulted the Actuary.

**(3) Qualifying Children's Pension**

The Trustees will pay a pension in respect of the Member's Qualifying Children, starting on the day after the Member's death. The initial annual amount will be -

- whilst a pension is being paid under (2) above – 50% of that pension for each Qualifying Child (up to a maximum of two);

- (d) whilst no pension is being paid under (2) above – the amount of pension to which a Qualifying Spouse would be entitled under (2) above for each Qualifying Child (up to a maximum of two).

(4) ***Additional pension***

If the cash sum payable under (1) above is limited to the Lifetime Allowance the Trustees will apply the Excess to provide an additional pension for the beneficiaries in (2) and (3) above.

In this paragraph "**Excess**" means the excess of four times the annual rate of the Member's Life Cover Pensionable Salary at death over the Lifetime Allowance.

(5) ***"Member's Prospective Pension"***

In this rule "**Member's Prospective Pension**" means -

- (a) if the Member dies in Service before Normal Pension Age, the additional pension that the Member would have earned under rule 5A.1, without revaluation, had he or she remained in Pensionable Service until Normal Pension Age. It is calculated using the annual rate of the Member's Pensionable Salary, as the BBC determines it would have been but for the effect of Family Leave (rule 9.4) or Other Absence (rule 9.5), immediately before death; or
- (b) if the Member dies on or after Normal Pension Age, the Scale Pension to which the Member was entitled immediately before death.

## **5B.2 DEATH IN RETIREMENT**

If a Career Average Benefits 2006 Member dies whilst a Pensioner receiving benefits from this Section, the following benefits are payable –

(1) ***Cash Sum***

If the Pensioner dies before Normal Pension Age whilst receiving an Incapacity pension under rule 5A.7, the Trustees will hold on the Discretionary Trusts a cash sum equal to -

- (a) the smaller of four times the annual rate of the Member's Life Cover Pensionable Salary when Service ceased, less any commutation lump sum paid under rule 5A.9(a) and the amount referred to in (b) below;
- (b) the amount in question is the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in the relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.

Where four times the annual rate of the Member's Life Cover Pensionable Salary less any commutation lump sum paid under rule 5A.9(a) is greater than the maximum lump sum referred to in (b) above, the difference will be applied by the Trustees in increasing the pensions payable to the Member's Qualifying Spouse, Qualifying Civil

Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

(2) ***Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension***

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension. Alternatively, if there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension. The pension is payable for life and will start on the day after the period to which the Pensioner's last pension payment relates. The initial annual amount will be 50% of the Pensioner's Full Pension.

The Trustees can reduce the pension if the beneficiary is more than 10 Years younger than the Member. The Trustees will decide the amount of any reduction, having consulted the Actuary.

(3) ***Qualifying Children's Pension***

The Trustees will pay a pension in respect of the Member's Qualifying Children, starting on the day after the period to which the Pensioner's last pension payment relates. The initial annual amount will be -

- (a) whilst a pension is being paid under (2) above - 50% of that pension for each Qualifying Child (up to a maximum of two);
- (b) whilst no pension is being paid under (2) above - the amount of pension to which a Qualifying Spouse would be entitled under (1) above for each Qualifying Child (up to a maximum of two).

**5B.2A DEATH OF A PENSIONER IN SERVICE**

- (1) If a Career Average Benefits 2006 Member dies in Service whilst a Pensioner receiving benefits from this Section, then in addition to the benefits payable under rule 5B.2 the Trustees will hold on the Discretionary Trusts a cash sum.
- (2) The cash sum will be equal to -
  - (a) the smaller of twice the annual rate of the Member's Life Cover Pensionable Salary at death less any commutation lump sum paid under rule 5A.9(a) and the amount referred to in (b) below;
  - (b) the amount in question is the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in the relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.
- (3) The cash sum will be zero if it would otherwise be negative.
- (4) Where a cash sum is payable under this rule in the circumstances that the amount specified in (2)(b) above is smaller than the amount specified in (2)(a) above, the Trustees will apply a cash sum equal to the difference between these two amounts

to provide an additional pension or pensions for the Pensioner's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

### **5B.3 DEATH IN DEFERMENT**

If a Career Average Benefits 2006 Member dies whilst a Deferred Pensioner the following benefits are payable -

(1) ***Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension***

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension. Alternatively, if there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension. The pension is payable for life and will start on the day after the Deferred Pensioner's death. The initial annual amount will be 50% of the Scale Pension to which the Member would have been entitled if it had begun immediately before death, ignoring any Early Payment Reduction.

The Trustees can reduce the pension if the beneficiary is more than 10 Years younger than the Member. The Trustees will decide the amount of any reduction, having consulted the Actuary.

(2) ***Qualifying Children's Pension***

The Trustees will pay a pension in respect of the Member's qualifying children, starting on the day after the Deferred Pensioner's death. The initial annual amount will be -

- (a) whilst a pension is being paid under (1) above - 50% of that pension for each Qualifying Child (up to a maximum of two);
- (b) whilst no pension is being paid under (1) above – the amount of pension to which a Qualifying Spouse would be entitled under (1) above for each Qualifying Child (up to a maximum of two).

### **5B.4 DISCRETIONARY PENSIONS**

If a Career Average Benefits 2006 Member dies without leaving a Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant, the Trustees may pay any number of Discretionary Pensions. They will decide the amount, duration and terms of each Discretionary Pension

The initial amount of all Discretionary Pensions must not exceed an amount, as determined by the Actuary, equivalent to the pension that would have been payable had there been a Qualifying Spouse of the same age as the Member.

## SECTION 6A

### NEW BENEFITS - STANDARD MEMBERS' BENEFITS

#### **Summary**

*For a New Benefits Member the Scheme provides -*

- *a Scale Pension (see rule 6A.1) on leaving Service at or after 60 (rule 6A.2)*
- *a refund of contributions or deferred pension for some early leavers (rules 6A.3 and 6)*
- *adjustments to the Scale Pension on early payment (rules 6A.4 and 5)*
- *the option, subject to the consent of the BBC, to receive pension while still in Service (rule 6A.4A)*
- *an Incapacity pension (rule 6A.7)*
- *options of commutation and levelling adjustment (rule 6A.9)*

*Extra pension and other benefits may be provided through AVCs (rule 3.2)*

#### **6A.1 "SCALE PENSION"**

Section 6A sets out the standard benefits payable to a New Benefits Member. In it -

**"Scale Pension"** means a pension for life at an initial annual amount of 1/60th of the Member's Final Pensionable Salary for each Year (not exceeding 40) of his or her Pensionable Service. Odd days, excluding 29 February, each count as 1/365th of a Year.

#### **6A.2 NORMAL RETIREMENT PENSION**

An Active Member who leaves Service at or after Normal Pension Age will receive the Scale Pension, starting the next day.

A Member who ceases to be an Active Member after Normal Pension Age but remains in Service will receive the Scale Pension starting the day after the Member actually leaves Service. The Scale Pension will be adjusted by the Late Payment Increase.

#### **6A.3 REFUND OF MEMBER CONTRIBUTIONS**

Subject to the provisions of Chapter 5 of Part IV of the Pension Schemes Act 1993 relating to Members with more than three months' Qualifying Service having the right to elect for a 'cash transfer sum', a Member who -

- ceases to be an Active Member before Normal Pension Age, without receiving an Incapacity pension under rule 6A.7; and
- has completed less than 2 Years' Qualifying Service; and

- (c) has not made a transfer into the Scheme from a personal pension scheme (as defined in section 1 of the Pension Schemes Act 1993)

will receive a refund of his or her Member Contributions, plus Interest, less the amount recoverable under section 61 of the Pension Schemes Act 1993 and less any tax payable in connection with the payment. Following the refund a contributions equivalent premium will be paid under rule 11 of Schedule 3 and accordingly no GMP or other benefits will be payable under the Scheme to or in respect of the Member.

#### **6A.4 VOLUNTARY EARLY RETIREMENT**

An Active Member who -

- (a) leaves Service -

- before 6 April, 2010, having reached age 50 but not Normal Pension Age;
- after 5 April, 2010, having reached age 55 but not Normal Pension Age; and

- (b) does not receive an Incapacity pension or a refund of Member Contributions under this Section; and

- (c) makes a written request in the form prescribed by the Trustees (currently PENS 10)

will, if the BBC so decides, receive the Scale Pension, reduced by the Early Payment Reduction and starting the next day.

#### **6A.4A FLEXIBLE PAYMENT**

A Member in Service who –

- (a) has completed 2 Years' Qualifying Service; and

- (b) makes a written request in the form prescribed by the Trustees;

- before 6 April, 2010, having reached age 50 but not Normal Pension Age;
- after 5 April, 2010, having reached age 55 but not Normal Pension Age;
- at any time, having reached Normal Pension Age;

will, if the BBC so decides, receive all or part of the Scale Pension, starting on such date as the Member selects but reduced by the Early Payment Reduction if the Scale Pension is received before Normal Pension Age. Receipt of the Scale Pension under this rule and any related death benefits which are subsequently payable from Section 6B shall be in accordance with the flexible payment provisions published by the Trustees, with the BBC's consent.



#### **6A.5 COMPULSORY EARLY RETIREMENT**

An Active Member who -

- (a) at the instance of his or her Employer, leaves Service -
  - before 6 April, 2010, having reached age 50 but not Normal Pension Age;
  - after 5 April, 2010, having reached age 55 but not Normal Pension Age; and
- (b) does not receive an Incapacity pension under rule 6A.7; and
- (c) has completed at least two Years' Pensionable Service as an Active Member;

will, if the BBC so decides, receive the Scale Pension, starting the next day.

#### **6A.6 DEFERRED PENSION**

A Member who leaves Service before Normal Pension Age, without receiving a refund of Member Contributions or a cash transfer sum under Rule 6A.3 or an immediate pension under this Section, will receive the Scale Pension (increased during deferment in accordance with rule 10.1), beginning the day after Normal Pension Age.

On receiving a written request from the Member, the Trustees may start paying the pension before Normal Pension Age from such date as they decide -

- (a) which before 6 April, 2010 must not be earlier than the Member's 50<sup>th</sup> birthday and after 5 April, 2010 must not be earlier than the Member's 55<sup>th</sup> birthday, in which case the Scale Pension will be reduced by the Early Payment Reduction; or
- (b) if they are satisfied that the Member is suffering from Incapacity, in which case the Trustees have discretion to waive all or part of the Early Payment Reduction.

On receiving a written request from the Member, the Trustees may start paying the pension after Normal Pension Age from such date as they decide which must not be later than the Member's 75<sup>th</sup> birthday. The pension will be adjusted by the Late Payment Increase.

#### **6A.7 INCAPACITY PENSION**

An Active Member who leaves Service before Normal Pension Age due to Incapacity will, if the BBC so decides, receive the Scale Pension, starting the next day.

If the Member has completed at least 2 Years' Pensionable Service as an Active Member the Scale Pension will be increased by making the following changes to the formula in rule 6A.1 -

- (a) if the BBC decides that the Member is unable to follow his or her normal occupation, with the Trustees' consent the period of Pensionable Service will be increased by half the number of days, excluding 29 February, between the date he or she left Service and Normal Pension Age;

- (b) if the BBC decides that the Member is unable to follow any occupation, with the Trustees' consent the period of Pensionable Service will be what it would have been had the Member stayed in Pensionable Service until Normal Pension Age where this produces a higher pension than that calculated under (a) above.

Rule 10.4 sets out the provisions for the review of Incapacity pensions.

## **6A.8 CONTRACTING-OUT REQUIREMENTS**

### **(1) Contracted-out Employment before 6 April 1997 (GMPs)**

The Scheme provides a GMP in respect of Contracted-out Employment before 6 April, 1997. The statutory requirements governing the calculation and payment of GMPs are set out in Schedule 3. A Member's pension under this Section includes his or her GMP and offsets any GMP entitlement under Schedule 3 to the extent permitted by rule 3.7 of that Schedule.

### **(2) Contracted-out Employment after 5 April 1997 and before 6 April 2016 (Reference scheme test)**

A Member's Pensionable Service after 5 April 1997 and before 6 April 2016 is Contracted-out Employment (on a salary-related basis). A Member's pension under this Section includes his or her contracted-out pension rights in respect of that period.

### **(3) Overriding rule**

In the event of conflict between this rule and any other rule of this Section, this rule shall override.

## **6A.9 OPTIONS**

When a Member's pension becomes payable, he or she may exercise the following options -

- (a) commutation;
- (b) levelling adjustment (this option is only available where the Member's pension starts to be paid prior to 1 October 2012)

by giving written notice in the form prescribed by the Trustees (currently PENS1B (New)) before the pension starts. These options cannot be exercised or cancelled once the pension is in payment.

### **(1) Commutation**

- (a) The Member may commute for a lump sum any part of his or her pension in excess of the GMP.
- (b) Subject to (c) and (d) below -
  - (i) for each £12 lump sum the initial annual amount of pension will be reduced by £1, or by such other amount as the Trustees may determine from time to time, using commutation tables provided by the Actuary;

- (ii) the lump sum must not exceed the permitted maximum for this purpose as defined in paragraph 2 of Schedule 29 of the Finance Act 2004 as amended (if applicable) by paragraphs 24 to 34 of Schedule 36 to that Act;
  - (iii) commutation under (a) above does not affect the entitlement to or amount of any pension payable under rule 6B.2 following the Member's death.
- (c) If the Trustees have received evidence from a registered medical practitioner (as defined in the Finance Act 2004), who has been accepted for this purpose by the BBC in writing, that the Member is expected to live for less than one year, the lump sum can (subject to the conditions set out in paragraph 4 of Schedule 29 to the Finance Act 2004) exceed the permitted maximum described in (b)(ii) above.

The commutation rate will be in accordance with commutation tables provided by the Actuary.

- (d) The Trustees may pay to a person a lump sum instead of a pension provided they are satisfied the Triviality Requirements are met.

Commutation under this paragraph will include any pension or other benefit prospectively payable on the Member's death.

The commutation rate will be decided by the Trustees, having consulted the Actuary.

## (2) ***Levelling Adjustments***

- (a) At the Member's request the Trustees may increase his or her pension from when it starts until State Pension Age and then reduce it until the Member's 75th birthday. After that birthday the pension's amount then reverts to what it would have been but for the levelling adjustment.
- (b) The amount of the increase and reduction will be decided by the Trustees, on the Actuary's advice, to the intent that, when the pension that the Member is entitled to receive from the Scheme and the single person's basic State pension are aggregated, his or her total income from those two pensions (taking their amounts at the time the Member's pension from the Scheme starts) remains approximately level throughout retirement up to age 75. Provided that the Trustees must not reduce the pension below the GMP.
- (c) Levelling adjustment under (a) above does not affect the amount of any pension that can be commuted under rule 6A.9(1) or any pension payable under rule 6B.2 following the Member's death or of any pension increase under rule 10.1.

## SECTION 6B

### NEW BENEFITS - STANDARD DEATH BENEFITS

#### **Summary**

*Following a New Benefits Member's death the Scheme provides -*

- *a cash sum in certain circumstances*
- *a pension for the Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant*
- *a pension for Qualifying Children*

*Extra pension and other benefits may be provided through AVCs (rule 3.2)*

#### **6B.1 DEATH OF AN ACTIVE MEMBER IN SERVICE**

If a New Benefits Member dies whilst an Active Member the following benefits will be payable -

**(1) Cash sum**

The Trustees will hold on the Discretionary Trusts a cash sum equal to the smaller of 4 times the annual rate of the Member's Life Cover Pensionable Salary at death and the Lifetime Allowance.

**(2) Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension**

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension, starting on the day after the Member's death. Its initial annual amount will be half of the Member's Prospective Pension, inclusive of any GMP payable under Schedule 3.

If there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension, starting on the day after the Member's death. Its initial annual amount will be half of the Member's Prospective Pension, but reduced by the amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner. However, no pension will be payable to the Nominated Dependant whilst there are 2 or more Qualifying Children.

The Trustees may reduce the pension if the Nominated Dependant is more than 10 Years younger than the Member. The Trustees (after consulting the Actuary) will decide the amount of any reduction, which will not be more than 2.5% of the pension for each complete Year over 10.

(3) ***Qualifying Children's pension***

The Trustees will pay a pension in respect of the Member's Qualifying Children, starting on the day after the Member's death. Its initial annual amount will be -

- (a) whilst a Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - one-quarter of the Member's Prospective Pension for each Qualifying Child (up to a maximum of 2);
- (b) whilst no Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - the smaller of -
  - (i) one-half of the Member's Prospective Pension for each Qualifying Child (up to a maximum of 2); and
  - (ii) the Member's Prospective Pension less the amount of any GMP payable under Schedule 3 whilst there is a Widow, Widower or Civil Partner.

(4) ***"Member's Prospective Pension"***

In this rule "**Member's Prospective Pension**" means the following amount -

- (a) if the Member dies in Service before Normal Pension Age -  $\frac{1}{60}$ th of the Member's Final Pensionable Salary at death for each Year (not exceeding 40) of Pensionable Service (as it would have been had he or she stayed in Pensionable Service until Normal Pension Age). Odd days, excluding 29 February, each count as  $\frac{1}{365}$ th of a Year;
- (b) if the Member dies in Service on or after Normal Pension Age - the pension to which he or she would have been entitled on leaving Service immediately before he or she died.

(5) ***Additional pension***

If the cash sum payable under (1) above is limited to the Lifetime Allowance, the Trustees will apply the Excess to provide an additional pension or pensions for the Member's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children.

In this rule "**Excess**" means the excess of 4 times the annual rate of the Member's Life Cover Pensionable Salary at death over the Lifetime Allowance.

## **6B.2 DEATH IN RETIREMENT**

If a New Benefits Member dies whilst a Pensioner receiving benefits from this Section, the following benefits will be payable -

(1) ***Cash sum***

- (a) If death occurs within 5 Years of the pension starting, the Trustees will hold on the Discretionary Trusts a cash sum. The cash sum will be equal to the pension payments that would have been made to the Pensioner during the balance of

the 5 Years, at the rate payable immediately before death, as it would have been but for any levelling adjustment (under rule 6A.9(2)).

- (b) However if a Pensioner dies before Normal Pension Age whilst receiving an Incapacity pension under rule 6A.7 then, instead of the above cash sum and irrespective of whether death occurs within 5 Years of the pension starting, the Trustees will hold on the Discretionary Trusts a cash sum equal to -
  - (i) the smaller of four times the annual rate of the Member's Life Cover Pensionable Salary, when Service ceased, less any commutation lump sum paid under rule 6A.9(1) and the amount referred to in (ii) below;
  - (ii) the amount in question is the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in the relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.

Where four times the annual rate of the Member's Life Cover Pensionable Salary less any commutation lump sum paid under rule 6A.9(1) is greater than the maximum lump sum referred to in (ii) above, the difference will be applied by the Trustees in increasing the pensions payable to the Member's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

- (c) A Member may elect in writing to the Trustees, before his or her pension starts, to have any cash sum payable upon his or her death after commencement of pension (other than an Incapacity pension before Normal Pension Age) treated as a Pension Protection Lump Sum under the Finance Act 2004. The Trustees shall deduct from the lump sum any tax for which they may be liable to account for to HM Revenue & Customs under section 206 of the Finance Act 2004.

(2) ***Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension***

The Pensioner's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension, starting on the day after the period to which the Pensioner's last pension payment relates. Its initial annual amount will be half of the Pensioner's Full Pension, inclusive of any GMP payable under Schedule 3.

If there is no Qualifying Spouse or Qualifying Civil Partner, the Pensioner's Nominated Dependant will be entitled to a pension, starting on the day after the period to which the Pensioner's last pension payment relates. Its initial annual amount of the pension will be half of the Pensioner's Full Pension, but reduced by the amount of any GMP payable under Schedule 3, if there is a Widow, Widower or Civil Partner. However, no pension will be payable to the Nominated Dependant whilst there are 2 or more Qualifying Children.

The Trustees may reduce the pension if the Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant is more than 10 Years younger than the Pensioner.

The Trustees (after consulting the Actuary) will decide the amount of any reduction, which will not be more than 2.5% of the pension for each complete Year over 10.

(3) ***Qualifying Children's pension***

The Trustees will pay a pension in respect of the Pensioner's Qualifying Children, starting on the day after the period to which the Pensioner's last pension payment relates. Its initial annual amount will be -

- (a) whilst a Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - one-quarter of the Pensioner's Full Pension for each Qualifying Child (up to a maximum of two);
- (b) whilst no Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - the smaller of -
  - (i) one-half of the Pensioner's Full Pension for each Qualifying Child (up to a maximum of 2); and
  - (ii) the Pensioner's Full Pension less the amount of any GMP payable under Schedule 3 whilst there is a Widow, Widower or Civil Partner.

**6B.2A DEATH OF A PENSIONER IN SERVICE**

- (1) If a New Benefits Member dies in Service whilst a Pensioner receiving benefits from this Section, then in addition to the benefits payable under rule 6B.2 the Trustees will hold on the Discretionary Trusts a cash sum.
- (2) The cash sum will be equal to:-
  - (a) the smaller of (i) twice the annual rate of the Member's Life Cover Pensionable Salary at death less any commutation lump sum paid under rule 6A.9(1) and any cash sum payable on the Pensioner's death under rule 6B.2(1)(a) and (ii) the amount referred to in (b) below;
  - (b) the amount in question is the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in the relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.
- (3) The cash sum will be zero if it would otherwise be negative.
- (4) Where a cash sum is payable under this rule in the circumstances that the amount specified in (2)(b) above is smaller than the amount specified in (2)(a) above, the Trustees will apply a cash sum equal to the difference between these two amounts to provide an additional pension or pensions for the Pensioner's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

### 6B.3 DEATH IN DEFERMENT

If a New Benefits Member dies whilst a Deferred Pensioner the following benefits will be payable -

(1) **Cash sum**

If the Deferred Pensioner leaves no Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant, Qualifying Children or Discretionary Dependant, the Trustees will hold on the Discretionary Trusts a cash sum. The cash sum will be equal to 5 times the Deferred Pensioner's Prospective Pension.

