

**Independent Parliamentary Standards Authority**

**Parliamentary Contributory Pension Fund**

**MPs' Pension Scheme**

**HC 907**

# **Independent Parliamentary Standards Authority**

## **Parliamentary Contributory Pension Fund**

### **MPs' Pension Scheme**

Presented to the House of Commons pursuant to Paragraph 15 of Schedule 6 to the  
Constitutional Reform and Governance Act 2010

Ordered by the House of Commons to be printed on 20 May 2025

**HC 907**



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ISBN 978-1-5286-5686-3

E03351633 05/25

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

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# The Parliamentary Contributory Pension Fund

## The MPs' Pension Scheme

### Statement of Reasons

1. This new MPs' Pension Scheme is made today 20 May 2025 following public consultations from 19 October 2023 to 17 November 2023 and 21 March 2024 to 3 May 2024.
2. In our first consultation we asked about the changes made to the MPs' Pension Scheme in response to the McCloud judgment, and proposed a redress payment process to address some of the consequences of those changes. We also asked some broader questions relating to other changes to the Parliamentary Contributory Pension Fund ("PCPF") and the MPs' Pension Scheme which are separate to the McCloud changes. The new MPs' Pension Scheme puts these changes in place.
3. In our second consultation we proposed changes to the cost cap mechanism in the MPs' Pension Scheme to: (i) introduce an economic check of the affordability of the MPs' Pension Scheme in relation to the long-term economic outlook of the country; (ii) incorporate relevant and updated statutory provisions into the MPs' Pension Scheme to ensure the Government Actuary uses up to date information when carrying out a valuation under the cost cap mechanism; and (iii) clarify the implementation period for changes to member contributions as a result of the cost cap mechanism. Again, the new MPs' Pension Scheme puts the changes we have determined are appropriate in this respect in place.
4. The changes take effect as follows:

| Change                                                                                                                              | Rules amended                                  | Relevant Effective Date |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------|
| Amendments to the "scheme-specific" limits on the maximum level of benefits that a member can receive from the final salary section | Schedule 2, paragraphs 2, 3 and 4(d)           | 20 May 2025             |
| Amendments to permit certain members of the CARE section to take a pension commencement lump sum immediately                        | CARE Rule 1.1<br>New CARE Rule 4A<br>FS Rule 8 | 20 May 2025             |

| Change                                                                                                                                                                                                                                                                                                                                                  | Rules amended                               | Relevant Effective Date |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------|
| before or after age 75, whilst deferring the commencement of their pension to a later date, together with consequential changes to align the equivalent provisions in the FS Section                                                                                                                                                                    |                                             |                         |
| Amendments to: (i) clarify when changes to member contributions take effect as a result of the "cost cap mechanism"; (ii) introduce an "economic check" in relation to the cost cap mechanism; and (iii) incorporate relevant provisions of the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 into the MPs' Pension Scheme | General Rule 2<br>CARE Rule 5<br>Schedule 1 | 20 May 2025             |
| Amendment to correct a particular cross-referencing error and consequential amendments to certain provisions in the FS Section                                                                                                                                                                                                                          | FS Rule 49.2<br>FS Rule 49.3                | 20 May 2025             |

5. The analysis of the responses to the consultations, and our final reports, are available on our website [www.theipsa.org.uk](http://www.theipsa.org.uk).
6. As required by Paragraph 15 of Schedule 6 to the Constitutional Reform and Governance Act 2010, the responses of the Trustees of the PCPF are attached.