(2) **Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension**

The Deferred Pensioner's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension, starting on the day after the Deferred Pensioner's death. Its initial annual amount will be half of the Deferred Pensioner's Prospective Pension, inclusive of any GMP payable under Schedule 3.

If there is no Qualifying Spouse or Qualifying Civil Partner, the Deferred Pensioner's Nominated Dependant will be entitled to a pension starting on the day after the Deferred Pensioner's death. Its initial annual amount will be half of the Deferred Pensioner's Prospective Pension, but reduced by the amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner. However, no pension will be payable to the Nominated Dependant whilst there are 2 or more Qualifying Children.

The Trustees may reduce the pension if the Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant is more than 10 Years younger than the Deferred Pensioner. The Trustees (after consulting the Actuary) will decide the amount of any reduction, which will not be more than 2.5% of the pension for each complete Year over 10.

(3) **Qualifying Children's pension**

The Trustees will pay a pension in respect of the Deferred Pensioner's Qualifying Children, starting on the day after the Deferred Pensioner's death. Its initial annual amount will be -

- (a) whilst a Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - one-quarter of the Deferred Pensioner's Prospective Pension for each Qualifying Child (up to a maximum of 2);
- (b) whilst no Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - the smaller of -
  - (i) one-half of the Deferred Pensioner's Prospective Pension for each Qualifying Child (up to a maximum of 2); and
  - (ii) the Deferred Pensioner's Prospective Pension less the amount of any GMP payable under Schedule 3 whilst there is a Widow, Widower or Civil Partner



(4) ***"Deferred Pensioner's Prospective Pension"***

In this rule **"Deferred Pensioner's Prospective Pension"** means the initial annual amount of the pension to which the Deferred Pensioner would have been entitled (under rule 6A.6) if it had started immediately before he or she died, but ignoring the Early Payment Reduction.

**6B.4 DISCRETIONARY PENSIONS**

If a New Benefits Member dies without leaving a Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant, the Trustees may pay any number of Discretionary Pensions. They will decide the amount, duration and terms of each Discretionary Pension.

The initial annual amount of all Discretionary Pensions must not exceed -

- (a) an amount of equivalent capital value (as determined by the Actuary) to the Qualifying Spouse's pension that would have been payable had there been a Qualifying Spouse of the same age as the Member;

less

- (b) the initial annual amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner.

**6B.5 CONTRACTING-OUT REQUIREMENTS**

(1) ***Contracted-out Employment before 6 April 1997 (GMPs)***

The Scheme provides, to a Widow, Widower or Civil Partner who is entitled to it, a GMP in respect of a Member's Contracted-out Employment before 6 April 1997. The statutory requirements governing the calculation and payment of GMPs are set out in Schedule 3. When a Widow, Widower or Civil Partner is entitled to a GMP it will be paid (in accordance with Schedule 3) -

- (a) as part of the Qualifying Spouse's or Qualifying Civil Partner's pension under this Section in respect of the Member's Pensionable Service before 6 April 1997; or
- (b) as a separate entitlement if there is no Qualifying Spouse or Qualifying Civil Partner.

(2) ***Overriding rule***

In the event of conflict between this rule and any other rule of this Section, this rule shall override.

## SECTION 7A

### OLD BENEFITS - STANDARD MEMBERS' BENEFITS

#### **Summary**

*For an Old Benefits Member the Scheme provides -*

- *a Scale Pension (see rule 7A.1) on leaving Service at 60 (rule 7A.2) or on compulsory early retirement (rule 7A.5)*
- *a late retirement pension (rule 7A.3)*
- *a reduced Scale Pension on voluntary early retirement (rule 7A.4)*
- *the option, subject to the consent of the BBC, to receive pension while still in Service (rule 7A.4A)*
- *a deferred pension for early leavers (rule 7A.6)*
- *an Incapacity pension (rule 7A.7)*
- *options of commutation and levelling adjustment (rule 7A.9)*

*Extra pension and other benefits may be provided through AVCs (rule 3.2)*

#### **7A.1 "SCALE PENSION"**

Section 7A sets out the benefits payable to an Old Benefits Member. In it -

**"Scale Pension"** means, a pension for life at an initial annual amount of 1/60th of the Member's Final Pensionable Salary for each Year (not exceeding 40) of his or her Pensionable Service. The Scale Pension is reduced by £1.33 for each Year of Pensionable Service before 1 August 1991 that the Member elected to pay reduced contributions (known as "Rate A") on the first £400 of salary. Odd days, excluding 29 February, each count as 1/365th of a Year.

#### **7A.2 NORMAL RETIREMENT PENSION**

An Active Member who leaves Service at Normal Pension Age will receive the Scale Pension, starting the next day.

#### **7A.3 LATE RETIREMENT**

An Active Member who remains in Service after Normal Pension Age will receive the Scale Pension, starting -

- (a) on the day after he or she leaves Service; or
- (b) on such earlier date as the Member selects in written notice to the Trustees.

The Scale Pension will be increased by changing the formula in rule 7A.1 to include Years of Pensionable Service in excess of 40 (but not more than 45), if they occur after the Member's Normal Pension Age.

A Member who ceases to be an Active Member after Normal Pension Age but remains in Service will receive the Scale Pension starting the day after the Member actually leaves Service. The Scale Pension will be adjusted by the Late Payment Increase.

#### **7A.4 VOLUNTARY EARLY RETIREMENT**

An Active Member who -

(a) leaves Service -

- before 6 April, 2010, having reached age 50 but not Normal Pension Age;
- after 5 April, 2010, having reached age 55 but not Normal Pension Age; and

(b) does not receive an Incapacity pension under rule 7A.7; and

(c) makes a written request in the form prescribed by the Trustees (currently PENS 10)

will, if the BBC so decides, receive the Scale Pension, reduced by the Early Payment Reduction and starting the next day.

#### **7A.4A FLEXIBLE PAYMENT**

A Member in Service who -

(a) has completed 2 Years' Qualifying Service; and

(b) makes a written request in the form prescribed by the Trustees;

- before 6 April, 2010, having reached age 50 but not Normal Pension Age;
- after 5 April, 2010, having reached age 55 but not Normal Pension Age;
- at any time, having reached Normal Pension Age;

will, if the BBC so decides, receive all or part of the Scale Pension, starting on such date as the Member selects but reduced by the Early Payment Reduction if the Scale Pension is received before Normal Pension Age. Receipt of the Scale Pension under this rule and any related death benefits which are subsequently payable from Section 7B shall be in accordance with the flexible payment provisions published by the Trustees, with the BBC's consent.

#### **7A.5 COMPULSORY EARLY RETIREMENT**

An Active Member who -

(a) at the instance of his or her Employer, leaves Service -

- before 6 April, 2010, having reached age 50 but not Normal Pension Age;
- after 5 April, 2010, having reached age 55 but not Normal Pension Age; and

- (b) does not receive an Incapacity pension under rule 7A.7; and
  - (c) has completed at least two Years' Pensionable Service as an Active Member
- will, if the BBC so decides, receive the Scale Pension, starting the next day.

#### **7A.6 DEFERRED PENSION**

A Member who leaves Service before Normal Pension Age, without receiving an immediate pension under this Section, will receive the Scale Pension (increased in accordance with rule 10.1), starting the day after Normal Pension Age.

On receiving a written request from the Member, the Trustees may start paying the pension before Normal Pension Age from such date as they decide -

- (a) which before 6 April, 2010 must not be earlier than the Member's 50<sup>th</sup> birthday and after 5 April, 2010 must not be earlier than the Member's 55<sup>th</sup> birthday, in which case the Scale Pension will be reduced by the Early Payment Reduction; or
- (b) if they are satisfied that the Member is suffering from Incapacity, in which case the Trustees have discretion to waive all or part of the Early Payment Reduction.

On receiving a written request from the Member, the Trustees may start paying the pension after Normal Pension Age from such date as they decide which must not be later than the Member's 75<sup>th</sup> birthday. The pension will be adjusted by the Late Payment Increase.

#### **7A.7 INCAPACITY PENSION**

An Active Member who leaves Service before Normal Pension Age due to Incapacity will, if the BBC so decides, receive the Scale Pension, starting the next day, except that:-

- (a) if the Member has completed less than 24 Years' Pensionable Service as an Active Member, the period of Pensionable Service used to calculate the Scale Pension will be the lesser of 24 Years and what it would have been had the Member stayed in Pensionable Service to Normal Pension Age;
- (b) if the BBC decides that the Member is unable to follow any occupation, with the Trustees' consent, the period of Pensionable Service used to calculate the Scale Pension will be what it would have been had the Member stayed in Pensionable Service until Normal Pension Age where this produces a higher pension than that calculated under (a) above.

Rule 10.4 sets out the provisions for the review of Incapacity pensions.

## **7A.8 CONTRACTING-OUT REQUIREMENTS**

### **(1) Contracted-out Employment before 6 April, 1997 (GMPs)**

The Scheme provides a GMP in respect of Contracted-out Employment before 6 April 1997. The statutory requirements governing the calculation and payment of GMPs are set out in Schedule 3. A Member's pension under this Section includes his or her GMP and offsets any GMP entitlement under Schedule 3 to the extent permitted by rule 3.7 of that Schedule.

### **(2) Contracted-out Employment after 5 April 1997 and before 6 April 2016 (Reference scheme test)**

A Member's Pensionable Service after 5 April 1997 and before 6 April 2016 will be Contracted-out Employment (on a salary-related basis). A Member's pension under this Section includes his or her contracted-out pension rights in respect of that period.

### **(3) EPBs included in pension**

If a Member is entitled to an EPB from the Scheme, this will be included in his or her pension paid under this Section after State Pension Age.

### **(4) Overriding rule**

In the event of conflict between this rule and any other rule of this Section, this rule shall override.

## **7A.9 OPTIONS**

When a Member's pension becomes payable, he or she may exercise the following options -

- (a) commutation;
- (b) levelling adjustment (this option is only available where the Member's pension starts to be paid prior to 1 October 2012);
- (c) partial refund of Member Contributions

by giving written notice in the form prescribed by the Trustees (currently PENS1B (Old)) before the pension starts. These options cannot be exercised or cancelled once the pension is in payment.

### **(1) Commutation**

- (a) The Member may commute for a lump sum any part of his or her pension in excess of the GMP.
- (b) Subject to (c) and (d) below -
  - (i) for each £10 lump sum (£12 in the case of a Member whose current period as an Active Member started on or after 1 April 1992) the initial annual amount of pension will be reduced by £1, or by such other amount as the

Trustees may determine from time to time, using commutation tables provided by the Actuary;

- (ii) the lump sum must not exceed the permitted maximum for this purpose as defined in paragraph 2 of Schedule 29 of the Finance Act 2004 as amended (if applicable) by paragraphs 24 to 34 of Schedule 36 to that Act;
  - (iii) commutation under (a) above does not affect the entitlement to or amount of any pension payable under rule 7B.2 following the Member's death.
- (c) If the Trustees have received evidence from a registered medical practitioner (as defined in the Finance Act 2004), who has been accepted for this purpose by the BBC in writing, that the Member is expected to live for less than one year, the lump sum can (subject to the conditions set out in paragraph 4 of Schedule 29 to the Finance Act 2004) exceed the permitted maximum described in (b)(ii) above.

The commutation rate will be in accordance with commutation tables provided by the Actuary.

- (d) The Trustees may pay to a person a lump sum instead of a pension provided they are satisfied the Triviality Requirements are met.

Commutation under this paragraph will include any pension or other benefit prospectively payable on the Member's death.

The commutation rate will be decided by the Trustees, having consulted the Actuary.

## **(2) *Levelling Adjustments***

- (a) At the Member's request the Trustees may increase his or her pension from when it starts until State Pension Age and then reduce it until the Member's 75th birthday. After that birthday the pension's amount then reverts to what it would have been but for the levelling adjustment.
  - (b) The amount of the increase and reduction will be decided by the Trustees, on the Actuary's advice, to the intent that, when the pension that the Member is entitled to receive from the Scheme and the single person's basic State pension are aggregated, his or her total income from those two pensions (taking their amounts at the time the Member's pension from the Scheme starts) remains approximately level up to age 75. Provided that the Trustees must not reduce the pension below the GMP.
- (b) Levelling adjustment under (a) above does not affect the amount of any pension that can be commuted under rule 7A.9(1) or any pension payable under rule 7B.2 following the Member's death or of any pension increase under rule 10.1.

(3) ***Partial Refund of Member Contributions***

**"Partial Refund"** means 20% (or such other percentage\* as the BBC and the Trustees agree) of the Member's Member Contributions plus Interest, less any tax payable in connection with the refund.

The Member may elect to receive the Partial Refund if -

- (a) he or she is unmarried and does not have Civil Partner; or
- (b) his or her current period as an Active Member started before 1 July 1978 and his or her spouse or Civil Partner has agreed to the Partial Refund in the form prescribed by the Trustees.

Following the Partial Refund -

- (i) no Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension will be payable under rule 7B.2(2); and
- (ii) any Qualifying Children's pension under rule 7B.2(3) will not be doubled; and
- (iii) any GMP to which the Member's Widow, Widower or Civil Partner is entitled will be paid in accordance with Schedule 3.

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\* *At the date of adoption of these Rules the currently agreed percentage was 27%.*

## SECTION 7B

### OLD BENEFITS - STANDARD DEATH BENEFITS

#### **Summary**

*Following an Old Benefits Member's death the Scheme provides -*

- *a cash sum in certain circumstances*
- *a pension for the Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant*
- *a pension for Qualifying Children*

*Extra pension and other benefits may be provided through AVCs (rule 3.2)*

#### **7B.1 DEATH OF AN ACTIVE MEMBER IN SERVICE**

If an Old Benefits Member dies whilst an Active Member the following benefits will be payable -

**(1) Cash sum**

The Trustees will hold on the Discretionary Trusts a cash sum equal to the smaller of –

- (a) 4 times the annual rate of the Member's Life Cover Pensionable Salary at death and the Member's Member Contributions with Interest; and
- (b) the Lifetime Allowance.

**(2) Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension**

The Member's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension, starting on the day after the Member's death. Its initial annual amount will be two-thirds of the Member's Prospective Pension, inclusive of any GMP payable under Schedule 3.

If there is no Qualifying Spouse or Qualifying Civil Partner, the Member's Nominated Dependant will be entitled to a pension, starting on the day after the Member's death. Its initial annual amount will be two-thirds of the Member's Prospective Pension, but -

- (a) halved whilst a Qualifying Children's pension is payable; and
- (b) reduced by the amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner.



The Trustees may reduce the pension if the Nominated Dependant is more than 10 Years younger than the Member. The Trustees (after consulting the Actuary) will decide the amount of any reduction, which will not be more than 2.5% of the pension for each complete Year over 10.

(3) ***Qualifying Children's pension***

The Trustees will pay a pension in respect of the Member's Qualifying Children, starting on the day after the Member's death. Its initial annual amount will be -

- (a) whilst a Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - one-third of the Member's Prospective Pension;
- (b) whilst no Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - the smaller of -
  - (i) two-thirds of the Member's Prospective Pension; and
  - (ii) the Member's Prospective Pension less the amount of any GMP payable under Schedule 3 whilst there is a Widow, Widower or Civil Partner.

(4) ***"Member's Prospective Pension"***

In this rule "**Member's Prospective Pension**" means the following amount -

- (a) if the Member dies in Service before Normal Pension Age - 1/60th of the Member's Final Pensionable Salary at death for each year (not exceeding 40) of Pensionable Service (as it would have been had he or she stayed in Pensionable Service until Normal Pension Age). The Scale Pension is reduced by £1.33 for each Year of Pensionable Service before 1 August 1991 that the Member elected to pay reduced contributions (known as "Rate A") on the first £400 of salary. Odd days, excluding 29 February, each count as 1/365th of a Year;
- (b) if the Member dies in Service on or after Normal Pension Age - the pension to which he or she would have been entitled on leaving Service immediately before he or she died.

(5) ***Additional pension at the discretion of the BBC***

If the cash sum payable under (1) above is limited to the Lifetime Allowance, the Trustees will apply the Excess to provide an additional pension or pensions for the Member's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children.

In this rule "**Excess**" means the excess of 4 times the annual rate of the Member's Life Cover Pensionable Salary at death plus the Member's Member Contributions with Interest over the Lifetime Allowance.

## **7B.2 DEATH IN RETIREMENT**

If an Old Benefits Member dies whilst a Pensioner receiving benefits from this Section, the following benefits will be payable -

### **(1) Cash sum**

- (a) If death occurs within 5 Years of the Pensioner's pension starting, the Trustees will hold on the Discretionary Trusts a cash sum. The cash sum will be equal to the pension payments that would have been made to the Pensioner during the balance of the 5 Years, at the rate payable immediately before death as it would have been but for any levelling adjustment (under rule 7A.9).
- (b) However if a Pensioner dies before Normal Pension Age whilst receiving an Incapacity pension under rule 7A.7 then, instead of the above cash sum and irrespective of whether death occurs within 5 Years of the pension starting, the Trustees will hold on the Discretionary Trusts a cash sum equal to -
  - (i) the smaller of four times the annual rate of the Member's Life Cover Pensionable Salary when Service ceased, less any commutation lump sum paid under rule 7A.9(1) and the amount referred to in (ii) below;
  - (ii) the amount in question is the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to Enhanced Protection, the maximum amount that would not result in the relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.

Where four times the annual rate of the Member's Life Cover Pensionable Salary less any commutation lump sum paid under rule 7A.9(1) is greater than the maximum lump sum referred to in (ii) above, the difference will be applied by the Trustees in increasing the pensions payable to the Member's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of any increase shall be determined by the Actuary using cost neutral factors.

- (c) A Member may elect in writing to the Trustees, before his or her pension starts, to have any cash sum payable upon his or her death after commencement of pension (other than an Incapacity pension before Normal Pension Age) treated as a Pension Protection Lump Sum under the Finance Act 2004. The Trustees shall deduct from the lump sum any tax for which they may be liable to account for to HM Revenue & Customs under section 206 of the Finance Act 2004.

### **(2) Qualifying Spouse's, Qualifying Civil Partner's or Nominated Dependant's pension**

If the Pensioner did not take a Partial Refund under rule 7A.9 when the pension began, his or her Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension, starting on the day after the period to which the Pensioner's last pension payment relates. Its initial annual amount will be two-thirds of the Pensioner's Full Pension, inclusive of any GMP payable under Schedule 3.

If there is no Qualifying Spouse or Qualifying Civil Partner and the Pensioner did not take a Partial Refund under rule 7A.9 when the pension began, his or her Nominated Dependant will be entitled to a pension, starting on the day after the period to which the Pensioner's last pension payment relates. Its initial annual amount of the pension will be two-thirds of the Pensioner's Full Pension, but -

- (a) halved whilst a Qualifying Children's pension is payable; and
- (b) reduced by the amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner.

The Trustees may reduce the pension if the Qualifying Spouse or Qualifying Civil Partner from a marriage or registration respectively, which took place after the Pensioner left Service, or the Nominated Dependant is more than 10 Years younger than the Pensioner. The Trustees (after consulting the Actuary) will decide the amount of any reduction, which will not be more than 2.5% of the pension for each complete Year over 10.

### **(3) *Qualifying Children's pension***

The Trustees will pay a pension in respect of the Pensioner's Qualifying Children, starting on the day after the period to which the Pensioner's last pension payment relates. Its initial annual amount will be -

- (a) whilst a Qualifying Spouse's or Qualifying Civil Partner's pension is being paid or if the Pensioner took a Partial Refund under rule 7A.9 - one-third of the Pensioner's Full Pension;
- (b) whilst no Qualifying Spouse's or Qualifying Civil Partner's pension is being paid and the Pensioner did not take a Partial Refund under rule 7A.9 - the smaller of
  - (i) two-thirds of the Pensioner's Full Pension; and
  - (ii) the Pensioner's Full Pension less the amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner.

## **7B.2A DEATH OF A PENSIONER IN SERVICE**

- (1) If an Old Benefits Member dies in Service whilst a Pensioner receiving benefits from this Section, then in addition to the benefits payable under rule 7B.2 the Trustees will hold on the Discretionary Trusts a cash sum.
- (2) The cash sum will be equal to:-
  - (a) the smaller of (i) twice the annual rate of the Member's Life Cover Pensionable Salary at death less any commutation lump sum paid under rule 7A.9(1) and any cash sum payable on the Pensioner's death under rule 7.B2(1)(a) and (ii) the amount referred to in (b) below;
  - (b) the amount in question is the available portion of the Member's Lifetime Allowance at death or (if greater) where the Member has applied for and is still entitled at death to enhanced protection, the maximum amount that

would not result in the relevant benefit accrual (as set out in paragraph 13 of Schedule 36 to the Finance Act 2004) occurring in respect of the Member.

- (3) The cash sum will be zero if it would otherwise be negative.
- (4) Where a cash sum is payable under this rule in the circumstances that the amount specified in (2)(b) above is smaller than the amount specified in (2)(a) above, the Trustees will apply a cash sum equal to the difference between these two amounts to provide an additional pension or pensions for the Pensioner's Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant and Qualifying Children. The amount of the pension or pensions shall be determined by the Actuary using cost neutral factors.

### **7B.3 DEATH IN DEFERMENT**

If an Old Benefits Member dies whilst a Deferred Pensioner the following benefits will be payable -

#### **(1) Cash sum**

If the Deferred Pensioner leaves no Qualifying Spouse, Qualifying Civil Partner, Nominated Dependant, Qualifying Children or Discretionary Dependant, the Trustees will hold on the Discretionary Trusts a cash sum. The cash sum will be equal to 5 times the Deferred Pensioner's Prospective Pension.

#### **(2) Qualifying Spouse's, Qualifying Civil Partner or Nominated Dependant's pension**

The Deferred Pensioner's Qualifying Spouse or Qualifying Civil Partner will be entitled to a pension, starting on the day after the Deferred Pensioner's death. Its initial annual amount will be two-thirds of the Deferred Pensioner's Prospective Pension, inclusive of his or her GMP payable under Schedule 3.

If there is no Qualifying Spouse or Qualifying Civil Partner, the Deferred Pensioner's Nominated Dependant will be entitled to a pension starting on the day after the Deferred Pensioner's death. Its initial annual amount will be two-thirds of the Deferred Pensioner's Prospective Pension, but -

- (a) halved whilst a Qualifying Children's pension is payable; and
- (b) reduced by the amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner.

The Trustees may reduce the pension if the Qualifying Spouse or Qualifying Civil Partner from a marriage or registration respectively, which took place after the Deferred Pensioner left Service, or the Nominated Dependant is more than 10 Years younger than the Deferred Pensioner. The Trustees (after consulting the Actuary) will decide the amount of any reduction, which will not be more than 2.5% of the pension for each complete Year over 10.

(3) ***Qualifying Spouse's cash option***

The Qualifying Spouse or Qualifying Civil Partner may opt to receive a cash sum instead of the pension under (2) above. This option may only be exercised by written notice to the Trustees given within 90 days after the Deferred Pensioner's death (unless the Trustees allow a longer period). The cash sum will be equal to -

- (a) the Deferred Pensioner's Member Contributions with Interest to date of death; less
- (b) such amount as the Trustees decide (after consulting the Actuary), having regard to the cost of providing any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner.

(4) ***Qualifying Children's pension***

The Trustees will pay a pension in respect of the Deferred Pensioner's Qualifying Children, starting on the day after the Deferred Pensioner's death. Its initial annual amount will be -

- (a) whilst a Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - one-third of the Deferred Pensioner's Prospective Pension;
- (b) whilst no Qualifying Spouse's or Qualifying Civil Partner's pension is being paid - the smaller of -
  - (i) two-thirds of the Deferred Pensioner's Prospective Pension; and
  - (ii) the Deferred Pensioner's Prospective Pension less the amount of any GMP payable under Schedule 3 whilst there is a Widow, Widower or Civil Partner.

(5) ***"Deferred Pensioner's Prospective Pension"***

In this rule **"Deferred Pensioner's Prospective Pension"** means the initial annual amount of the pension to which the Deferred Pensioner would have been entitled (under rule 7A.6) if it had started immediately before he or she died, but ignoring the Early Payment Reduction.

**7B.4 DISCRETIONARY PENSIONS**

If an Old Benefits Member dies without leaving a Qualifying Spouse, Qualifying Civil Partner or Nominated Dependant, the Trustees may pay any number of Discretionary Pensions. They will decide the amount, duration and terms of each Discretionary Pension.

The initial annual amount of all Discretionary Pensions must not exceed -

- (a) an amount of equivalent capital value (as determined by the Actuary) to the Qualifying Spouse's pension which would have been payable had there been a Qualifying Spouse of the same age as the Member;

less

- (b) the initial annual amount of any GMP payable under Schedule 3 if there is a Widow, Widower or Civil Partner.

## **7B.5 CONTRACTING-OUT REQUIREMENTS**

### **(1) *Contracted-out Employment before 6 April, 1997 (GMPs)***

The Scheme provides, to a Widow, Widower or Civil Partner who is entitled to it, a GMP in respect of a Member's Contracted-out Employment before 6 April, 1997. The statutory requirements governing the calculation and payment of GMPs are set out in Schedule 3. When a Widow, Widower or Civil Partner is entitled to a GMP it will be paid (in accordance with Schedule 3) -

- (a) as part of the Qualifying Spouse's or Qualifying Civil Partner's pension under this Section in respect of the Member's Pensionable Service before 6 April 1997; or
- (b) as a separate entitlement if there is no Qualifying Spouse or Qualifying Civil Partner.

### **(2) *Overriding rule***

In the event of conflict between this rule and any other rule of this Section, this rule shall override.

## SECTION 8

### LIFE ASSURANCE BENEFITS

#### ***Summary***

*A cash sum is payable when a Life Assurance Member dies*

#### **8.1 BENEFIT**

- (1) Subject to (2) below, if a Life Assurance Member dies the Trustees will hold on the Discretionary Trusts a cash sum equal to 2 times his or her Life Cover Pensionable Salary at death.
- (2) If a person becomes a Life Assurance Member after 31 March 2011 the amount payable under (1) shall be reduced by –
  - (a) any cash sum the Member has previously commuted under the Scheme; and
  - (b) any Deferred Cash Sum paid in respect of the Member;in relation to Pensionable Service accrued during the Member's last period of continuous employment.

The cash sum under (1) will be zero if it would otherwise be negative.

#### **8.2 MEMBER'S WISHES**

In exercising their power under the Discretionary Trusts to determine the recipients of the cash sum under rule 8.1, the Trustees may (but are not required to) take into account any wishes the deceased may have expressed.

## **SECTION 9**

### **NON-STANDARD BENEFITS**

#### **9.1 TRANSFERS IN**

The Trustees may accept into the Scheme a transfer of assets in respect of a person from another Registered Scheme or a Qualifying Overseas Scheme. In consideration of the transfer, such benefits will be provided from the Scheme to or in respect of that person as the Trustees decide are appropriate. Provided that -

- (a) the Trustees must not accept a transfer if it is inconsistent with the Scheme's status as a Registered Scheme;
- (b) the benefits provided must be consistent with the Preservation Requirements relating to Transfer Credits;
- (c) the benefits must be provided in accordance with the contracting-out legislation. Accordingly -
  - (i) if the transferred assets represent GMPs or protected rights (as defined in section 10 of the Pension Schemes Act 1993) derived from payments before 6 April, 1997, the person and his or her Widow, Widower or Civil Partner must be entitled to GMPs in accordance with rule 8 of Schedule 3;
  - (ii) if the transferred assets represent protected rights derived from payments after 5 April 1997 and before 6 April 2012 or rights accrued under a contracted-out salary-related scheme after 5 April 1997 and before 6 April 2016, the person and his or her Widow, Widower or Civil Partner must be entitled to rights which, had they accrued in the Scheme, would be provided in accordance with the Rules relating to Members in Contracted-out Employment after 5 April 1997 and before 6 April 2016.

#### **9.2 MEMBERSHIP ON SPECIAL TERMS**

The Trustees may -

- (a) admit an Employee to membership of the Scheme; or
- (b) permit a person to remain a Member

upon such special terms (if any) as the BBC requests. These terms must be consistent with the Preservation Requirements. Further contributions may be required from the Employer in accordance with section 3 as a consequence of granting these special terms.



### 9.3 PART-TIME EMPLOYMENT

This rule applies to a Member who has been in Part-Time Employment whilst an Active Member\*. This rule overrides other provisions of the Rules as follows -

When an Active Member has been in Part-Time Employment during any part of the Year before he or she leaves Service, **"Final Pensionable Salary"** will be the sum of the full-time equivalent Pensionable Salary\* for each of the last 365 days (excluding 29 February) of Pensionable Service. The full-time equivalent Pensionable Salary for each day will be the Pensionable Salary for that day divided by the fraction of part-time employment to full-time employment the Member is contracted to work, as determined by the BBC. The full-time equivalent Pensionable Salary of a Class A Member must not exceed the Scheme Earnings Cap.

**"Pensionable Service"** will be reduced by a **"Part-Time Service Reduction"**\*, which is the sum of the inverse fraction of part-time employment to full-time employment the Member has been contracted to work applied to each day (excluding 29 February) that he or she has been in Part-Time Employment, as determined by the BBC.

For the purposes of calculating Incapacity pensions or death benefits based on prospective Service, it will be assumed that the fraction of part-time to full-time employment would have continued unaltered from the fraction immediately before the Member left Service or died (as the case may be).

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\* The footnote to the next page sets out (for illustrative purposes only) simplified examples of this rule's effect.

#### \* Example of a full-time equivalent Pensionable Salary

Mr B is employed on a full-time basis of 35 hours a week (excluding meal breaks) with a Pensionable Salary of £19,345 p.a. On 1.8.95 he changes to part-time employment and works 28 hours a week with a Pensionable Salary of £16,060 p.a. He leaves Service on 31.12.95.

His full-time equivalent Final Pensionable Salary is:

$$(\text{£}19,345 \times 212/365) + (\text{£}16,060 \times 35/28 \times 153/365) =$$

$$\text{£}11,236.00 + \text{£}8,415 = \text{£}19,651$$

#### Example of a Part-Time Service Reduction

Ms A is employed on a full-time basis of 35 hours a week (excluding meal breaks). She joins the Scheme on 1.1.80. She changes to part-time employment on 1.1.90 and works 26.25 hours a week. She reverts to full-time employment on 1.2.91 and leaves Service on 31.12.95.

Part-time service (1.1.90 to 31.1.91)	= 396 days
Part-time service fraction (26.25/35.00)	= 0.75
Inverse fraction (1.00 - 0.75)	= 0.25
Part-Time Service Reduction (396 x 0.25)	= <b>99 days</b>
Pensionable Service (1.1.80 to 31.12.95)	= 16 years 0 days
Full-time equivalent Pensionable Service (16 years 0 days - 0 years 99 days)	= 15 years 266 days

#### 9.4 FAMILY LEAVE

- (1) This rule applies to a Member during Family Leave and overrides any other provisions of the Rules. The provisions of this rule have effect subject (where applicable) to Part VIII of the Employment Rights Act 1996 ("**the 1996 Act**"). In this rule –

**"Family Leave"** means Adoption Absence, Maternity Absence, Parental Absence, Shared Parental Absence or Paternity Absence.

**"Adoption Absence", "Maternity Absence", "Parental Absence", "Shared Parental Absence" and "Paternity Absence"** means in each case absence authorised by or pursuant to the terms of Part VIII of the 1996 Act and any extension of those terms allowed by the Employer.

**"Right to Return"** means the right to return to work in terms of Part VIII of the 1996 Act and any extension of that right granted by the Employer.

**"Final Pensionable Salary" and "Pensionable Salary"** in relation to a period of Family Leave mean Final Pensionable Salary and Pensionable Salary (as determined in each case by the Employer) as they would have been but for that Family Leave (but subject to the provisos to each definition relating to the Scheme Earnings Cap). Except, for the purposes of rule 3.1 (Members' Contributions), Pensionable Salary means the lower of the above and the Member's remuneration, including statutory pay, from the Employer.

- (2) The following provisions apply to a Member during Family Leave -

- (a) a period of Family Leave will be Service;
- (b) a period of Family Leave in respect of which the Member is entitled to remuneration, including statutory pay, from the Employer will be Pensionable Service and he or she must contribute under rule 3.1 (Members' Contributions);
- (c) a period of unpaid Family Leave which is terminated by the Member's death will be Pensionable Service;
- (d) for Old Benefits and New Benefits Members, if a period of unpaid Family Leave is terminated by the Member's exercising his or her Right to Return or by his or her contract of service with the Employer being terminated, he or she may undertake (by completing the required form) to contribute to the Fund in respect of that period.
  - (i) If he or she so contributes (or dies in Service) within 6 months (or such longer period as the Trustees allow) after the termination, then the unpaid period will be Pensionable Service.
  - (ii) If (i) does not apply, then 60% of the unpaid period will be Pensionable Service.

#### 9.5 OTHER ABSENCES

- (1) This rule applies where a Member is for the time being Absent, if (when the Absence started) rule 9.4 did not apply.

- (2) The following provisions will apply to a Member during Absence -
- (a) a period of Absence due to sickness, as determined by the BBC, will be Pensionable Service. The Member must contribute under rule 3.1 (Members' Contributions) on any Pensionable Salary received during that period;
  - (b) if (a) above does not apply, a period of Absence will be Pensionable Service only if all of the following conditions are met -
    - (i) when the Absence starts, it is not expected to last more than 3 months;
    - (ii) there is a definite expectation that the Member will return to work with a Participating Employer;
    - (iii) the Member remains resident in the United Kingdom for income tax purposes;
    - (iv) whilst Absent the Member does not join another employer's occupational pension scheme, which is a Registered Scheme or seeking treatment as a Registered Scheme;
    - (v) New Benefit and Old Benefit Members, in addition to contributing under rule 3.1 on any Pensionable Salary received during the Absence, must undertake (by completing the required form) to contribute to the Fund the Balance and do so (except if they die in Service) within 6 months (or such longer period as the Trustees allow) after returning to work for a Participating Employer. The "**Balance**" is the amount that the Member would have been required to contribute under rule 3.1 if he or she had worked normally throughout the period of Absence, less any amount actually contributed under rule 3.1 in the period;
  - (c) if (a) and (b) above do not apply, a period of Absence will be Pensionable Service only if all of the following conditions are met -
    - (i) the Member and the Employer have agreed with the Trustees before the Absence begins that it will be a period of Pensionable Service (subject to (ii) and (iii) below);
    - (ii) when the Absence starts, it is not expected to last more than 10 years or such longer period as is agreed with the Board of Inland Revenue;
    - (iii) the conditions in paragraphs (ii) to (v) of (b) above;
  - (d) if the period of Absence is not Pensionable Service under the above paragraphs, the Member will cease to be an Active Member and be treated as leaving Service, except -
    - (i) for the purpose of rule 2.9 (Life Assurance Membership); and
    - (ii) no pension may start or be commuted until he or she actually leaves Service, unless rule 4A.3, 4A.5, 5A.3, 5A.5, 6A.4A, 7A.3 or 7A.4A applies.

- (3) If, because of Absence, the Member's Pensionable Salary is less than would otherwise have been the case or is non-existent, it may be determined by the BBC, except it may not be greater than that which (in the BBC's opinion) it would have been but for Absence.
- (4) (a) The Pensionable Salary of a Member, employed outside the United Kingdom and not paid in sterling, will (subject to (b) below) be such amount, expressed in sterling, as is agreed between the BBC and the Member or, in default of agreement, is determined by the Trustees.
- (b) The amount referred to in (a) above must not exceed the greater of the Pensionable Salary, in the BBC's opinion, of a person performing comparable duties in the United Kingdom and the equivalent of the Member's last fixed salary or wages (according to such rate of exchange as the Trustees determine to be appropriate).

## **9.6 PAYMENT OF DISCRETIONARY BENEFITS AND INCREASES**

- (1) The Trustees, with the BBC's consent, may -
  - (a) award a different benefit equivalent to and in lieu of a benefit to which a person is entitled. The different benefit may (without the person's consent) be awarded to someone financially dependent on the person. The award will discharge the Trustees from liability for the payment of the original benefit;
  - (b) award a benefit to or in respect of any person who, in the Trustees' opinion, is or was married to or financially dependent on a Member, former Member, deceased Member or former employee of a Participating Employer. The award may be expressed to be in lieu of any payment to the personal representatives of the Member or former Member and, if so expressed, will discharge the Trustees from liability for such payment;
  - (c) increase or vary the duration or time of payment of any benefit or all or any category of the benefits payable or prospectively payable to any person under the Scheme or provide (by substitution or otherwise) an additional benefit for or in respect of any such person.
- (2) The Trustees may, in consideration of a payment into the Fund by a Participating Employer, provide a benefit to a person (being its former employee or the spouse, Civil Partner or dependant of a deceased former employee).
- (3) The Trustees may treat a person as financially dependent on another even if born after the other's death, if they believe that he or she would have been so dependent if born in the other's lifetime.
- (4) If, in the exercise of their powers under (1) above, the Trustees provide money purchase benefits in substitution for all or any of the benefits that constitute a Member's Short Service Benefit they must -
  - (a) be reasonably satisfied that the amount allocated to provide money purchase benefits in respect of the Member is at least equal to the value of the benefits substituted; and

- (b) calculate the money purchase benefits (when they become payable) either on the basis of actuarial advice or in accordance with the terms of an insurance policy or annuity contract in which the amount allocated to provide the benefits is invested.

## **9.7 PRESERVATION REQUIREMENTS**

- (1) For the purpose of calculating 2 Years' Qualifying Service if a Member leaves and later rejoins Pensionable Service, Qualifying Service will be treated as continuous if the break is -
  - (a) not more than one month;
  - (b) due to Family Leave, where the Member exercises her right to return to work under Part VIII of the Employment Rights Act 1996 and returns to Pensionable Service no later than one month after returning to work; or
  - (c) due to the Member's absence from work in furtherance of a "trade dispute".

The period of the break itself does not count as Qualifying Service. The Trustees may by regulations alter this sub-rule as they think fit, following any relevant change in the Preservation Requirements.

- (2) If a Member -
  - (a) is prospectively entitled at Normal Pension Age to increased benefits because of "supplementary credits" (as defined in section 75 of the Pension Schemes Act 1993); and
  - (b) leaves Service before Normal Pension Age entitled to Short Service Benefit

his or her Short Service Benefit must include a due proportion of all the supplementary credits to the extent required under section 75.

- (3) The Trustees may make any determination they think necessary for ensuring that the Scheme complies with the Preservation Requirements. The determination's provisions will override any provision of the Rules to the extent that they are inconsistent.

## **9.8 EQUAL TREATMENT RULE**

The Rules will be treated as including an equal treatment rule, as described in section 67 of the Equality Act 2010 to the extent (if any) necessary for compliance with the requirements of that Act.

## SECTION 10

### PAYMENT OF BENEFITS

#### 10.1 INCREASE OF PENSIONS

- (1) This rule relates to all pensions payable under the Scheme unless the Trustees and the BBC agree otherwise.
- (2) In this rule -

**"Pension"** means the current yearly amount of a pension as it would have been but for any levelling adjustment or (in relation to Members who joined the Scheme before 1 April, 1992) any reduction for partial commutation under rule 7A.9 (or any corresponding previous provision of the Scheme) or voluntary allocation for a dependant.

**"Rate"** means, in relation to any 1 April, the smaller of -

- (a) 4% (in relation to Career Average Benefits 2011), 2.5% (in relation to Career Average Benefits 2006), 5% (in relation to New Benefits) or 10% (in relation to Old Benefits); and
- (b) the percentage increase in the Index published for the previous calendar year ending 31 December. The percentage will be taken as zero if it would otherwise be negative. If the Index is not published in respect of the relevant period, the Trustees may substitute such percentage as they consider to be a reasonably likely figure on the basis of information available to them.

**"Index"** means

- (a) in relation to Career Average Benefits 2006, New Benefits and Old Benefits, the Government index of retail prices for all items, or such other published index of prices which the Trustees and the BBC may agree will be the Index instead, following a change in the compilation of the Government index;
- (b) in relation to Career Average Benefits 2011, the Government index of consumer prices for all items or such other published index of prices which the Trustees and the BBC may agree will be the Index instead.

#### (3) ***Pensions in payment***

Each Pension in payment will increase on 1 April each year by -

- (a) for Career Average Benefits 2011 Pensioners and Career Average Benefits 2006 Pensioners, the Rate;
- (b) for New Benefits and Old Benefits Pensioners, the smaller of the Rate and  $\frac{1}{12}$ th of the Rate multiplied by the number of complete months since -
  - (i) in the case of a Pensioner who was not formerly a Deferred Pensioner, the pension began;

- (ii) in the case of a Pensioner who was formerly a Deferred Pensioner, the date the Pensioner left Service;
- (iii) in the case of any pension arising on a Member's death, the earlier of the date the Member died or left Service.

(4) ***Pensions in deferment***

- (a) The prospective Pension of a Career Average Benefits 2011 Deferred Pensioner will increase in accordance with rule 4A.1(b).
- (b) The prospective Pension of a Career Average Benefits 2006 Deferred Pensioner will increase in accordance with rule 5A.1(b).
- (c) The prospective Pension of a New Benefits or Old Benefits Deferred Pensioner will increase on 1 April each year by the smaller of the Rate and  $\frac{1}{12}$ th of the Rate multiplied by the number of complete months since the Deferred Pensioner left Service.

(5) ***Statutory increases***

The increases under (3) and (4) above will be treated as satisfying (to the maximum extent consistent with the Pension Schemes Act 1993 and the Pensions Act 1995) the requirement to revalue accrued rights to GMP under rule 4 of Schedule 3 and the following provisions of those Acts -

- (a) the "anti-franking" requirement;
- (b) the requirement to revalue deferred pensions;
- (c) the requirement to provide increases on that part of any GMP attributable to earnings in the Tax Years from (and including) 1988/89; and
- (d) the (limited price) indexation requirement under section 51 of the Pensions Act 1995.

(6) ***Review and discretionary increases***

The Trustees and the BBC will jointly at least once in every calendar year (or at such other regular intervals as they may from time to time jointly determine) review the categories of benefits in payment and deferment and consider whether to exercise the power to increase benefits conferred by rule 9.6(1). This power may also be exercised at any other time.

## **10.1A OPTION TO CONVERT PENSION INCREASES**

- (1) This rule will apply to and in respect of such persons as the BBC, with the consent of the Trustees, decides from time to time. A person to whom this rule applies is referred to below as an "**Affected Person**".
- (2) An Affected Person may at his or her option choose to give up rights that he or she, or any person to whom pension is payable on his or her death, has to increases to

pension in payment in excess of those increases that are required under applicable legislation.

- (3) The exercise of the option under (2) above will be made by the Affected Person giving the Trustees written notice (in a form prescribed by the Trustees, as agreed by the BBC, and which satisfies the “informed consent requirement” for the purposes of s.67B of the Pensions Act 1995).
- (4) Where an Affected Person exercises the option under (2) above, the following provisions will apply:
  - (a) The pension increases otherwise payable on that part of the individual's pension to which the option relates (“**the Affected Part**” which shall be determined by the BBC) will not apply to the extent that they exceed those increases which are required under applicable legislation;
  - (b) The individual will be granted an uplifted pension payable for life. The amount of the uplift will be determined by the BBC;
  - (c) If an Affected Person exercises the option under (2) above, it will also apply to any pension payable on the subsequent death of that Affected Person which is referable to the Affected Part (“**the Survivor's Affected Part**” which shall be determined by the BBC);
  - (d) Any death benefits payable on the death of an Affected Person who has exercised the option under (2) above will be determined under the rules (but for the avoidance of doubt will be calculated, where applicable, by reference to the Affected Person's uplifted pension).

## **10.2 PAYMENT OF BENEFITS**

- (1) Unless the Trustees decide otherwise, each pension under the Scheme is payable by equal monthly instalments in advance and for life, except -
  - (a) the first instalment will be paid when the pension starts for the period from then to the first available regular payment date;
  - (b) the last instalment will be paid in full and not apportioned;
  - (c) a children's pension stops or is recalculated on a change in the number of Qualifying Children (as explained in the definition); and
  - (d) an Incapacity pension is subject to rule 10.4.
- (2) The Trustees may make what arrangements they think fit to facilitate the calculation or payment of benefits and may round instalments of pension or other benefits to avoid fractional amounts.
- (3) The Trustees may make what arrangements they think fit for the payment of benefits. Any payment sent by post will be at the risk of the beneficiary. The Trustees will not be responsible for, or be bound to take any steps to recover, any loss which may arise from their method of payment.



- (4) The Trustees may pay a Qualifying Children's pension directly to the Qualifying Children or in accordance with rule 10.3.

### **10.3 POWER TO ACT ON BEHALF OF BENEFICIARIES**

If a beneficiary is a Qualifying Child or, in the Trustees' opinion, is incapable of acting (because of minority, mental disorder, illness or otherwise), the Trustees may -

- (a) exercise any option or give any notice under the Rules on behalf of the individual;
- (b) apply, for his or her benefit, the pension or other benefit due to the individual or pay it to some other person for that person to apply for the individual's benefit. The other person's receipt will be a full discharge to the Trustees, who may (but need not) oversee the application of the payment.

The Trustees may, for the purposes of this rule, accept as conclusive evidence a qualified medical practitioner's certificate regarding an individual's mental or physical capacity.

### **10.4 RECOVERY FROM INCAPACITY**

This rule applies to a Pensioner receiving an Incapacity pension under rule 4A.7, 5A.7, 6A.7 or 7A.7 or any corresponding previous provision of the Scheme. It (and any Trustees' decision under it) is subject to the Preservation Requirements, the contracting-out requirements of the Pension Schemes Act 1993 and the Scheme's status as a Registered Scheme.

#### **(1) *Recovery without re-entry to Pensionable Service***

- (a) if the pension started before 1 October 1996, the Pensioner has, in the Trustees' opinion, recovered from Incapacity to such an extent that he or she is capable of being gainfully employed in a capacity requiring a similar state of mental and physical health as that required in his or her last normal employment in Pensionable Service; or
- (b) if the pension started after 30 September 1996, the Pensioner has, in the Trustees' opinion recovered from Incapacity to any extent;

the Trustees may reduce<sup>4</sup>, suspend or terminate the Pensioner's pension on such terms (including terms relating to survivors' benefits and pension increases) as they think fit. The Trustees may review and vary their decisions at any time.

#### **(2) *Medical examination***

The Trustees may require any Pensioner to whom this rule applies to undergo an examination by a qualified medical practitioner. The Trustees may accept a certificate by this practitioner that the Pensioner has recovered from incapacity to any extent as conclusive evidence of such recovery. If the Pensioner refuses or neglects to undergo the examination within one month after being required to do so by the Trustees (or within such longer period as they may allow), the Trustees may exercise any discretion

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<sup>4</sup> The power to reduce is subject to the provisions in the Finance Act 2004 regarding "unauthorised payments".

conferred on them by this rule on such assumption as to the Pensioner's recovery from incapacity as they think fit.

#### 10.5 "DISCRETIONARY TRUSTS"

- (1) Any cash sum payable under Section 4B, 5B, 6B, 7B or 8 (or a corresponding previous provision of the Scheme), following the death of a Member or Life Assurance Member, will be held by the Trustees with power (to be exercised, if at all, within a period of two years, beginning with the earlier of (i) the day on which the Trustees first knew of the death and (ii) the day on which the Trustees would first reasonably be expected to have known about it) -
  - (a) to pay all or any part of the sum to any one or more of the following persons -
    - (i) the deceased's Dependants (as defined in (4) below);
    - (ii) the persons entitled under his or her will to any interest in the estate; or
  - (b) to determine that all or any part of the sum will be held upon trust for any one or more of the persons referred to in (a) above, at such age or time or respective ages or times and in such shares and either absolutely or for such period or respective periods and with such gifts over and with or subject to such discretionary trusts, powers and provisions and generally in such manner in all respects as the Trustees think fit; or
  - (c) to pay all or any part of the sum to the deceased's personal representatives, to be held by them as an accretion to his or her residuary estate for all purposes.
- (2) If and to the extent that the Trustees do not exercise their power under (1) above, they will hold the cash sum upon trust for the person or persons (other than the Crown, the Duchy of Lancaster or the Duke of Cornwall for the time being) who, under the Administration of Estates Act 1925, would have become entitled to the deceased's residuary estate if he or she had died wholly intestate, solvent and domiciled in England. Those persons will take, if more than one, in the shares and in the events specified by that Act and on the footing that the property falling to be dealt with under this sub-rule comprises his or her entire residuary estate.
- (3) If the Trustees do not apply the cash sum under (1) or (2) above, they will hold it on the trusts of the Scheme as an accretion to the Fund for the general purposes of the Scheme.
- (4) In this rule "**Dependant**" means in relation to a deceased Member or Life Assurance Member -
  - (a) any person, charity, club or society named, in the form prescribed by the Trustees (currently PENS 25), by the deceased as a possible recipient of a benefit arising on his or her death, or any other person who, in the Trustees' opinion, was dependent in any way on the deceased or his or her spouse or Civil Partner or for whom, in the Trustees' opinion, the deceased may have been expected to provide. Provided that the Trustees may (but are not be obliged to) enquire as to the objects of any such club or society and, if satisfied they are not lawful in the United Kingdom or any other sovereign state, they will not exercise any discretion in favour of that club or society; and

- (b) the following relatives (and their spouses, Civil Partners and descendants) of the deceased or of his or her spouse or Civil Partner - the spouse, Civil Partner, children, parents, brothers, sisters, uncles and aunts (including those relatives of the half-blood and stepchildren and illegitimate, legitimated or adopted children).
- (5) Sections 31 and 32 of the Trustee Act 1925 will be deemed to apply to any trusts under this rule, subject to the following -
  - (a) section 31 will apply as if "the Trustees may think fit" had replaced "may in all the circumstances be reasonable" in paragraph (i) of sub-section (1) and the proviso at the end of sub-section (1) had been omitted;
  - (b) section 32 will apply as if paragraph (a) of the proviso to sub-section (1) had been omitted.
- (6) The Trustees may exercise their power under (1)(b) above by paying the cash sum (or a part of it) to the trustees of any settlement (so as to become subject to the trusts of that settlement), which contains trusts for the benefit of all or any of the persons specified in (1)(b) (whether or not it contains trusts for the benefit of other persons).
- (7) The Trustees may appoint separate trustees of any trust arising under this rule. Any such appointment may provide that -
  - (a) the power of appointing new or additional trustees of such trust will be vested in such persons as may be specified;
  - (b) the power of investment applicable to the Fund will be varied or not varied in its application to such trust.
- (8) The Trustees, or any separate trustees of any trust arising under this rule, shall be entitled to the payment out of the property subject to that trust of -
  - (a) all costs, charges and expenses incurred by them in the execution of that trust; and
  - (b) such reasonable remuneration for their services as trustees of the trust as (in the case of the Trustees) is provided by the Rules and (in the case of separate trustees) is determined by the Trustees on the appointment of those separate trustees. But if the amount of such costs, charges and expenses incurred by the Trustees in the execution of any trust arising under this rule is trivial, or is not reasonably ascertainable, the Trustees may charge them to the Fund.

## **10.6 BENEFITS NOT ASSIGNABLE**

- (1) An entitlement or prospective entitlement to a benefit under the Scheme will be terminated if -
  - (a) a beneficiary attempts to assign or charge it; or
  - (b) an event occurs by which, but for this rule or rule 10.7, it will become payable to some other person

being in either case a transaction made ineffective by section 91 of the Pensions Act 1995; or

- (c) a bankruptcy order is made against the beneficiary.
- (2) This rule does not apply to any GMP, which remains payable under Schedule 3, and no payment will be made under an attempted assignment or charge.
- (3) The termination of a beneficiary's interest under (1) above will not affect the entitlement to or the amount of any other pension payable on his or her death.
- (4) The Trustees may pay or apply the equivalent value of any sum which would otherwise have been payable to or in respect of the beneficiary to or for the benefit of -
  - (a) the beneficiary;
  - (b) his or her spouse, Civil Partner or issue; and
  - (c) any person who is financially dependent on the beneficiary.
- (5) Any amount applied may be paid as either pension or lump sum and the Trustees can exercise the same options as the beneficiary would have had but for the termination of his or her interest which will be treated as not having occurred.
- (6) This rule is subject to sections 91 to 94 of the Pensions Act 1995.

## **10.7 LIEN**

- (1) When, as the result of a criminal, negligent or fraudulent act or omission, a Member is liable to the Scheme or a Participating Employer for the payment of any sum, the benefits payable under the Scheme to or in respect of the Member will (insofar as in the case of a sum due to a Participating Employer it is not attributable to Transfer Credits other than those permitted in prescribed circumstances) stand charged with the payment of that sum, subject to the following limitations -
  - (a) a charge under this rule will not have effect -
    - (i) in respect of any GMP; or
    - (ii) as an event giving rise to the termination of any interest under rule 10.6;
  - (b) the Trustees will give effect to a charge or lien under this rule by forfeiting so much of the benefits (other than any GMP) payable in respect of the Member as the Trustees determine provided that the benefits so forfeited shall not in the opinion of the Actuary have a value greater than the amount outstanding under the charge or lien;
  - (c) payment to a Participating Employer out of the Fund is not permitted;
  - (d) a charge must not be exercised unless -
    - (i) the Member has been notified in writing of the amount recoverable and its effect on his or her benefit;

- (ii) the liability has become enforceable under a court order or the award of an arbitrator, if the Member disputes it.

(2) This rule is subject to sections 91 to 94 of the Pensions Act 1995.

#### **10.8 *ANCILLARY TO RULES 10.6 AND 10.7***

Rules 10.6 and 10.7 do not prevent the Trustees from giving effect to a direction by a person entitled to a lump sum under the Scheme (other than one arising on death) that all or any part of it be paid (as specified in the direction) to any of the Participating Employers (whose receipt or receipts will be a complete discharge for the amount so paid).

#### **10.9 *TAX***

- (1) The Trustees may deduct from any payment under the Scheme a sum not exceeding the amount of any tax or charge payable by them in respect or in consequence of that payment or any other payment in respect of the individual concerned including (but not limited to) any charge arising under Chapter 5 of Part 4 of the Finance Act 2004.
- (2) If any liability for inheritance tax or any other fiscal imposition arises in respect of any benefit under the Scheme, the Trustees may apply the benefit or any other benefit in respect of the beneficiary concerned in whole or in part in the payment of such tax (including any interest due) and deduct the amount so paid from the benefit or postpone the payment of the benefit until the liability has been met or provision made for it to their satisfaction.
- (3) If the Trustees have delayed payment of a Member's pension under 10.11(b) below and the member reaches age 75 without the pension having come into payment, and the Trustees are unable to verify the amount of Lifetime Allowance remaining available to the Member, the Trustees may reduce the Member's prospective entitlement to benefits under the Scheme, determined as if the whole of his or her benefits were chargeable to a Lifetime Allowance Charge, and will then account to the Revenue for the tax due as if the Member had no Lifetime Allowance available.

#### **10.10 *BENEFITS NOT CLAIMED***

- (1) A cash sum benefit or an instalment of pension ceases to be payable 6 years after it has fallen due, if the reason for its non-payment is the failure of any person to make any claim and the lack of any knowledge by the Trustees of the existence or continued existence or whereabouts of any person or of any relevant fact.
- (2) The provisions of (1) above are without prejudice to the right of the Trustees to pay any such instalment or benefit, or any part of it, if they think fit to do so. No interest will be added on any such payment, unless the Trustees decide otherwise.

#### **10.11 *PRODUCTION OF INFORMATION***

- (1) Payment of any pension or other benefit under the Scheme is subject to the production to the Trustees of such relevant information and evidence as they may require. The Trustees may send to a person's last known address a request for confirmation of continued existence and, in the absence of a reply within the period specified in the request, may assume that the person is no longer alive.

- (2) In particular, subject to the Preservation Requirements, a Member's pension may be withheld and not put into payment until he or she has provided the Trustees with evidence to their satisfaction of the amount of Lifetime Allowance that is available to him or her (if any).

#### **10.12 NO CLAIMS EXCEPT IN ACCORDANCE WITH SCHEME**

No person will have any claim right or interest under the Scheme or any claim against the Trustees except under and in accordance with the Trust Deed and the Rules.

#### **10.13 EARMARKING ORDERS ON DIVORCE**

- (1) In this Rule -
- (a) **"Order"** means an order of a competent court made pursuant to sections 25B, 25C and 25D of the 1973 Act (earmarking);
  - (b) **"Former Partner"** means a Member's former spouse or Civil Partner to whom benefits are payable pursuant to an Order; and
  - (c) **"1973 Act"** means the Matrimonial Causes Act 1973.
- (2) If the Trustees are required by an Order to pay to a Member's Former Partner -
- (a) all or part (not exceeding the whole) of -
    - (i) the Member's Pension; or
    - (ii) any cash sum which the Member elects to receive in accordance with rules 4A.9, 5A.9, 6A.9(1) or 7A.9(1)the Trustees shall make those payments required by the Order and the amount payable to the Member shall be reduced accordingly; or
  - (b) all or part of any cash sum payable on the death of the Member in accordance with Sections 4B, 5B, 6B or 7B of the Rules, the Trustees shall exercise their powers under the Rules to give effect to the Order and the rights of other persons shall be adjusted appropriately.
- (3) Whilst an Order is in place in respect of a Member, the Trustees shall give any notices required by the 1973 Act on the transfer (or certain other applications) of the Member's accrued benefits under the Scheme or any change of circumstances relevant to the Order.
- (4) An Order shall not have the effect of terminating the Member's interest in accordance with rule 10.6.

**SECTION 11**  
**PENSION SHARING ON DIVORCE**

**Summary**

- *Definitions applicable to this Section (Rule 11.1)*
- *Implementing a pension sharing order (Rule 11.2)*
- *Ex-Partner Participants (Rule 11.3)*
- *Impact of Pension Sharing on Members (Rule 11.4)*
- *Death of an Ex-Partner before pension sharing order implemented (Rule 11.5)*

**11.1 DEFINITIONS APPLICABLE TO THIS RULE**

In this Section, the following expressions have the meanings set out below -

**"Dependant"** means a Member's spouse or any other person who was at the Member's death dependent on the Member for the provision of all or any of the ordinary necessities of life.

**"Ex-Partner"** means a person who has been or will be granted Pension Credit Rights following a Pension Sharing Order.

**"Ex-Partner Participant"** means an Ex-Partner who the Trustees have determined may participate in the Scheme either -

- (1) solely for the provision of a Pension Credit Benefit; or
- (2) for the wholly separate provision of a Pension Credit Benefit, where the Ex-Partner is already a Member or Dependant of a Member or former Member

and includes a person who becomes an Ex-Partner Participant by virtue of rule 11.4(2) below (transferred in Pension Credit Rights).

**"Pension Credit"** means a credit under section 29(l)(b) of the 1999 Act.

**"Pension Credit Benefit"** means the benefits (if any) which the Trustees have determined will be payable under the Scheme in respect of 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 1999 Act.

**"Pension Sharing Order"** means any order or provision as is mentioned in section 28(1) of the 1999 Act.

**"1999 Act"** means the Welfare Reform and Pensions Act 1999.

## **11.2 IMPLEMENTING A PENSION SHARING ORDER**

- (1) If a Pension Sharing Order is made in respect of a Member's or Ex-Partner Participant's benefits, the Trustees shall reduce those benefits by the amount of the Pension Debit in accordance with section 31 of the 1999 Act (or any other enabling power) and provide the Ex-Partner with a Pension Credit.
- (2) The Trustees shall discharge their liability in respect of the Pension Credit by -
  - (a) transferring the Pension Credit to another pension arrangement (as defined in section 46 of the 1999 Act); or
  - (b) admitting the Ex-Partner to participation in the Scheme as an Ex-Partner Participant, on the terms set out in rule 11.3 below;

in each case (subject to (4) below) with the Ex-Partner's consent and in accordance with Schedule 3 of the 1999 Act (method of discharging Pension Credits).

- (3) Participation in the Scheme pursuant to (2)(b) above may be restricted to such individuals or categories of individuals, or be permitted in such circumstances, as the Trustees may from time to time decide.
- (4) If the Ex-Partner fails to give his or her consent under (2) above, the Trustees may (subject to the provisions of the Pension Sharing (Pension Credit Benefit) Regulations 2000) nevertheless make a transfer, or grant participation in the Scheme, under (2) (a) or (b) (as appropriate) in the circumstances permitted by Schedule 5 of the 1999 Act. Subject to section 33 of the Pensions Act 1995 (investment powers: duty of care), the Trustees shall not be liable for any resulting loss whatsoever which may be suffered by the Ex-Partner.
- (5) Rule 11.6 is amended to permit -
  - (a) the assignment of part or all of the Member's benefits or rights to benefits under the Scheme to his or her Ex-Partner; or
  - (b) the assignment of part or all of any Ex-Partner Participant's benefits or rights to benefits under the Scheme to his or her Ex-Partner;

to the extent necessary to comply with a Pension Sharing Order.

## **11.3 EX-PARTNER PARTICIPANTS**

- (1) This rule 11.3 applies to -
  - (a) Ex-Partner Participants admitted to the Scheme pursuant to Rule 11.2(2)(b) above; and



- (b) Members or Ex-Partner Participants who acquire the status of Ex-Partner Participants by virtue of rule 11.4(2) (transferred-in Pension Credit Benefits) but only in respect of such Pension Credit Benefits.
- (2) The Pension Credit Benefits to be provided for an Ex-Partner Participant shall be in such form and payable on such terms as (in either case) the Trustees shall determine.
- (3) Any Pension Credit Benefits under the Scheme shall be treated as provided separately from any benefits provided under the Scheme for the same person as a Member or as the Dependant of a Member or former Member.
- (4) The provisions of the Scheme shall be modified as follows -
  - (a) Rule 10.1 and Section 18 of the Rules shall have effect as if -
    - (i) Ex-Partner Participants in receipt of pensions are Pensioners; and
    - (ii) Ex-Partner Participants not in receipt of pensions are Deferred Pensioners

provided that if an Ex-Partner Participant is also a Member or Dependant of a Member or Former Member the above modifications shall apply only in respect of his or her Pension Credit Benefits.
  - (b) Unless the Trustees with the approval of the BBC determine otherwise, an Old Benefits Member may not increase the number of Added Years he or she is purchasing above the maximum permitted immediately before the marriage or civil partnership was dissolved or annulled.
- (5) (a) The Ex-Partner Participant may request that the Trustees arrange a transfer of his or her Pension Credit Rights to -
  - (i) another Registered Scheme if he or she is already a member of that scheme or an Ex-Partner participant in that scheme;
  - (ii) to any other scheme if the transfer would prejudice the Scheme's status as a Registered Scheme.
- (b) If the Ex-Partner Participant is also a Member of the Scheme -
  - (i) the transfer of Pension Credit Rights will only be permitted if the Ex-Partner Participant also requests a transfer of his or her other Scheme benefits under Section 11 (Transfers Out and Buy Outs); and
  - (ii) a transfer of the Ex-Partner Participant's other Scheme benefits under Section 11 (Transfers Out and Buy Outs) will only be permitted if he or she also requests a transfer of his or her Pension Credit Rights.

- (c) The Trustees must confirm to the receiving scheme or arrangement, that a transfer value consists wholly or partly of Pension Credit Rights for the benefit of an Ex-Partner Participant.
- (6) Subject to the 1999 Act, the rights to a Pension Credit Benefit under the Scheme shall not be absolute, but shall be forfeited upon the bankruptcy of the Ex-Partner Participant. Such benefits may then be paid to any individuals or individual as specified by the Trustees, in their absolute discretion.

#### **11.4 IMPACT OF PENSION SHARING ON MEMBERS**

- (1) Where -
  - (a) the Trustees (at their discretion) accept a transfer payment for a person who is already a Member of the Scheme; and
  - (b) are informed by the transferor that the transfer value consists wholly or partly of Pension Credit Rights

the Trustees must separately identify the transfer payment, or the part of the transfer payment, relating to the Pension Credit Rights from the person's other benefits in the Scheme. Furthermore the Trustees must comply with the requirements of rule 11.3(2) above in respect of the transferred-in Pension Credit Rights.

The Member will then acquire the status of an Ex-Partner Participant in the Scheme in relation to his or her transferred-in Pension Credit Benefits.

#### **11.5 DEATH OF AN EX-PARTNER BEFORE PENSION SHARING ORDER IS IMPLEMENTED**

If an Ex-Partner dies after a Pension Sharing Order is made but before the Trustees have discharged their liability in accordance with rule 11.2, a lump sum death benefit may be paid, if the Trustees so determine, pursuant to rule 10.5 (discretionary trusts), as though the Ex-Partner were a Member. This lump sum may not exceed 25% of the amount which would have comprised the Ex-Partner's Pension Credit. If the Trustees so determine, the balance of the amount which would have comprised the Ex-Partner's Pension Credit may be used to provide a non-commutable pension for a dependant of the Ex-Partner.

#### **11.6 CHARGING**

The Trustees may, if they so determine, impose charges in respect of the provision of information and/or implementation of any Pension Sharing Order made in respect of the Scheme. These charges must comply with the 1999 Act and regulations under it.

## SECTION 12

### TRANSFERS OUT AND BUY OUTS

#### 12.1 MEMBERS' STATUTORY RIGHTS

Certain Members have a statutory right (under Chapter IV of Part IV of the Pension Schemes Act 1993) to require the Trustees to use the cash equivalent of their accrued benefits to -

- (a) acquire rights under another Registered Scheme;
- (b) purchase one or more "buy-out" annuities with one or more insurance companies.

The Trustees will, to the extent that they are obliged to do so under Chapter IV, comply with a Member's requirement as to the use of his or her cash equivalent. The following rules of this Section apply if and to the extent that a person does not have this statutory right, or has it but has not exercised it.

#### 12.2 TRANSFERS OUT

- (1) The Trustees may, with the BBC's consent, transfer all or such part of the Fund as they think fit, and the BBC agrees, to the trustees or managers of a Receiving Scheme, in exchange for the provision of benefits under the Receiving Scheme for a person or persons in place of all or part of the benefits to which they were entitled (or contingently or prospectively entitled) under the Scheme. Subject to (2) below, a transfer may be made without the person or persons' consent.

In particular (but without prejudice to the generality of the above), if the transfer is in consequence of a Participating Employer ceasing to be a Participating Employer or of a relevant transfer (as defined in the Transfer of Undertakings (Protection of Employment) Regulations 1981), then, notwithstanding that affected Members are entitled only to leaving Service benefits under the Rules, the Trustees may, if the BBC agrees, transfer more than the value of those Members' cash equivalents (as described in rule 12.1).

In this rule "**Receiving Scheme**" means -

- (a) another Registered Scheme; or
  - (b) a Qualifying Overseas Scheme.
- (2) In making a transfer under (1) above the Trustees must comply with any relevant requirements of the Inland Revenue, the contracting-out requirements of the Pension Schemes Act 1993 and the Preservation Requirements. In particular -
    - (a) the Trustees will provide the trustees or managers of the Receiving Scheme with any certificates (relating to maximum lump sum benefits, the amount of a Member's own contributions to the Scheme, or any other matter) required by the Board of Inland Revenue in connection with the transfer;
    - (b) if a Member is entitled to Short Service Benefit a transfer to another occupational pension scheme may be made without his or her consent only in the

circumstances and subject to the conditions prescribed by regulation 12 of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991; and

- (c) the transfer may include a Member's accrued rights to a GMP or pension in respect of Contracted-out Employment after 5 April 1997 and before 6 April 2016 only if the relevant contracting-out requirements of the Pension Schemes Act 1993 are met.
- (3) The Trustees may enter into an agreement with the trustees or managers of a Receiving Scheme, to transfer under (1) above at a future date. The agreement may include whatever provisions the Trustees think appropriate. Pending completion of the agreement, the person or persons to whom the agreement relates (and any persons claiming through them) will not be entitled to any benefit under the Scheme, except in accordance with the agreement.
- (4) Once the transfer has been completed then (except to the extent (if any) that the terms of transfer provide to the contrary) -
  - (a) the person or persons in respect of whom it has been made will have no entitlement under the Scheme (or, if the transfer relates to part only of their benefits, will have no entitlement under the Scheme to that part); and
  - (b) the receipt by the trustees or managers of the Receiving Scheme will be a complete discharge to the Trustees in respect of that person or persons (or, if the transfer relates to part only of their benefits, a discharge in relation to that part); and
  - (c) the Trustees will not be under any liability to oversee the application of the transfer.

### **12.3 BUY-OUTS**

- (1) At a Deferred Pensioner's request, the Trustees may "buy-out" the Scheme benefits payable to and in respect of him or her by purchasing an insurance policy or annuity contract with an insurance company. Subject to (2) below, the benefits to be provided under the policy or contract and its terms will be as agreed between the Trustees and the insurance company or as selected by the Deferred Pensioner.
- (2) Any insurance policy or annuity contract effected under (1) above must comply with any relevant requirements of the Inland Revenue, the contracting-out requirements of the Pension Schemes Act 1993 and the Preservation Requirements. In particular -
  - (a) it must provide a Scheme pension (as defined in paragraph 2 of Schedule 28 to the Pensions Act 2004) and contain any other provisions (relating to non-assignment, maximum lump sum benefits, or any other matter) required by the Board of Inland Revenue;
  - (b) it must satisfy the conditions of sections 19 and 81 of the Pension Schemes Act 1993 (relating respectively to discharge of GMP and Short Service Benefit liability); and

- (c) the Trustees must be reasonably satisfied that the payment made to the insurance company at least equals the value of the benefits that would otherwise have been provided under the Scheme.
- (3) The Trustees may, in the case of a Deferred Pensioner with at least 2 years' but less than 5 years' Qualifying Service, exercise their buy-out power under (1) above without his or her request or consent. However, they may not purchase the insurance policy or annuity contract -
  - (a) within 12 months of the Deferred Pensioner's Pensionable Service ceasing; or
  - (b) if he or she has an outstanding application for a cash equivalent (under Chapter IV of Part IV of the Pension Schemes Act 1993).
- (4) Once the purchase has been completed then (unless the terms of purchase provide to the contrary) -
  - (a) the person or persons in respect of whom it has been made will have no entitlement under the Scheme; and
  - (b) the receipt by the insurance company will be a complete discharge to the Trustees in respect of that person or persons; and
  - (c) the Trustees will not be under any liability to oversee the performance by the insurance company of its obligation under the policy or contract.

**SECTION 13**  
**TRUSTEES - APPOINTMENT AND CONDUCT**

**13.1 APPOINTMENT AND MEETINGS OF TRUSTEES<sup>5</sup>**

- (1) In (2) below and Schedule 1 references to the Trustees are to –
- (a) the directors of BBC Pension Trust Limited (or of any later sole corporate trustee of the Scheme); or
  - (b) the persons, other than those in (a), who are the trustees for the time being of the Scheme
- as the case may be.
- (2) The following will apply in respect of the Trustees -
- (a) Schedule 1 will have effect with respect to -
    - (i) the number, appointment and election of Trustees;
    - (ii) the proceedings of the Trustees; and
    - (iii) their tenure.
  - (b) The Trustees will meet at such times (being at least once a year) and at such places as they decide.
  - (c) The Trustees will make such regulations (not being inconsistent with the Rules) as they from time to time decide for -
    - (i) the conduct of their business;
    - (ii) the summoning of meetings;
    - (iii) the recording of resolutions; and
    - (iv) all other matters in connection with their work.
  - (d) A quorum at any meeting of the Trustees will consist of six Trustees, of whom at least one must be an Independent Trustee, at least one must be a BBC Trustee and at least one must be a Member Trustee or the Pensioner Trustee. The Independent Trustees, BBC Trustees, Member Trustees and Pensioner Trustee are the persons so defined in Schedule 1.
  - (e) Any question arising at a meeting will be decided by the votes, taken on a show of hands, of the Trustees present. In the case of an equality of votes the chair of the meeting will have a second or casting vote.

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<sup>5</sup> As amended by the 53<sup>rd</sup> deed of variation.

- (3) (a) BBC Pension Trust Limited is for the time being the sole trustee of the Scheme. The BBC may, by instrument in writing, remove the trustee or trustees for the time being of the Scheme and appoint in their place a sole corporate trustee or several persons, provided that it procures that, at the time of appointment, the board of directors of the sole corporate trustee or those several persons comprise the persons who immediately before had been the Trustees (as defined in (1) above). Those persons will be the first Independent Trustees, BBC Trustees, Member Trustees and Pensioner Trustee following that appointment.
- (b) Part III of the Trustee Act 1925 will apply as if the references in it to a trust corporation were replaced by references to a body corporate having power to act as a trustee of the Scheme.
- (c) Following such appointment the BBC will procure that -
  - (i) the Trustees (as defined in (1) above) comprise the persons who (if there had been individual Trustees) would have become Trustees under Schedule 1;
  - (ii) the quorum and voting provisions of the Trustees (as so defined) will be that which would have applied under (2) above and Schedule 1.
- (4) The BBC may, at any time and from time to time by instrument in writing and with the consent of the Trustees, alter or modify Schedule 1.
- (5) (a) The BBC undertakes to exercise its powers to appoint and remove directors of any corporate trustee in accordance with the provisions of the Pensions Act 2004 and any arrangements in force for the time being under that Act, which relate to the appointment of Trustees or directors of a corporate trustee.
- (b) If there is a sole corporate trustee and the BBC appoints or removes one or more of its directors other than in conformity with (a) above the corporate trustee will cease to hold office. The Trustees will then be those persons who immediately before such appointment or removal by the BBC were entitled to serve as directors of the corporate trustee under the provisions, arrangements and rules referred to in (a) above.
- (c) The BBC will execute any deed or deeds as may be required to give effect to (b) above.

### **13.2 RECORDS OF TRUSTEES' PROCEEDINGS AND RESOLUTIONS**

- (1) The Trustees will keep minutes of all their proceedings and records of all their resolutions.
- (2) Any minute, if signed by the person who presided over the meeting at which the proceeding took place or who presides over the next following meeting, will be sufficient evidence of the matters to which it relates.
- (3) Any such minutes or records must comply with any applicable requirements of The Occupational Pension Schemes (Scheme Administration) Regulations 1996.

### **13.3 EXERCISE OF DISCRETIONS BY TRUSTEES OR THE BBC**

- (1) Every discretion or power conferred by the Rules on the Trustees will be absolute and uncontrolled, except that it must, if necessary, be exercised in such a manner as, in the Trustees' opinion, is necessary for the retention of the Scheme's status as a Registered Scheme.
- (2) The Trustees may vary or revoke any regulation or decision made by them under the Rules, unless -
  - (a) doing so would infringe (1) above; or
  - (b) the original regulation or decision was expressed to be irrevocable; or
  - (c) the consent of another party was required to the original regulation or decision and that other party does not consent to its being varied or revoked.
- (3) Sub-rules (1) and (2) above, with all references to the Trustees replaced by references to the BBC, apply to the BBC's discretions, powers and regulations.

### **13.4 PROTECTION OF PERSONS DEALING WITH TRUSTEES**

No person dealing with the Trustees will be concerned -

- (a) to enquire whether any power purported to be exercised by the Trustees is exercisable;
- (b) to enquire as to the necessity or expediency of any term of such dealing or as to its propriety or regularity; or
- (c) to see to the application of any moneys paid to the Trustees.

In the absence of fraud by that person, the dealing will, so far as regards that person's safety and protection, be deemed to be within the Trustees' powers and valid and effectual.

### **13.5 PROFESSIONAL ADVICE**

The Trustees may engage or act on the advice or opinion (whether or not obtained by them) of -

- (a) any lawyer, broker, actuary, accountant, medical practitioner or other professional person; or
- (b) any other person whom the Trustees reasonably believe to be qualified (by ability and practical experience) to advise on a matter.

The Trustees will not be responsible for any loss resulting from so acting.

### **13.6 LIMITS ON TRUSTEES' LIABILITY**

- (1) No Trustee will be liable for -



- (a) the consequences of, any mistake or forgetfulness, whether of law or fact, of the Trustees or their advisers, or for any breach of duty or trust whatsoever (whether by way of commission or of omission), unless it is proved to have been made, given, done or omitted in personal conscious bad faith of the Trustee sought to be made liable;
  - (b) the costs of defending any claim, proceeding or complaint (or the threat of any claim, proceeding or complaint) of whatever nature brought against the Trustees in the capacity of a trustee of the Scheme except in so far as these costs are met by separate insurance cover effected by the BBC or incurred as a result of personal conscious bad faith on the part of the Trustee claiming the benefit of this clause;
  - (c) the tax consequences of any relevant benefit accrual (as defined in the Finance Act 2004) that occurs before the Trustees have received a copy of the confirmation from Her Majesty's Revenue & Customs that the individual has registered for enhanced protection under paragraph 12 of Schedule 36 of the Finance Act 2004.
- (2) No decision of or exercise of a power by the Trustees may be invalidated or questioned on the ground that the Trustees, or any of them, had a direct or indirect interest in that decision or in the exercise of that power.
  - (3) Any of the Trustees who is or has been a Member will be entitled to retain any benefit to which he or she is entitled by virtue of his or her membership of the Scheme.
  - (4) No Trustee will be liable for any loss or damage resulting from his or her concurring or refusing or failing to concur in a decision or exercise of a power by the Trustees.
  - (5) The provisions of this rule apply to the maximum extent that they do not breach sections 31 ("Trustees not to be indemnified for fines or civil penalties") and 33 ("Investment powers : duty of care") of the Pensions Act 1995. If, as a consequence of those sections, a provision of this rule cannot apply in respect of a particular Trustee, it will still apply in respect of the other Trustees unless that too would be a breach of those sections in the circumstances.

### **13.7 TRUSTEES' DISCLOSURE OF INFORMATION**

No Trustee shall be obliged to disclose to his or her fellow Trustees information relevant to any exercise of their powers, duties or discretions where and to the extent that BBC Pension Trust Limited or any successor as Trustee so resolves and –

- (a) the Trustee has elected not to take part in the deliberations of the Trustees, not to form part of the quorum of any meeting, and to forgo his or her voting rights in relation to the exercise of the power, duty or discretion, or consideration of it; or
- (b) the exercise of the power, duty or discretion, or consideration of it, has been delegated to a committee of Trustees and the Trustee is not a member of the committee.

### **13.8 REMUNERATION AND EXPENSES**

- (1) Each Trustee is entitled to be paid Trustee Remuneration on a basis agreed –
  - (a) in the case of a sole corporate trustee, between it and the BBC; and
  - (b) in any other case by the Trustees.

Such Trustee Remuneration will be paid out of the Fund.

- (2) A Trustee who carries on a profession or business is entitled to charge` for services provided on a basis agreed by the Trustees, as also may a company or firm in which a Trustee is interested. These charges will be paid out of the Fund.

## SECTION 14

### INVESTMENT PROVISIONS

#### 14.1 *INVESTMENT OF THE FUND*

The Trustees will have, subject to compliance with the restrictions on employer-related investments imposed by section 40 of the Pensions Act 1995, the following powers in relation to the Fund (and any assets comprising part of it) -

- (a) the same full and unrestricted powers of investing in any property (anywhere in the world, whether or not it is tangible or produces income or involves liability) and disinvesting as if they were an individual absolutely and beneficially entitled to the Fund, except that they may invest in investments that are open to trustees of exempt-approved schemes but not to individuals;
- (b) power to place or retain moneys on deposit or current account, without being chargeable for interest in excess of the interest (if any) actually paid;
- (c) power to enter into, vary or terminate any option, future or contract for differences or any form of contract comprising or relating to an option, future or contract for differences regarding the purchase, sale or carrying out of any transaction relating to any such subject-matter as is mentioned in (a) above or any currency, interest rate, notional subject-matter (whether relating to an index or otherwise) or other thing (including any option on a future or contract for differences and any combination of any of the instruments or transactions mentioned in this paragraph (c));
- (d) power to enter into, vary, or terminate Derivative Transactions or Credit Derivative Transactions (including but not limited to power to enter into with another party or parties the International Swaps and Derivatives Association, Inc. Master Agreement and credit support documentation (if any) and any requisite "transaction" or "confirmation" as defined in each case in such Agreement);
- (e) power to enter into vary or close out repurchase transactions whether as seller or buyer (including but not limited to entering into with another party or parties an industry standard global master repurchase agreement including any credit support documentation and any requisite "Transaction" or "Confirmation" as defined in each case in such agreement);
- (f) power to collateralise or secure any obligation relating to a future, option, contract for differences, Derivative Transaction, Credit Derivative Transaction or repurchase transaction (including the payment or delivery of margin) in such manner and upon such terms as the Trustees think fit (including by effecting transfers or the giving of any guarantee or indemnity or any charge or other security over all or any part of the Fund);
- (g) power to deal with any land or interest in land forming part of the Fund as if they were absolutely and beneficially entitled to it (including leasing, mortgaging, exchanging, selling or developing it). Any land or interest in land forming part of the Fund will, subject to the relevant national law or any contrary decision by the Trustees, be held subject to a "trust of land" under the Trusts of Land and Appointment of Trustees Act 1996;

- (h) power to underwrite or sub-underwrite and to enter into any agreement for underwriting or sub-underwriting any investments or securities, whether on issue or sale and whether jointly with others or not, and to do all things incidental; and
- (i) power to enter into any stock lending arrangement (being an arrangement to transfer securities to a borrower otherwise than by way of sale with a requirement for the borrower to return the securities) and to do all other acts and things which the Trustees consider necessary or expedient in relation to and for the implementation and enforcement of such arrangement.

#### **14.2 DEALINGS WITH EMPLOYERS, OTHER TRUSTEES AND JOINT INVESTMENTS**

- (1) The Trustees may enter into any transaction with any of the Participating Employers or with the trustees of any other trust, even though the Trustees (or any of them, or any of the directors of any body corporate which is a Trustee of the Scheme) may be or be included amongst the trustees or directors of a corporate trustee of the other trust.
- (2) In particular, but without prejudice to the generality of (1), the Trustees may exercise their investment powers jointly with the trustees of any other trust having similar powers, as if the property subject to the trusts of the Scheme and that subject to the trusts of the other trust were one trust fund. When exercising this power the Trustees will make such arrangements as they think fit for apportioning blended trust property, its income, and gains and losses arising on the sale of assets or otherwise.

#### **14.3 BORROWING**

The Trustees may -

- (a) raise or borrow any sum or sums in any currency and in any manner for investment or for any other purpose of the Scheme or for the exercise of any power conferred on the Trustees under the Scheme;
- (b) secure the performance of any obligation arising in connection with (a) above in such manner and upon such terms (including any obligation to make a margin payment and the giving of any guarantee or indemnity) as they think fit; and
- (c) charge the sums so raised or borrowed or any part of them on all or any part of the Fund.

#### **14.4 APPOINTMENT OF NOMINEE, CUSTODIAN AND INVESTMENT MANAGER**

- (1) The Trustees may appoint any person (being a body corporate partnership or individual) to act as -
  - (a) the custodian of any investments of the Scheme;
  - (b) their nominee. Any investments of the Scheme may be made in the name of or transferred to the nominee, on terms that it will hold them as nominee for and on behalf of the Trustees;
  - (c) their investment manager, to exercise all or any of the investment powers conferred on the Trustees under rule 14.1 and such other powers (if any) as the Trustees decide.

The Trustees may enter into any agreement with the person as to the terms and conditions of its appointment which may include power to sub-delegate. Any such agreement will be binding on the Scheme. The Trustees may vary or revoke the appointment or agreement.

- (2) The Trustees will not be bound to supervise the actions of any person appointed under this clause or its sub-delegate, or be responsible for any loss (however caused) suffered as a result of any appointment or sub-delegation.

#### **14.5 INSURANCES, ANNUITIES ETC.**

- (1) The Trustees may effect (and subsequently vary, surrender, sell, exchange or dispose of) any insurance which they believe is suited for the purposes of the Scheme. Every annuity contract effected under this rule must comply with any relevant requirements of HM Revenue & Customs.
- (2) The Trustees may appropriate any insurance forming part of the Fund to the provision, in whole or in part, of any benefit payable or prospectively payable under the Scheme, whereupon -
  - (a) the rights of the person entitled or prospectively entitled to that benefit or the relevant part will be limited to that insurance;
  - (b) no person will have any right to resort to that insurance in priority to the person entitled to that benefit; and
  - (c) Section 18 (winding-up) will have effect subject to this provision.
- (3) The Trustees may assign the appropriated insurance to the person in (2) above, following which he or she will have no claim to the benefit or the relevant part under the Scheme. The insurance must -
  - (a) correspond or substantially correspond with; and
  - (b) be expressed to be non-assignable and non-commutable except in the same circumstances and to the same extent as

the benefits to the provision of which (in whole or in part) it is appropriated.

#### **14.6 RECEIPTS, CUSTODY AND DISCHARGES**

- (1) The Trustees may -
  - (a) make such arrangements as they think fit for dealing with receipts and discharges under the Scheme; and
  - (b) give, vary and revoke instructions as to the custody and disposal of any securities and as to the giving of receipts and discharges for payments in connection with the Scheme.
- (2) If and so long as the Trustees are a body corporate, the production of any authority of the Trustees contained in a copy of a minute (as referred to in rule 12.2 and certified by

an officer of such body corporate to be a true copy) will be sufficient protection to any person taking receipts and discharges or otherwise acting in accordance with that authority. Unless that person has received notice in writing of the revocation of the authority, he or she will be entitled to act on the assumption that it remains in force notwithstanding any change of Trustees.

## **SECTION 15**

### **ADMINISTRATIVE PROVISIONS**

#### **15.1 ADMINISTRATION AND MANAGEMENT OF SCHEME**

- (1) The administration and management of the Scheme is vested in the Trustees. However, the Trustees may appoint another person or persons to carry out the administration and management of the Scheme including, but not restricted to, the duties imposed on the Scheme Administrator.
- (2) If a person or persons other than the Trustees is the Scheme Administrator, then any references in the Rules to -
  - (a) the Trustees' liability or potential liability to tax; or
  - (b) the ability of the Trustees to deduct amounts in respect of tax for which they are or might be liable; or
  - (c) the ability of the Trustees to withhold payment of benefits due to having insufficient information to assess a tax liability;shall be read as referring to the liability, potential liability or ability (as the case may be) of the Scheme Administrator as well as the Trustees.

#### **15.2 EXPENSES OF ADMINISTRATION AND INVESTMENT**

The Trustees will pay, out of the Fund, the amounts of all costs, charges and expenses incurred in connection with the administration of the Scheme and the Fund.

#### **15.3 TRUSTEES' ADMINISTRATIVE POWERS**

- (1) The Trustees may, with the BBC's consent, make regulations or other provisions relating to the Scheme or the administration of the Fund which are not already provided for. The regulations or provisions must not conflict with the Rules.
- (2) In particular, but without prejudice to the generality of (1), the Trustees may exercise their powers under (1) for all or any of the following purposes -
  - (a) to require evidence of the truth of any statement and the notification of any information relevant to the Scheme; and
  - (b) if any person does not comply with any requirement of or made pursuant to the Rules, to make forfeit, reduce or withhold all or any part of the benefit payable to or in respect of that person (subject however to sections 91 to 93 of the Pensions Act 1995).

#### **15.4 DETERMINATION OF QUESTIONS BY TRUSTEES**

- (1) Subject to the powers conferred on the Participating Employers, the Trustees may decide all questions and matters of doubt arising under the Scheme.

- (2) Any such decision (whether made upon a question actually raised or implied in the acts or proceedings of the Trustees) will, so far as the law permits, be conclusive.
- (3) Neither the Trustees nor any of the Participating Employers will be liable for, or for the consequences of, any act done, or not done, or any payment made or not made in pursuance or purported pursuance of any such decision, even if it is subsequently held to have been wrong.

#### **15.5 EVIDENCE SUPPLIED BY PARTICIPATING EMPLOYERS**

The Trustees may accept any information relevant to the Scheme (about individuals or otherwise) supplied to them by a Participating Employer as conclusive evidence of the matter to which it relates.

#### **15.6 CLAIMS AND LEGAL PROCEEDINGS**

The Trustees may -

- (a) settle, compromise or submit to arbitration any claim or dispute;
- (b) commence, carry on or defend proceedings

relating in any way to the Scheme or any person's rights under it.

#### **15.7 RESOLUTION OF DISPUTES**

The Trustees may, by regulations, establish and maintain arrangements for the resolution of disputes about matters relating to the Scheme, in accordance with the requirements of section 50 of the Pensions Act 1995.

#### **15.8 GUARANTEES AND INDEMNITIES**

The Trustees may guarantee the payment of any sum or the performance of any obligation or indemnify any person against liability, loss or expense.

#### **15.9 DELEGATION**

- (1) The Trustees may delegate all or any of their powers, duties and discretions under the Scheme to any person and on any terms (which may include power to sub-delegate). The Trustees may vary or revoke the delegation.
- (2) The Trustees will not be bound to supervise the action of the delegate or its sub-delegate, or be in any way responsible for any loss (however caused) suffered as a result of any delegation or sub-delegation.
- (3) The powers of delegation in this rule are in addition to and separate from those in rule 14.4.



#### **15.10 REGISTERED SCHEME**

The Trustees may make any determination they think necessary for ensuring that the Scheme complies with the requirements to be a Registered Scheme. The determination's provisions will override any provisions of the Rules to the extent that they are inconsistent and are not part of the Preservation Requirements.

#### **15.11 COPIES OF TRUST DEED AND RULES**

Members and others are entitled to certain information about the Scheme and their benefits, under The Occupational Pension Schemes (Disclosure of Information) Regulations 1996. In addition each Active Member will be entitled, on application, to receive a copy of the Trust Deed and the Rules and of any special terms of membership which apply to him or her.

#### **15.12 NOTICES**

Notice of any matter under the Rules must be given to the Trustees at the time and place and in the form and manner and with the supporting evidence (if any) stipulated by the Trustees.

#### **15.13 TRUSTEES' GENERAL POWER**

The Trustees will have power generally to execute and do all such acts and things as they consider necessary or expedient for the maintenance and preservation of the Fund and the Scheme and of the rights of the Members and others under the Scheme.

## SECTION 16

### ACTUARIAL INVESTIGATION, AUDIT AND ACCOUNTS

#### 16.1 APPOINTMENT OF ACTUARY AND AUDITOR

- (1) The Trustees must appoint on such terms as they think fit an actuary ("**the Actuary**") to act as actuary of the Scheme under the Pensions Act 1995 and an auditor ("**the Auditor**") for the Scheme. The Trustees may vary or revoke the appointments.
- (2) The Actuary must be a Fellow of the Institute of Actuaries or of the Faculty of Actuaries. The Auditor must be an individual or a firm qualified for appointment as auditor of a company under section 389 of the Companies Act 1985.

#### 16.2 ACTUARIAL INVESTIGATION

- (1) The Trustees must fix valuation dates, not more than three Years apart, the first (following the adoption of these Rules) being not later than 1 April 2010. The Trustees must instruct the Actuary, as soon as practicable after each valuation date, to investigate the financial condition of the Fund at that date.
- (2) The Actuary will report in writing to the Trustees and to the BBC and make such recommendations as he or she thinks fit.

#### 16.3 RECORDS AND AUDIT

- (1) The Trustees must keep, or cause to be kept, a complete record of all matters essential for the working of the Scheme and any other books and records which they are required to keep by the Occupational Pension Schemes (Scheme Administration) Regulations 1996. They must also keep accounts to show the position of and dealings with the Fund and the amounts contributed to it.
- (2) The Trustees must cause to be prepared a statement of accounts of the Fund at least once in every calendar year (or at such shorter interval as may be required under the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, or at such longer interval, as the Trustees may decide, allowed under those Regulations).
- (3) Every such statement of accounts must be audited by the Auditor appointed under rule 16.1, who must have access to all relevant records, books, papers, vouchers, accounts and documents and will report on the statement to the Trustees.
- (4) Each Participating Employer will be entitled to a copy of the audited statement of accounts.

## **SECTION 17**

### **PARTICIPATING EMPLOYERS**

#### **17.1 "ASSOCIATED EMPLOYER"**

**"Associated Employer"** means -

- (a) any body corporate which is, for the time being, deemed to be a subsidiary or holding company of the BBC or a subsidiary of any such holding company under section 736 of the Companies Act 1985; or
- (b) any individual, body corporate or partnership which is, for the time being, designated by the BBC as an "Associated Employer". The BBC may only so designate it if it is, has been, or will be allied to or associated in business with the BBC or if it employs Members following a relevant transfer (as defined in the Transfer of Undertakings (Protection of Employment) Regulations 1981). The written certificate of the secretary for the time being of the BBC will be conclusive evidence of that alliance or association. The BBC may revoke a designation at any time.

#### **17.2 BECOMING A PARTICIPATING EMPLOYER**

An Associated Employer will become a Participating Employer if it, with the BBC's and the Trustees' consent, enters into a covenant with the Trustees to observe and perform the provisions of the Trust Deed and the Rules.

#### **17.3 EMPLOYERS' CONTRIBUTIONS**

Each Participating Employer will pay contributions in accordance with rules 3.4 and 3.5.

#### **17.4 EMPLOYERS' DUTIES**

Each Participating Employer must do all things and give to the Trustees all information in its power or possession which are necessary for the working of the Scheme.

#### **17.5 CEASING TO BE A PARTICIPATING EMPLOYER**

- (1) Participation ends when a Participating Employer (other than the BBC) -
  - (a) gives the Trustees written notice terminating its liability to contribute to the Scheme; or
  - (b) is given written notice by the Trustees if it is an Associated Employer only under (b) in rule 17.1; or
  - (c) stops being an Associated Employer; or
  - (d) ceases to employ any Active Members and it is unlikely to do in the future.
- (2) Ceasing to be a Participating Employer may trigger an "employer cessation event" for the purposes of sections 75 and 75A of the Pensions Act 1995 ("the Employer Debt Legislation"). This occurs when a Participating Employer stops employing individuals in

the description of employment to which the Scheme relates, and at least one other Participating Employer continues to employ such individuals.

- (3) Under the Employer Debt Legislation if an "employer cessation event" occurs at a time when the Scheme's assets are less than its liabilities, as estimated by the Actuary on the basis of purchasing pensions and other benefits by annuities, the Participating Employer will be liable to pay a share of the difference to the Scheme.

#### **17.6 MEMBERS' BENEFITS WHEN PARTICIPATING EMPLOYER CEASES**

Any Active Member whose Employer ceases being a Participating Employer will be treated as leaving Service when the cessation takes effect, unless he or she remains in Service with a continuing Participating Employer.

#### **17.7 APPORTIONING A STATUTORY DEFICIT**

- (1) At any time before or after an "employer cessation event", as referred to in rule 17.5(3), occurs the difference between the Scheme's assets and its liabilities for the purposes of the Employer Debt Legislation may be apportioned amongst the Participating Employers in such manner as the Trustees determine. In the process the Trustees will consult the Actuary, the BBC, the Participating Employer and any other Participating Employer to whom the difference may be apportioned.
- (2) In default of such determination the statutory provisions of the Employer Debt Legislation will apply.

#### **17.8 REPLACEMENT OF PRINCIPAL EMPLOYER**

An Associated Employer may replace the British Broadcasting Corporation as the "BBC" under the Trust Deed and the Rules, subject to the Scheme's status as a Registered Scheme not being prejudiced and to the Trustees' consent. The consent of the British Broadcasting Corporation (or its liquidator) will also be required unless it has been dissolved. After it is replaced the British Broadcasting Corporation will be released from all its obligations under the Trust Deed and the Rules.

#### **17.9 NOMINATION OF THE BBC AS REPRESENTATIVE**

The BBC is nominated under this rule to act as the employers' representative for the purposes of section 229 of the Pensions Act 2004.

## SECTION 18

### FREEZING AND WINDING-UP

#### 18.1 **FREEZING EVENTS**<sup>6</sup>

The Scheme will be frozen if -

- (a) the BBC gives not less than three months' (or such other period as may be agreed in writing by the BBC and the Trustees) written notice to the Trustees terminating its liability to contribute to the Scheme; or
- (b) without an Associated Employer becoming the BBC under rule 16.8, one of the following events occurs -
  - (i) the BBC enters liquidation; or
  - (ii) the BBC is dissolved; or
  - (iii) the whole of the BBC's undertaking or business vests in another body.

In this Section "**the Freezing Event**" means the moment at which the notice in (a) expires or the event in (b) occurs.

#### 18.2 **EFFECTS OF FREEZING**

Following the Scheme becoming frozen under rule 18.1 -

- (a) the Trustees and (if applicable) the directors of a sole corporate trustee of the Scheme immediately before the Freezing Event will (notwithstanding rule 13.1 and Schedule 1) continue as the Trustees and the directors of that trustee respectively;
- (b) unless the Trustees decide otherwise (either in individual cases or generally) any Active Member will be treated as leaving Service, at the Freezing Event and no Service after that will be Pensionable Service;
- (c) no Participating Employer will be required to make any payment into the Scheme, except for any payment due before the Freezing Event;
- (d) if the Scheme becomes frozen under rule 18.1(a), the Trustees may alter the Trust Deed or the Rules in accordance with rule 19.2 and make such arrangements or agreements as they think fit for continuance of the Scheme. However, any alteration arrangement or agreement must not impose any liability for any of the Participating Employers to contribute to the Scheme without its consent;
- (e) if the Scheme becomes frozen under rule 18.1(b) -
  - (i) each Trustee may be paid, out of the Fund, Trustee Remuneration on a basis decided by the Auditor (appointed under rule 16.1). Any such decision will be final and binding;

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<sup>6</sup> As amended by the 55<sup>th</sup> deed of variation.

- (ii) the provisions in (d) above will also apply, except that any alteration to the Trust Deed and Rules under rule 19.2 will not require the BBC's consent;
- (iii) Rules 13.1 and 13.8, and Schedule 1, will still apply except that:
  - (aa) the power to appoint and remove trustees will be vested in the Trustees; and
  - (bb) any new sole corporate trustee will be entitled to be paid, out of the Fund, Trustee Remuneration on a basis agreed by the person making the appointment.

### **18.3 WINDING-UP**

At any time on or after the Freezing Event, the Trustees may resolve to wind up the Scheme in the manner set out in this rule. In this Section "**the Termination Event**" means the moment at which the Trustees so resolve.

After the payment of any benefits which have already fallen due to be paid (including the distribution of lump sum death benefits) before the Termination Event, and subject to the payment of all costs, charges and expenses incurred in the winding-up, the Trustees must use the Scheme's assets to secure, in accordance with rule 18.5, the benefits payable under the Scheme in the following order of priorities -

- (1) pensions and other benefits in respect of which entitlement to payment has already arisen at the Termination Event and pensions and other benefits to which Members then in Service after Normal Pension Age would have been entitled if they had left Service immediately before the Termination Event (but excluding increases to pensions after the Termination Event);
- (2) EPBs, GMPs and accrued rights to GMPs;
- (3) pensions and other benefits to which Active Members and Deferred Pensioners are prospectively entitled at the Termination Event (but excluding increases to pensions after the Termination Event);
- (4) future increases on the pensions under (1) and (3) above in accordance with rule 10.1(3) and (4).

If a person is entitled to the same benefit under more than one of (1) to (3) above, he or she will only be entitled to that benefit under the first category which refers to it.

Any Member's benefits under (1) to (3) above will include survivors' benefits in accordance with that Member's entitlement to survivors' benefits under the Scheme.

### **18.4 SURPLUS ON WINDING-UP**

If, after securing all benefits under rule 18.3, there remain any assets of the Scheme, the Trustees shall apply all or any of those assets in increasing (but not above Pre A-day Limits) all or any of those benefits (except EPBs, GMPs or accrued rights to GMPs) in whatever way they decide to be just and equitable, but not so as to give an individual an entitlement to an Unauthorised Payment. The Trustees will then pay any remaining assets of the Scheme, subject to the prior agreement of the Pension Schemes Office of the Inland Revenue and

after deducting any relevant tax, to the Participating Employers immediately before the Termination Event, in such proportions as the Trustees decide to be just and equitable and, in default, in the proportion in which those Participating Employers had contributed to the Scheme.

Provided that a Participating Employer may require the Trustees, instead of paying assets to it, to transfer them to a replacement Registered Scheme with which benefits are secured under rule 18.5(1).

## **18.5 METHODS OF SECURING BENEFITS**

The Trustees may use any one or more of the following ways to secure benefits under rule 18.3 or 18.6 -

- (1) a transfer out to another Registered Scheme or Qualifying Overseas Scheme under rule 12.2;
- (2) a buy-out under rule 12.3;
- (3) the purchase of an annuity contract under rule 14.5;
- (4) the payment of a cash sum to a person in total commutation of any benefits payable to or in respect of him or her under the Scheme, if the Triviality Requirements are met.
- (5) the payment of a cash sum to a person in total commutation of any benefits, other than GMP, payable to or in respect of him or her under the Scheme, if the person is in an exceptional state of serious ill-health and such payment would not prejudice the Scheme's status as a Registered Scheme.

Any consent or request of the BBC or any Member required under the rules referred to in (1) or (2) above will not be required to be obtained by the Trustees in securing benefits under this rule.

In exercising any discretion under this rule the Trustees must comply with any relevant requirements of the Inland Revenue, the contracting-out requirements of the Pension Schemes Act 1993 and the Preservation Requirements.

## **18.6 ALTERNATIVE AND DISCRETIONARY BENEFITS**

- (1) The Trustees may, in lieu of providing benefits for an Active Member or Deferred Pensioner under rule 18.3, provide alternative benefits, secured in accordance with rule 18.5. The provision of alternative benefits must be consistent with the requirements of the Pension Schemes Act 1993.
- (2) If any entitlement, or its nature or amount, under the Scheme is dependent on the future exercise of any discretion by the Trustees, they may, for the purposes of this Section, exercise that discretion to determine the existence, nature and/or amount of the entitlement before the Termination Event.
- (3) The Trustees may determine the amount and duration of any Qualifying Child's pension which is immediately or contingently payable at the Termination Event. The value of all Qualifying Children's pensions in respect of a Member must be as nearly as practicable

the same as the value of those pensions which were payable or contingently payable immediately before the Termination Event.



## **SECTION 19**

### **MEMBERS' MEETINGS AND POWER OF ALTERATION**

#### **19.1 MEETINGS OF ACTIVE MEMBERS**

Schedule 2 will have effect with respect to meetings of the Active Members.

#### **19.2 ALTERATIONS OF TRUST DEED AND RULES**

The Trustees may from time to time, with the consent of the BBC, by deed executed by the Trustees and the BBC, alter or modify any of the trusts, powers or provisions of the Trust Deed or the Rules.

Provided that no such alteration or modification shall -

- (1) vary the main purpose of the Scheme, namely the provision of pensions for employees on retirement at a specified age;
- (2) authorise the making of any payment or repayment to the BBC out of the Fund, except in accordance with the proviso to clause 4 of the Interim Trust Deed of the Scheme dated 23 September 1947, which reads as follows:-

"PROVIDED ALWAYS that the said Definitive Deed may provide for payment to the Corporation on the winding-up of the fund of any surplus assets of the fund which shall not be required for (a) the purchase of annuities for the remainder of their lives for those of the members of the fund who are in receipt of or entitled to pensions out of the fund such annuities to be of amounts equal to the amounts of the pensions which such persons are then receiving or to which they are entitled or (b) the purchase of such annuities for or making such lump sum payments to the members of the fund as shall correspond with their respective interests therein";

- (3) take effect as regards the Active Members whose interests are certified by the Actuary to be affected thereby unless -
  - (a) the Actuary certifies that the alteration or modification does not substantially prejudice the interests of such Members; or
  - (b) the Actuary certifies that, to the extent to which the interests of such Members are so prejudiced, substantially equivalent benefits are provided or paid for by the BBC or the Trustees or provided under any legislation; or
  - (c) the alteration or modification is approved by resolution adopted at a meeting of such Members convened by the Trustees;
- (4) take effect as regards any person, not being an Active Member, who is, at the date of the alteration or modification, entitled to a pension under the Scheme or any person who will, on the death of any such person as aforesaid, be so entitled and whose interests are certified by the Actuary to be affected thereby unless -
  - (a) the actuary certifies that the alteration or modification does not substantially prejudice the interests of such person; or

- (b) the written consent of such person is obtained;
- (5) breach section 67 of the Pensions Act 1995 ("Restriction on powers to alter schemes");
- (6) breach section 37 of the Pension Schemes Act 1993 (relating to alterations to rules of contracted-out schemes).

## SCHEDULE 1

### APPOINTMENT AND ELECTION OF TRUSTEES

[cross reference from rule 13.1 which  
also relates to a corporate trustee]

#### 1.1 GENERAL<sup>7</sup>

- (1) The number of trustees will be eleven of whom -
  - (a) three must be "**Independent Trustees**";
  - (b) four must be "**BBC Trustees**";
  - (c) three must be "**Member Trustees**"; and
  - (d) one must be a "**Pensioner Trustee**".
- (2) Paragraph 1.2 below applies in relation to the appointment and removal of the Independent Trustees.
- (3) Paragraph 1.3 below applies in relation to the appointment and removal of the BBC Trustees.
- (4) Paragraph 1.4 below applies in relation to the appointment and removal of the Member Trustees.
- (5) Paragraph 1.5 below applies in relation to the appointment and removal of the Pensioner Trustee.
- (6) The Trustees will have power to act notwithstanding any vacancy in their number.
- (7) On any change of trustee the Trustees will execute and do everything necessary to vest the Fund in the persons who, following that change, are the Trustees.
- (8) A person who is prohibited by law from being a director of a company may not be appointed as a Trustee. A Trustee will cease to hold office if he or she becomes prohibited by law from being a director of a company.

#### 1.2 INDEPENDENT TRUSTEES<sup>8</sup>

- (1) Unless the Trustees and the BBC agree otherwise, each Independent Trustee will be appointed and re-appointed by the Trustees, with the approval of the BBC, following the recommendations of the Nomination Panel described in (2) below.
- (2) The Nomination Panel will comprise no less than three individuals, of whom -
  - (i) one must be a BBC Trustee;
  - (ii) one must be a Member Trustee or Pensioner Trustee; and

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<sup>7</sup> As amended by the 53<sup>rd</sup> deed of variation.

<sup>8</sup> As amended by the 53<sup>rd</sup> deed of variation.

- (iii) one must be an adviser to the Scheme (including, but not limited to, the Actuary, legal advisers, investment advisers or covenant advisers).
- (3) (Subject to (5) below) each Independent Trustee must -
  - (i) not be, and not in the last 3 years have been, an Employee or director of a Participating Employer;
  - (ii) not be, and not in the last 3 years have been, a provider of services (other than as a trustee of the Scheme or as a member of a Trustees' committee) to a Participating Employer or the Trustees;
  - (iii) not be a Member, nor a Member's spouse, Civil Partner, child or parent; and
  - (iv) in the opinion of the Nomination Panel, have sufficient relevant experience and be a fit and proper person to act as a trustee of the Scheme.
- (4) (Subject to (5) below) if an Independent Trustee ceases to meet any of the conditions set out in (3) above during his or her term of office, he or she shall cease to hold office as a Trustee, unless the Trustees (other than that Independent Trustee) and the BBC agree otherwise.
- (5) A body corporate (which term shall, notwithstanding section 1173 of the Companies Act 2006, be deemed to include any partnership, including a limited liability partnership) may be appointed as an Independent Trustee, in which case the following shall apply –
  - (i) the body corporate must nominate an individual to be its representative on the board of Trustees, together with another individual to act as their alternate;
  - (ii) the body corporate may replace its representative, or their alternate, with another individual at any time with the Trustees' and the BBC's agreement;
  - (iii) a representative or their alternate must be a director, employee or member of, or partner in, the body corporate;
  - (iv) the provisions of (3) and (4) above shall apply as if the representative and their alternate (and not the body corporate) were each an Independent Trustee; and
  - (v) the body corporate will not be required to cease to hold office as a Trustee if its representative or their alternate no longer satisfies the requirements of (3) and (4) above, unless the body corporate is not able to put forward a replacement individual who satisfies those requirements and is acceptable to the Trustees and the BBC.
- (6) Each Independent Trustee –
  - (a) will be appointed for a fixed term not exceeding 3 years;
  - (b) may be re-appointed for further terms in office, provided that the maximum period that an Independent Trustee may serve without a break of at least 3 years will be 9 years, unless the Trustees and the BBC are of the opinion that –
    - (i) the criteria in (3) above continued to be satisfied; and

- (ii) the Independent Trustee's skills and experience are of particular value to the Scheme.

For the purposes of establishing the length of terms of office under this paragraph (6) any period served as a Trustee of the Scheme before being appointed as an Independent Trustee under this paragraph (6) shall count as if it was served as an Independent Trustee.

- (7) The Trustees with the approval of the BBC may remove an Independent Trustee at any time.

### **1.3 BBC TRUSTEES**

- (1) The power of appointing and removing the BBC Trustees is vested in the BBC.
- (2) The BBC will exercise this power of appointment and removal so as to procure that, so far as practicable, at least three of the four BBC Trustees will be individuals holding senior positions with the BBC and/or the Participating Employers. Subject to this, the BBC may appoint any person selected by it to be a BBC Trustee.

### **1.4 MEMBER TRUSTEES<sup>9</sup>**

- (1) The Member Trustees will -
  - (i) be Employed Members resident in the United Kingdom;
  - (ii) be elected by the Employed Members; and
  - (iii) subject to (2) below, hold office for 6 years.
- (2) A Member Trustee will cease to hold office upon the expiration of the term for which he or she was appointed or (if earlier) upon the first to occur of any one of the following events -
  - (a) the Employed Members so resolve at a meeting held in accordance with Schedule 2, with references to "Active Members" in that Schedule being read as "Employed Members";
  - (b) he or she ceases to be an Employed Member and does not become entitled to an immediate pension, unless the Trustees agree that he or she shall remain a Trustee.
  - (c) he or she ceases to be a Member;
  - (d) he or she ceases to be resident in the United Kingdom;
  - (e) he or she resigns office as a Trustee by notice in writing to the remaining Trustees;
  - (f) he or she refuses or is unfit to act or is incapable of acting as a Trustee; or
  - (g) he or she becomes prohibited by law from being a director of a company.

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<sup>9</sup> As amended by the 53<sup>rd</sup> deed of variation.

- (3) If a Member Trustee ceases to be an Employed Member but becomes entitled to an immediate pension, he or she shall remain a Trustee, unless the Trustees (other than that Member Trustee) agree otherwise.
- (4) If a Member Trustee ("**the Original Member Trustee**") or a person who is appointed to fill a vacancy under this paragraph or (5) below ceases to hold office as a result of death or the occurrence of one of the events specified in paragraphs (a) to (g) in (2) above or (3) above, the remaining Member Trustees may appoint in writing an Employed Member resident in the United Kingdom who is willing to act to fill the vacancy.
- (5) If this vacancy is not filled within three months of its occurrence the BBC may fill it by appointing in writing an Employed Member resident in the United Kingdom who is willing to act to fill the vacancy.
- (6) Any person appointed to fill a vacancy under (4) or (5) above will hold office until the earlier of the occurrence of one of the events specified in paragraphs (a) to (g) of (2) above or (3) above (where the Trustees agree that the Trustee should not remain a Trustee) and the expiration of the term for which the Original Member Trustee was appointed.
- (7) The Trustees will make all necessary arrangements for the election by ballot by (i) the Active Members with effect from 1 May 2008 and every two years thereafter up to 1 May 2017 of an Active Member or Active Members and (ii) the Employed Members with effect from 1 May 2017 and every two years thereafter of an Employed Member or Employed Members, in either case, to fill any vacancy then subsisting in the office of Member Trustees.
- (8) A Member Trustee who ceases to hold office shall not by reason of such cessation cease to be eligible to be a Member Trustee.
- (9) In connection with (7) above the Trustees will have power to make such arrangements for the nomination of candidates, the conduct of the election by post or otherwise, the time at and manner in which such election is held and the person or persons by whom and the manner in which the result of any such election are certified.
- (10) Any such certificate will constitute the appointment of the person or persons stated thereby to have been elected as a Member Trustee or Member Trustees having effect from the 1 May to which such election relates.

## 1.5 **PENSIONER TRUSTEE**<sup>10</sup>

- (1) The Pensioner Trustee will -
  - (i) be a Pensioner resident in the United Kingdom;
  - (ii) be elected by the Pensioners; and
  - (iii) subject to (2) below, hold office for 6 years.
- (2) A Pensioner Trustee will cease to hold office upon the expiry of the term for which he or she was appointed or (if earlier) upon the first to occur of any one of the following events -

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<sup>10</sup> As amended by the 53<sup>rd</sup> deed of variation.

- (a) he or she ceases to be resident in the United Kingdom;
  - (b) he or she resigns office as a Trustee by notice in writing to the remaining Trustees;
  - (c) he or she refuses or is unfit to act or is incapable of acting as a Trustee; or
  - (d) he or she becomes prohibited by law from being a director of a company.
- (3) If a Pensioner Trustee ("**the Original Pensioner Trustee**") or a person appointed to fill a vacancy under this paragraph ceases to hold office as a result of death or the occurrence of one of the events specified in paragraphs (a) to (d) of (2) above, the Trustees will make all necessary arrangements for the election by postal ballot by the Pensioners of a Pensioner resident in the United Kingdom to fill the vacancy.
- (4) Any person appointed to fill a vacancy under (3) above will hold office until the earlier of the occurrence of one of the events specified in paragraphs (a) to (d) of (2) above and the expiration of the term for which the Original Pensioner Trustee was appointed.
- (5) The Trustees will make all necessary arrangements for the election by postal ballot by the pensioners every sixth anniversary after 1 January 2014, of a Pensioner to fill any vacancy then subsisting in the office of the Pensioner Trustee.
- (6) In connection with (3) or (5) above the Trustees will have power to make such arrangements for the nomination of candidates, the conduct of the election by postal ballot, the time at and manner in which such election shall be held and the person or persons by whom and the manner in which the result of any such election are certified.
- (7) Any such certificate will constitute the appointment of the person stated thereby to have been elected as a Pensioner Trustee having effect from the 1st day of January to which such election relates.

## **1.6 CHAIR**<sup>11</sup>

- (1) The Chair of the Trustees will be appointed by the Trustees, with the approval of the BBC, following the recommendations of the Nomination Panel described in paragraph 1.2(2).
- (2) The nominee will be Chair of the Trustees for so long as he or she is a Trustee.
- (3) The Trustees may with the approval of the BBC remove the Chair of the Trustees from his or her position as Chair of the Trustees.
- (4) If this Chair is not present at any meeting within 15 minutes of the time appointed for its start, or has given notice that he or she will not be attending the meeting, the Trustees present at the meeting will appoint one of their number to be Chair of the meeting for so long as the absence continues.

## **1.7 PROCEEDINGS OF TRUSTEES**<sup>12</sup>

- (1) This paragraph 1.7(1) sets out how the Trustees (including, where the trustee of the Scheme is a corporate trustee, the directors of that company) will operate.

<sup>11</sup> As amended by the 53<sup>rd</sup> deed of variation.

<sup>12</sup> As amended by the 53<sup>rd</sup> deed of variation.

- (a) The Trustees may delegate any of their powers to any committee consisting of one or more Trustees and/or any third party or parties. Any such committee may also delegate any of their powers to any director and/or any third party or parties.
  - (b) The Trustees may regulate how a committee is to operate.
  - (c) Unless the Trustees decide otherwise, the proceedings of a committee will be subject to the same regulations as apply to the proceedings of Trustees so far as they are capable of applying.
  - (d) A meeting of Trustees or of a committee may be by means of a conference telephone, a video link or any other interactive media.
  - (e) A Trustee may with the approval of a majority of the other Trustees elect not to take part in the deliberations of the Trustees, not to form part of the quorum of any meeting, and to forgo his or her voting rights in relation to any given matters. Where such election is made:
    - (i) the voting rights of that Trustee will be split equally between the Trustees in the same classification (the Member Trustees and the Pensioner Trustee being treated as in the same classification for this purpose) as him or her who are present at any vote on that matter;
    - (ii) a resolution in writing in relation to that matter will be valid provided that it is signed or approved by letter or facsimile transmission by all Trustees other than the one who has made the election; and
    - (iii) provided at least one Trustee of the same classification as the Trustee who has made the election is present, the Trustee who has made the election shall be counted towards the quorum even though he or she is not present.
  - (f) The Trustees or a committee of Trustees may take a decision without holding a meeting by a majority of all eligible Trustees (meaning those Trustees who would have been entitled to vote at a meeting on the matter had it been proposed as a resolution at a Trustees' meeting), within a set time frame, indicating to each other by any means in writing that they share a common view on the matter, provided that a decision may not be taken in this manner if the eligible Trustees would not have formed a quorum at such a meeting or if, within the set time frame, any eligible Trustee indicates that they do not share the common view. For this purpose the term "Trustees" includes any person who is a member of a committee of Trustees, whether or not they are also a Trustee.<sup>13</sup>
- (2) Where trustee of the Scheme is a corporate trustee, the BBC will procure that the Articles of Association of that company replicate the above provisions.

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<sup>13</sup> As amended by the 54<sup>th</sup> deed of variation.



## **SCHEDULE 2<sup>14</sup>**

### **MEETINGS OF ACTIVE MEMBERS**

#### **2.1 CONVENING A MEETING**

- (1) The Trustees may at any time convene a meeting of the Active Members. They must convene such a meeting if required to do so by –
  - (a) the trustees for the Active Members, or the surviving or continuing trustee for the Active Members; or
  - (b) not less than 100 Active Members.
- (2) A requisition must state the objects of the meeting, be signed by the persons requisitioning the meeting and either be delivered to the principal office of the BBC addressed to the Trustees of the BBC Pension Scheme or given by email to the Secretary of the Scheme. The requisition may consist of several documents in like form, each signed by one or more of the persons requisitioning the meeting.

#### **2.2 HOLDING A MEETING**

- (1) Any meeting convened under paragraph 2.1(1) will be held at a time fixed by the Trustees. The time must be not later than 90 days after the service of the requisition (if applicable).
- (2) Unless paragraph 2.2(4) applies, any meeting convened under paragraph 2.1(1) will be held at a place fixed by the Trustees. The Trustees will determine whether the meeting will take place as an in person only meeting or as a hybrid meeting (meaning that individuals will be able to decide whether to attend the meeting by means of an interactive media platform selected by the Trustees or in person).
- (3) Notice of the meeting, stating its object, must be communicated by the Trustees to Active Members at least 14 clear days before the meeting is held.
- (4) This paragraph 2.2(4) applies when, for reasons beyond their control, the Trustees consider that holding a meeting with in person attendees would be unlawful, unsafe or, for whatever reason, otherwise not reasonably practicable. In those circumstances, the Trustees may at any time determine that a meeting convened under paragraph 2.1(1) will be held as a virtual meeting (meaning that there will be no in person attendees and individuals can attend the meeting only by means of an interactive media platform selected by the Trustees). If the notice of the meeting has not been given at the time of such determination, the notice to be given under 2.2(3) must additionally set out the reasons why the Trustees consider that holding a meeting with in person attendees would be unlawful, unsafe or, for whatever reason, otherwise not reasonably practicable. If notice of a meeting has already been given under 2.2(3) at the time when the Trustees determine a meeting will be held as a virtual meeting, the Trustees must give a further notice to Active Members to explain the reasons why the meeting is now being held as a virtual meeting instead of an in

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<sup>14</sup> As amended by the 54<sup>th</sup> deed of variation.

person or hybrid meeting. There is no requirement for such a further notice to be given at least 14 clear days before the meeting is held.

## **2.3 PROCEEDINGS AT A MEETING**

- (1) The Active Members (if more than one) present at the meeting will form a quorum.
- (2) Each of the Trustees will be entitled to be present at the meeting.
- (3) The chairman at every meeting will be appointed by the Trustees.
- (4) A resolution put to the vote of an in person only meeting will be decided by the Active Members present on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by –
  - (a) the chairman;
  - (b) a trustee for the Active Members; or
  - (c) not less than 25% of the Active Members present.

If a poll is duly demanded it will be taken in such manner as the chairman will direct and the result of the poll will be deemed to be the decision of the meeting at which the poll was demanded.

- (5) A resolution put to the vote of a hybrid meeting or a virtual meeting will be decided by the Active Members present on a poll. The poll will be taken in such manner as the chairman will direct and the result of the poll will be deemed to be the decision of the meeting.
- (6) On a poll every Active Member present will be entitled to one vote.
- (7) For the purposes of this paragraph 2.3, a person will be “present” if:
  - (a) in the case of an in person meeting, they (or, where paragraph 2.4 applies, their proxy) attend in person;
  - (b) in the case of a hybrid meeting, they (or, where paragraph 2.4 applies, their proxy) attend in person or by means of the interactive media platform selected by the Trustees; or
  - (c) in the case of a virtual meeting, they (or, where paragraph 2.4 applies, their proxy) attend by means of the interactive media platform selected by the Trustees.

## **2.4 PROXY**

- (1) Any Active Member will be entitled to vote by proxy.
- (2) A proxy must be in a form approved by the Trustees and be deposited with the Trustees not later than noon on the day before the date of the meeting at which it is to be used.

- (3) No person who is not an Active Member or one of the Trustees may be appointed a proxy.

## **2.5 CORRESPONDING PROVISIONS FOR RULE 19.2(3) AND CORPORATE TRUSTEE**

- (1) The above provisions will not apply to meetings of Members under paragraph (3) of the proviso to rule 19.2. Instead, the provisions set out immediately below will apply mutatis mutandis with respect to meetings of Members under paragraph (3) of the proviso to rule 19.2:

### **Holding a meeting**

- (a) Any meeting convened upon requisition will be held at a time and place fixed by the Trustees. The time must be not later than 90 days after the service of the requisition.
- (b) Notice of the meeting, stating its object, must be posted prominently in all premises within the United Kingdom in which Active Members are employed at least 14 clear days before the meeting is held.

### **Proceedings at a meeting**

- (c) The Active Members (if more than one) present at the meeting will form a quorum.
- (d) Each of the Trustees will be entitled to be present at the meeting.
- (e) The chairman at every meeting will be appointed by the Trustees.
- (f) A resolution put to the vote of the meeting will be decided by the Active Members present on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by -
  - (i) the chairman;
  - (ii) a trustee for the Active Members; or
  - (iii) not less than 25% of the Active Members present in person or by proxy.

If a poll is duly demanded it will be taken in such manner as the chairman will direct and the result of the poll will be deemed to be the decision of the meeting at which the poll was demanded.

- (g) On a poll every Active Member present in person or by proxy will be entitled to one vote.

### **Proxy**

- (h) Only the following Active Members will be entitled to vote by proxy -
  - (i) those employed in the United Kingdom more than 20 miles from the principal office of the BBC in London; and

- (ii) those employed within 20 miles who are certified by the head of their department to be unable to attend personally owing to the nature of their business or on account of illness.
  - (i) A proxy must be in a form approved by the Trustees and be deposited with the Trustees not later than noon on the day before the date of the meeting at which it is to be used.
  - (j) No person who is not an Active Member or one of the Trustees may be appointed a proxy.
- (2) For so long as there is a corporate trustee (pursuant to rule 13.1(2)) references in this Schedule to the trustees for the Active Members will be construed as references to the persons who (if there had been individual trustees) would have been Member Trustees.

## **SCHEDULE 3**

### **GMP RULES**

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## GMP RULES

### 1. DEFINITIONS

In these GMP Rules the following words have the following meanings:-

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

**"Civil Partner"** has the meaning given in section 1.

**"Fixed Rate Revaluation"** means the method of revaluing a GMP before State Pension Age described in Rule 4.1 (C) below.

**"Insurer"** means an insurance company, an EC company or a friendly society complying with any applicable contracting-out requirements of the Act.

**"Limited Revaluation"** means the method of revaluing a GMP before State Pension Age described in Rule 4.1 (B) below.

**"Pre-97 Protected Rights"** means Protected Rights derived from payments or contributions to an occupational or personal pension scheme in respect of employment before 6 April 1997.

**"Protected Rights"** has the same meaning as in section 10 of the Act.

**"Rule"** (followed by a number) means the Rule (with that number) in this Schedule.

**"Secretary of State"** means the Secretary of State for Social Security or the Department of Social Security or other body or person to whom the relevant function has been delegated.

**"Section 148 Revaluation"** means the method of revaluing a GMP before State Pension Age described in Rule 4.1 (A) below.

**"State Pension Age"** means a woman's 60th birthday and a man's 65th birthday.

**"Widow"** and **"Widower"** means respectively the widow and the widower of a Member (a Widower to include the person who was in a same sex marriage with the Member under the Marriage (Same Sex Couples) Act 2013 at the date of the Member's death). If a Member has married under a law which allows polygamy and, on the day of the Member's death, has more than one spouse, the Trustees must decide which, if any, survivor is the Widow or Widower. In reaching that decision, the Trustees must have regard to the practice of the Department of Social Security and any relevant provisions of existing Social Security legislation, in particular section 17(5) of the Act and regulation 2 of the Social Security and Family Allowance (Polygamous Marriages) Regulations 1975 (SI 1975/561).

### 2. OVERRIDING EFFECT OF THESE MODEL RULES

These Rules shall apply if any Member's employment became Contracted-out Employment by reference to the Scheme before 6 April 1997. These Rules will only apply for so long as anyone has a GMP or a prospective right to receive a GMP under the Scheme.

These Rules override any inconsistent provisions elsewhere in the Scheme except provisions which are necessary in order that the Scheme is treated as a Registered Scheme.

### 3. ENTITLEMENT TO GMP

**3.1 Guaranteed Minimum.** This Rule 3 applies to a Member, Widow, Widower or Civil Partner where the Member has a guaranteed minimum in relation to the pension provided for the Member under the Scheme in accordance with section 14 of the Act.

**3.2 Member's GMP.** The Member shall be entitled to a pension for life paid at a rate equivalent to a weekly rate of not less than that guaranteed minimum. The pension will be paid from State Pension Age but commencement of the pension may be postponed for any period during which the Member remains in employment after State Pension Age -

- (1) if the employment is employment to which the Scheme relates and the postponement is not for more than 5 years after State Pension Age; or
- (2) if the Member consents to the postponement.

3.3 **Widow's GMP.** Where the Member is a man and dies leaving a Widow, she shall be entitled to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half that guaranteed minimum.

3.4 **Payment of Widow's GMP.** The pension shall be paid for life to any Widow.

3.5 **Widower's GMP.** Where the Member dies leaving a Widower, he shall be entitled to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of the guaranteed minimum which is attributable to earnings for the Tax Year 1988/1989 and subsequent Tax Years.

3.6 **Payment of Widower's GMP.** The pension shall be paid for life to any Widower.

3.6A **Civil Partner's GMP.** Where the Member dies leaving a Civil Partner, he or she shall be entitled to receive a pension from the Scheme paid at a rate equivalent to a weekly rate of not less than half of that part of the guaranteed minimum which is attributable to earnings for the Tax Year 1988/1989 and subsequent Tax Years.

3.6B **Payment of Civil Partner's GMP.** The pension shall be paid for life to any Civil Partner.

3.7 **Offsetting pension against GMP.** Any pension payable to the Member, Widow or Widower under any other provision of the Scheme may be offset against the pension entitlement under this Rule 3 except to the extent that:-

- (1) any part of the pension is an EPB; or
- (2) any part of the pension is an increase, calculated in accordance with Schedule 3 of the Act and added to the amount that would be payable but for Chapter II of Part IV of the Act or regulations made under it; or
- (3) offsetting would contravene the anti-franking legislation (see Rule 6 below).

#### 4. **REVALUATION OF GMP**

4.1 **Revaluation before State Pension Age.** Where on or before 5 April 2016 a Member ceased to be in Contracted-out Employment before State Pension Age, the Member's GMP at State Pension Age or at the Member's earlier death will be calculated by increasing the accrued rights to GMP at cessation of Contracted-out Employment under one of the options (A) or (C) below (option (B) being unavailable after 5 April 1997).

##### (A) **Section 148 Revaluation.**

The increase will be by the percentage by which earnings factors for the Tax Year in which Contracted-out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the Tax Year in which the Member reaches State Pension Age (or dies, if earlier).

##### (B) **Limited Revaluation.**

The increase will be by the lesser of:-

- (1) 5 per cent (5%) compound for each Tax Year after that in which Contracted-out Employment ceases up to and including the last complete Tax Year before the Member reaches State Pension Age (or dies, if earlier); and
- (2) the percentage by which earnings factors for the Tax Year in which Contracted-out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the Tax Year in which the Member reaches State Pension Age (or dies, if earlier).

The Trustees must pay a limited revaluation premium in respect of the Member to the Secretary of State.

**(C) Fixed Rate Revaluation.**

The increase will be by such rate as regulations made under section 55(5) of the Act specify as being relevant at the date Contracted-out Employment ceases, for each complete Tax Year after the Tax Year containing that date up to and including the last complete Tax Year before the Member reaches State Pension Age (or dies, if earlier).

The BBC shall decide which of the options (A) or (C) applies to the Scheme. It may at any time decide that the other method shall be used, instead of the method currently being used, for all Members ceasing to be in Contracted-out Employment after a specified date. It must notify the Secretary of State whenever the method of revaluation for the Scheme is changed.

Where a Member who ceased to be in Contracted-out Employment on 6 April 2016 as a consequence of the abolition of defined benefit contracting-out ceases to be in pensionable service before State Pension Age, the Member's GMP at State Pension Age, or at the Member's earlier death, will be calculated on the basis that the GMP built up by the date the Member leaves pensionable service will be increased in such manner as is permitted under section 16 of the Act and as is chosen by the BBC.

**4.2 Transfers in.** Where a transfer payment is received on or before 5 April 2016 in respect of a Member from another scheme ("the transferring scheme") which includes accrued rights of the Member to a GMP (or includes protected rights in respect of which the receiving scheme will provide a GMP) the earnings factors used in calculating that GMP will normally be revalued using Section 148 Revaluation during the Member's Contracted-out Employment, and 4.1 above will apply if that Contracted-out Employment ceases, before State Pension Age. The BBC may, however, decide, if the provisions of the transferring scheme so allow, to use either Limited Revaluation or Fixed Rate Revaluation from the date on which the Member ceased to be in contracted-out employment by reference to the transferring scheme until the Member attains State Pension Age (or dies, if earlier) but:-

- (1) Limited Revaluation may not be used as regards any part of the GMP being transferred which arose from contracted-out employment in relation to a previous scheme and which the transferring scheme is already revaluing by Fixed Rate Revaluation (or vice versa); and
- (2) the BBC may not make that decision if, on becoming a Member, the Member's contracted-out employment in relation to a previous scheme was treated as continuing for the purposes of the Act.

Where, under this Rule 4.2, Limited Revaluation is to be used, the Trustees shall have power to pay out of the transfer payment in respect of that Member any limited revaluation premium payable as a result of the Member ceasing to be in contracted-out employment by reference to the transferring scheme.

Where the Scheme accepts the proceeds of, or the assignment of, an insurance policy which consists of, or includes, accrued rights to GMP, the BBC may use either Section 148 Revaluation or the method of revaluation that was in use under the policy (and condition (1) above applies).

Where, on or after 6 April 2016, a transfer payment is received in respect of a Member from another scheme or policy which includes accrued rights to GMP, revaluation of the GMP must be on terms set by the BBC which are consistent with and permitted by the provisions of applicable legislation.

**4.3 Transfers out.** Where a Member's accrued rights to GMP are transferred to another contracted-out salary related scheme the BBC may agree with the administrator of that scheme that the Member's GMP shall, instead of being revalued using the method currently being adopted under 4.1 above, be revalued using the other method which would be permitted if that scheme contained a rule in the same terms as 4.2 above.

## **5. INCREASE OF GMP**

**5.1 Increase after State Pension Age.** If the commencement of any Member's GMP is postponed for any period after State Pension Age, that GMP shall be increased to the extent, if any, specified in section 15 of the Act.

**5.2 Increase after State Pension Age or Member's death.** Any GMP to which a Member, Widow, Widower or Civil Partner is entitled under Rule 3 above shall, insofar as it is attributable to earnings in the Tax



Years from and including 1988/1989, be increased in accordance with the requirements of section 109 of the Act.

**6. ANTI-FRANKING**

Except as provided in sections 87-92 and 110 of the Act, no part of a Member's, Widow's, Widower's or Civil Partner's pension under the Scheme may be used to frank an increase in the Member's, Widow's, Widower's or Civil Partner's GMP under Rule 4 or Rule 5 above.

**7. EQUALISATION OF GMP**

If a Member's pension from the Scheme starts after 16 July 1997 or an Active Member or Deferred Member dies after that date, the Trustees must ensure that, so far as practicable, any part of a GMP which is attributable to the Member's Contracted-out Employment after 5 April 1988 is, when it comes into payment, not less than it would be if the recipient were of the other sex. For the purpose of this Rule the State Pension Age of a man is deemed to be his 60<sup>th</sup> birthday. This Rule 7 also applies to any increase to the Member's GMP under 8.2 below, insofar as the increase is attributable to his or her contracted-out employment under a previous scheme after 5 April 1988.

**8. TRANSFERS INTO THE SCHEME**

**8.1 Acceptance of transfers.** The Trustees may accept:-

- (1) a transfer payment in respect of the Member's accrued rights to GMPs under a contracted-out salary related scheme or a policy of insurance or an annuity contract of the type described in section 19 of the Act;
- (2) a transfer of the liability for the payment of GMPs to, or in respect of, any person who has become entitled to them;
- (3) a transfer of pre-1997 Protected Rights
  - (a) in respect of the Member or a former Member from another scheme which is, or was, an appropriate personal pension scheme
  - (b) in respect of the Member or a former Member from another scheme which is, or was, a scheme contracted-out on a money purchase basis.

Transfers may be accepted only as provided in the appropriate regulations.

**8.2 Effect of transfers.** Where a transfer is accepted under 8.1(1) above, the Member's accrued rights to GMPs under the Scheme will be increased accordingly.

Where a transfer is accepted under 8.1(3) above, the Member's, Widow's, Widower's or Civil Partner's GMPs under the Scheme will be increased by amounts equal to the GMPs to which they would have been treated as entitled by reason of the Member's membership of the transferring scheme if the transfer payment had not been made.

Accrued rights to GMPs arising from a transfer will be revalued in accordance with 4.2 above.

**9. COMMUTATION OF GMP**

A Member's, Widow's, Widower's or Civil Partner's GMP may be commuted in the circumstances set out in, and in accordance with, regulation 25 of The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015. The commutation rate will be in accordance with commutation tables provided by the Actuary.

**10. FORFEITURE OF GMP**

Any instalment of a GMP may be forfeited if it is not paid within eight years of the date on which the instalment became due and the Trustees do not know the whereabouts of the recipient.

**11. CONTRIBUTIONS EQUIVALENT PREMIUMS**

11.1 A contributions equivalent premium shall be paid, subject to 11.2 below, in respect of a Member who ceases to be in Contracted-out Employment before whichever is the earlier of the Member's Normal Pension Age and the end of the Tax Year preceding that in which the Member will reach State Pension Age with less than 2 years' Qualifying Service and less than 2 years' Contracted-out Employment. A contributions equivalent premium shall not be paid where the Member's accrued rights include rights transferred from a personal pension, nor where the Member is a woman who dies in Contracted-out Employment in respect of Widower's GMP.

Payment of the contributions equivalent premium extinguishes the Member's accrued rights to GMPs under the Scheme and (in relation to Service after 5 April 1997 and before 6 April 2016) rights to pensions under the Scheme so far as attributable to the amount of the premium. Therefore, where the premium is paid, any refund of contributions to the Member or any transfer payment from the Scheme in respect of a Member shall be reduced by the certified amount (as defined in the Act) in relation to that premium and any pension benefit under the Scheme for the Member or the Member's Widow, Widower or Civil Partner shall be reduced so as to allow for the fact that their accrued rights to GMPs and other pension rights have been extinguished.

11.2 The premium shall not be payable if:-

- (1) its amount is less than £17 (or such greater amount as is specified in regulations made under the Act);
- (2) the Member's accrued rights to GMPs are transferred to another scheme, policy or contract in accordance with Section 7 above;
- (3) the Member has become entitled to an immediate or a deferred pension under the Scheme on ceasing to be in Contracted-out Employment.

## 12. **SCHEME CEASES TO BE A CONTRACTED-OUT SALARY RELATED SCHEME**

If the Scheme ceases to be a contracted-out salary related scheme, the Trustees must seek the approval of the Secretary of State to any proposed arrangement for securing GMPs or accrued rights to pensions under the Scheme attributable to Contracted-out Employment after 5 April 1997 and before 6 April 2016.

## **BBC PENSION SCHEME**

### **APPENDIX - PART 1**

#### **REGULATIONS FOR THE ELECTION OF MEMBER TRUSTEES**

**(updated on 24 September 2024)**

Regulations for the election of the Member Trustees (pursuant to paragraph 1.4(9) of Schedule 1 to the Trust Deed dated 23 June 1949 (as amended to date) constituting the BBC Pension Scheme) it being noted that -

- A. No person other than an Employed Member as defined in the rules of the Scheme who is resident in the United Kingdom shall qualify for election or appointment as a Member Trustee.
- B. No person other than an Employed Member as defined in the rules of the Scheme shall be eligible to vote in an election of a person to be appointed a Member Trustee.

#### **REGULATIONS**

- 1. The election of the persons to be appointed as Member Trustees shall, subject to 6 and 7 below, be concluded in manner provided by 16 and 17 below.
- 2. No person shall be a candidate for election as a Member Trustee unless -
  - (a) he or she is resident in the United Kingdom;
  - (b) he or she has completed any mandatory training sessions required by the Trustees; and
  - (c) he or she has completed an application form (in such form as the Trustees decide) confirming his or her consent to act.
- 3. Any question whether or not any Employed Member is resident in the United Kingdom shall be determined by the Trustees.
- 4. Application forms will be made available to Employed Members who meet the requirements in Regulation 2(a) and 2(b) above, by an Independent Scrutineer appointed by the Trustees. The Independent Scrutineer must be a company specified by name in The Trade Union Ballots and Elections (Independent Scrutineer Qualifications) (Amendment) Order 2017 or any legislation which modifies or replaces that Order and is for the time being in force.
- 5. No application will be valid unless it is on an application form issued by the Independent Scrutineer and delivered in accordance with the instructions appearing and within the time limit specified on the application form.
- 6. If the number of candidates who submit valid application forms does not exceed the number of vacancies each such candidate shall be deemed to be duly elected.

7. If however the number of candidates who submit valid application forms exceeds the number of vacancies, an election by voting papers shall be conducted by the Independent Scrutineer.
8. Each Employed Member shall have one vote per vacancy.
9. The Independent Scrutineer shall prepare ballot papers and issue them, together with brief biographical notes on and a photograph of each candidate, in form and content approved by the Trustees to each person notified by the Trustees to be an Employed Member on the date selected by the Trustees, being such that the interval between it and such issue shall be as short as is reasonably practicable.
10. Candidates are not permitted to use the Employer's resources for canvassing. The Trustees can disqualify a candidate who breaches this rule. Disqualifying a candidate shall not invalidate an election.
11. Votes shall be cast in accordance with instructions appearing on ballot papers which shall be delivered in accordance with such instructions.
12. No vote shall be counted unless the person casting the same is an Employed Member as notified by the Trustees under 9 above.
13. Any question whether or not any person is entitled to a ballot paper shall be determined by the Trustees.
14. Any question about the validity of any vote shall be determined by the Independent Scrutineer.
15. When the voting records have been examined and the result of the election ascertained by the Independent Scrutineer, the voting records shall be retained by the Independent Scrutineer for 12 months after the conclusion of the election when they shall be destroyed by the Independent Scrutineer.
16. The Independent Scrutineer shall make and sign a report in which they shall state -
  - (a) the total number of votes received;
  - (b) the number rejected and the grounds for rejection;
  - (c) the total number of valid votes for each candidate;
  - (d) the name of the person who is duly elected.
17. The Independent Scrutineer shall provide a copy of such report to the Trustees within 14 days after the close of voting date. Such delivery will conclude the election.
18. The accidental omission to issue application forms or voting papers to any Employed Member shall not invalidate an election unless the Trustees determine that an accidental omission meant that a material number of application forms or voting papers had not been issued. The report of the Independent Scrutineer as to the result of the election shall be conclusive notwithstanding any irregularity or informality.

19. The successful candidate(s) will be those receiving most votes under the Alternative Vote system. As between candidates receiving equal numbers of votes, the outcome will be determined by the Independent Scrutineer by lot.
20. Duplicate voting papers may be issued but the vote will only be counted if a voter declaration form is completed and returned with a duplicate paper.
21. If there are fewer candidates than vacancies at an election then the Trustees will re-run the election at such later date or dates as they consider appropriate until the vacancies are filled.
22. Electronic technology, including (but not limited to) email and websites, may be used in relation to any relevant aspect of these Regulations in addition to or in place of paper form, including (but not limited to) the completion of application requirements set out in regulation 2 above, the provision of ballot papers and voting.

## **BBC PENSION SCHEME**

### **APPENDIX - PART 2**

#### **REGULATIONS FOR THE ELECTION OF THE PENSIONER TRUSTEE**

**(updated on 24 September 2024)**

Regulations for the election of the Pensioner Trustee (pursuant to paragraph 1.5(6) of Schedule 1 to the Trust Deed dated 23 June 1949 (as amended to date) constituting the BBC Pension Scheme) it being noted that -

- A. No person other than a Pensioner as defined in the rules of the Scheme who is resident in the United Kingdom shall qualify for election or appointment as the Pensioner Trustee.
- B. No person other than a Pensioner as defined in the rules of the Scheme shall be eligible to vote in an election of a person to be appointed the Pensioner Trustee.

#### **REGULATIONS**

- 1. The election of the person to be appointed as the Pensioner Trustee shall, subject to 6 and 7 below, be concluded in manner provided by 16 and 17 below.
- 2. No person shall be a candidate for election as the Pensioner Trustee unless -
  - (a) he or she is resident in the United Kingdom;
  - (b) he or she has completed any mandatory training sessions required by the Trustees; and
  - (c) he or she has completed an application form (in such form as the Trustees may prescribe) confirming his or her consent to act.
- 3. Any question whether or not any Pensioner is resident in the United Kingdom shall be determined by the Trustees.
- 4. Application forms will be made available to Pensioners who meet the requirements in Regulation 2(a) and 2(b) above, by an Independent Scrutineer appointed by the Trustees. The Independent Scrutineer must be a company specified by name in The Trade Union Ballots and Elections (Independent Scrutineer Qualifications) (Amendment) Order 2017 or any legislation which modifies or replaces that Order and is for the time being in force.
- 5. No application will be valid unless it is on an application form issued by the Independent Scrutineer and delivered in accordance with the instructions appearing and within the time limit specified on the application form
- 6. If the number of candidates who submit valid application forms do not exceed the number of vacancies, each such candidate shall be duly elected.

7. If however the number of candidates who submit valid application forms exceeds the number of vacancies, an election by voting papers shall be conducted by the Independent Scrutineer.
8. Each Pensioner shall have one vote.
9. The Independent Scrutineer shall prepare ballot papers and issue them, together with brief biographical notes on and a photograph of each candidate, in form and content approved by the Trustees to each person notified by the Trustees to be a Pensioner on the date selected by the Trustees, being such that the interval between it and such issue shall be as short as is reasonably practicable.
10. Candidates are not permitted to use the Employer's resources for canvassing. The Trustees can disqualify a candidate who breaches this rule. Disqualifying a candidate shall not invalidate an election.
11. Votes shall be cast in accordance with instructions appearing on ballot papers which shall be delivered in accordance with such instructions.
12. No vote shall be counted unless the person casting the same is a Pensioner as notified by the Trustees under 9 above.
13. Any question whether or not any person is entitled to a ballot paper shall be determined by the Trustees.
14. Any question about the validity of any vote shall be determined by the Independent Scrutineer.
15. As soon as the voting papers have been examined and the result of the election ascertained by the Independent Scrutineer, the voting papers shall be retained by them for 12 months after the conclusion of the election when they shall be destroyed by the Independent Scrutineer.
16. The Independent Scrutineer shall make and sign a report in which they shall state -
  - (a) the total number of votes received;
  - (b) the number rejected and the grounds for rejection;
  - (c) the total number of valid votes for each candidate;
  - (d) the name of the person who is duly elected.
17. The Independent Scrutineer shall provide a copy of such report to the Trustees within 14 days after the close of voting date. Such delivery will conclude the election.
18. The accidental omission to issue application forms or voting papers to any Pensioner shall not invalidate an election unless the Trustees determine that the accidental omission meant that a material number of application forms or voting papers had not been issued. The report of the Independent Scrutineer as to the result of the election shall be conclusive notwithstanding any irregularity or informality.

19. The successful candidate will be the one receiving most votes under the Alternative Vote system. As between candidates receiving equal numbers of votes, the outcome will be determined by the Independent Scrutineer by lot.
20. Duplicate voting papers may be issued but the vote will only be counted if a voter declaration form is completed and returned with a duplicate paper.
21. If there are no candidates at an election then the Trustees will re-run the election at such later date or dates as they consider appropriate until the vacancy is filled.
22. Electronic technology, including (but not limited to) email and websites, may be used in relation to any relevant aspect of these Regulations in addition to or in place of paper form, including (but not limited to) the completion of application requirements set out in regulation 2 above, the provision of ballot papers and voting.



## **BBC PENSION SCHEME**

### **APPENDIX - PART 3**

**(Updated on 25 February 2025)**

#### **REGULATIONS GOVERNING THE INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)**

The BBC Pension Scheme (the Scheme) is required by law to set down a procedure for the resolution of internal disputes. The following procedure has been adopted by the Trustees, who may alter it from time to time. It applies to disputes with the Trustees and not to disputes with your employer.

##### **1. APPLICATION**

The procedure applies to -

- (a) Scheme members (active, deferred and pensioners);
- (b) spouses, civil partners and dependants of members who have died;
- (c) prospective members;
- (d) anyone entitled to Scheme benefits on the death of a member who is not a dependant;
- (e) anyone who has ceased to be in one of these categories; and
- (f) anyone claiming to be in any of these categories.

You can nominate a representative to make or continue an application on your behalf (e.g. a solicitor or trade union official) who need not have any connection with the Scheme. If you are a minor, or for some other reason are incapable of acting for yourself, the application can be made or continued by a family member or other suitable person. If you die, the application can be continued by your Personal Representatives.

If you are making an application under (e) or (f) above, you must make your application to the Trustees within 6 months from the date on which you ceased to be, or claim you ceased to be a person in categories (a) to (d).

##### **2. PROCEDURE**

The procedure is in two stages.

###### **2.1 FIRST STAGE**

2.1.1 Your application must be in writing and signed by you or on your behalf. It must contain the following information:

- (a) your full name and address, date of birth and (if you have worked) your National Insurance number;

- (b) the nature of your dispute and why you are aggrieved;
- (c) if you are, or claim to be, a dependant of a member, your relationship to the member and their details in (a) above;
- (d) if you are represented, your representative's full name and address and whether that is the address to be used for correspondence in connection with your application.

The application must be sent FAO Internal Disputes Resolution, by post to BBC Pension and Benefits Centre, 3 Central Square, Cardiff CF10 1FT or by email to [mypension@bbc.co.uk](mailto:mypension@bbc.co.uk)

- 2.1.2 Normally, either the Administration Manager or the Communications and Engagement Manager (or the nearest equivalent to these offices from time to time) will decide on the application and issue a written decision within two months. If this is not possible you will be told why there is a delay, and when a decision can be expected.

The IDR decision will usually be notified no later than 15 working days after it has been made.

- 2.1.3 If you are not satisfied, you have six months from the date on which you were given notice of the decision to refer the matter to the second stage.

## 2.2 **SECOND STAGE**

- 2.2.1 Your application must be in writing, signed by you, or on your behalf, and ask that the Trustees reconsider the matter. It must contain:

- (a) the same information set out in 2.1.1 above;
- (b) a copy of the first stage decision; and
- (c) an explanation of why you are dissatisfied with the first stage decision.

It must be sent to the Secretary of the BBC Pension Scheme at the postal or email address above.

- 2.2.2 Your application will be considered by a Trustee committee (including at least one elected Trustee). Normally, they will issue a written decision within two months of receipt of your second stage application. If this is not possible, you will be told why there is a delay, and when a decision can be expected.

The IDR decision will usually be notified no later than 15 working days after it has been made.

- 2.2.3 The decision will:

- (a) explain whether, and to what extent, the Trustees are upholding or overruling the first stage decision;
- (b) refer to any legislation relied on;
- (c) refer to any Scheme rules relied on, and where discretion has been exercised, the rule conferring that discretion;
- (d) include a statement that if members need information and guidance regarding their pension arrangements they can contact the MoneyHelper and details of how MoneyHelper may be contacted (see below); and
- (e) include a statement that the Pensions Ombudsman may investigate and determine any application or dispute of fact or law in relation to the Scheme, together with the details of how to contact the Pensions Ombudsman (see below).

## 2.3 FURTHER ACTION

If you still have a complaint or dispute with the Trustees concerning your Scheme pension following completion of Stage 2 of the IDRPs you should contact The Pensions Ombudsman:

Telephone: 0800 917 4487

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

Address: 10 South Colonnade, Canary Wharf, London, E14 4PU

If you need information and guidance concerning your pension arrangements contact the Money and Pensions Service (branded as MoneyHelper):

Telephone: 0800 011 3797

Website: [www.moneyhelper.org.uk/en](http://www.moneyhelper.org.uk/en)

Address: Money and Pensions Service, Bedford Borough Hall, 138 Cauldwell Street, Bedford, MK42 9AB

## 3. EXCEPTIONS TO THE INTERNAL DISPUTE RESOLUTION PROCEDURE

- 3.1 Nothing contained in this procedure restricts your ability or rights to refer the matter under dispute to another agency (e.g. the Pensions Ombudsman, a Court or a Tribunal). However, if the dispute is referred to another agency, the internal procedure will terminate. It will not be re-opened unless the other agency decides it should be.
- 3.2 In the event that any party to the application wishes to appeal against a decision made by another agency, then that agency's procedures for appeal must be followed.
- 3.3 The Pensions Ombudsman may refuse to hear a complaint until it has been considered under the Scheme's IDRPs. The Pensions Ombudsman may also refuse to hear a complaint if it has been more than three years since the event being complained about, or, if later, more than three years since the complainant became aware or should have been aware of the issue.

## **BBC PENSION SCHEME**

### **APPENDIX – PART 4**

#### **REGULATION IN RELATION TO SERIOUS ILL-HEALTH COMMUTATION**

The Trustees have made provision (with the consent of the BBC as evidenced by its signature of a resolution to this effect) that where -

- (i) a member is giving up his or her pension for cash on grounds of serious ill-health under rule 4A.9(b) (Career Average Benefits 2011), 5A.9(b) (Career Average Benefits 2006), 6A.9(1)(c) (New Benefits) or 7A.9(1)(c) (Old Benefits) of the rules of the BBC Pension Scheme (“the Scheme”); or
- (ii) the Trustees are exercising the option under any of those rules on the member’s behalf under rule 10.3;

the Trustees and the BBC will, to the extent consistent with the Scheme’s status as a Registered Scheme, treat any pension contingently payable on the member’s death as being a separate arrangement under the Scheme.

## **BBC PENSION SCHEME**

### **APPENDIX – PART 5**

#### **ACAS AGREEMENT**

"During negotiations on behalf of the joint unions and BBC Management at ACAS, 30 November 2010, agreement was reached in principle to the following form of words to resolve the pensions dispute.

From the inception of CAB 2011 the BBC will guarantee to increase blocks of pension built up in CAB 2011 by the lower of CPI or 4% until 1 April 2016. From April 2017, the BBC would only consider seeking to exercise the discretion to award less than that outlined above in response to one of the following two triggers:

Firstly, the BBC may seek to exercise discretion following two consecutive years of negative inflation. Inflation will be measured with reference to the published CPI. The BBC will not seek to exercise its discretion before April 2017 and the earliest period of deflation that would be considered would be the two consecutive years ending December 2016.

Secondly, a 12.5% or more cut in the face value of the licence fee or significant new additional external responsibilities for the BBC equivalent to 12.5% of the licence fee or more.

In these circumstances the BBC may approach the Scheme Trustees to jointly consider a lower increase than that outlined above. In event that agreement cannot be reached jointly between the BBC and the Scheme Trustees the scheme actuary will decide.

The BBC will meet with the joint unions if it intends to seek to exercise this discretion.

If in a year CPI is negative the percentage applied to blocks of pension built up will be zero.

In periods of high inflation the BBC and scheme trustees may award higher increases than outlined above, subject to the scheme funding position and the BBC's financial situation.

Deferred CAB 2011 members will receive increases on the same basis.

All of this is subject to the Scheme Trustees' agreement in administering CAB 2011.

In addition the BBC will delay the implementation of the new reforms until 1 July 2011 if the valuation of the scheme (prior to reforms being taken into account) is not known by 1 April 2011. If the valuation is known before then the BBC will implement as planned on 1 April 2011.

The BBC will meet with the unions again in the event that the deficit (prior to reforms being taken into account) is less than £1.5bn."