# **Responses of the Trustees of the Parliamentary Contributory Pension Fund to the October 2023 consultation**

## **Background and introduction**

1. This document relates to the Parliamentary Contributory Pension Fund (the “PCPF”) and is the response from the Trustees of the PCPF (the “Trustees”)<sup>1</sup> to IPSA’s consultation of October 2023 “MPs’ pensions and McCloud: Mitigating adverse tax consequences” (the “Consultation”). Unless otherwise stated, terminology used in this response has the same meaning as in the Consultation.
2. We assume that the Consultation is made under Schedule 6, paragraph 15 of the Constitutional Reform and Governance Act 2010 (“CRaG 2010”). We are aware that the Trustees are statutory consultees and that our response to the Consultation will be laid before the House of Commons.
3. Our response to each of the questions raised in the Consultation is set out below (taking questions together, where appropriate).
4. We assume that IPSA are proposing to incorporate provisions for a redress payments process into the PCPF rules using its powers under CRaG 2010. We are happy to work with IPSA’s advisers to develop the relevant drafting, and we suggest that it will also be necessary to consider whether any amendments are needed to the existing provisions (especially the McCloud-related amendments made earlier this year) to ensure that everything fits together as intended.

## **Representations in relation to IPSA’s questions**

**Question 1: Do you agree that IPSA should establish a redress payments process to mitigate unfair tax consequences arising from members’ McCloud choice?**

**Question 2: Do you have any comments on the proposed objectives or scope of these payments?**

5. The Trustees have always been clear that members should not suffer adverse tax consequences as a result of the McCloud changes.
6. When IPSA made changes to the PCPF earlier this year, there were numerous tax-related uncertainties, including the extent to which the tax treatment applicable to McCloud-related changes in the wider public sector would be extended to the PCPF.
7. As noted in paragraph 14 of the Consultation, IPSA and the Trustees advocated strongly for PCPF members to be treated in line with affected members of other public sector schemes in relation to whom legislation will address most of the adverse tax consequences which may arise as a result of the McCloud remedy. Whilst we acknowledge that this is not expected to be a

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<sup>1</sup> Under CRaG 2010, one of the Trustees is nominated by IPSA. The IPSA-nominated Trustee has been present for the Trustees’ discussions relating to the Consultation but has not been directly involved with the preparation of this response.

complete solution, we remain of the view that this would be the logical and appropriate starting point.

8. However, it is now clear that the relevant legislation will not be extended in this way, and that the only way to mitigate the unfair tax consequences arising from members' McCloud choices (without revisiting the substance of the amendments made earlier this year) will be to establish a redress payments process. In this context, we agree that IPSA should establish such a process.
9. As noted in paragraph 18 of the Consultation, certain tax regulations will need to be amended in order for a redress payments process to be viable. We welcome the fact that the Government has committed to make these changes. However, we remain concerned that viability of the redress payments process is dependent on these changes and as such their importance cannot be overstated. We are also concerned about the potential timings of the changes (see paragraph 14 below).

**Question 3: Do you have any comments on the proposed process or timing?**

**Question 4: Do you have any other comments on the proposals for a redress payments process?**

*(i) Responsibility for administering the redress payments process*

10. The Consultation proposes that the redress payments process would be managed and administered by the Trustees. In the circumstances, the Trustees are prepared to accept that responsibility, subject to satisfactory resolution of any outstanding technical issues, including the constitutional basis for IPSA to make the relevant changes to the PCPF rules and the tax regulations mentioned above.

*(ii) Funding*

11. The Consultation notes that funding for the redress payments is still under discussion with HM Treasury but that IPSA's view is that it would be most straightforward for this to be provided directly to the PCPF. We note that the provision of funding is a question for HM Treasury and IPSA to address. We are neutral as to how the funding is provided to the PCPF.
12. We anticipate that implementing the redress payments process will give rise to significant additional administration costs for the PCPF, in terms of both Secretariat resourcing and external service provider costs. We suggest that these costs should be reimbursed directly, so that they do not adversely impact the funding of the PCPF.

*(iii) Timing*

13. We note that IPSA does not propose to open the redress payments process until April 2025 which would be the earliest point at which redress payments could be made to relevant members. We are very concerned about the interactions with the wider McCloud choice exercise. In particular, we think it will be very difficult for members to make an informed choice if they do not have certainty over the tax implications of the different options at the point when they are required to make a choice. We welcome the financial guidance and education seminars which IPSA have funded and we encourage IPSA to continue working with the Trustees to provide guidance and support to members for as long as it is required. However, based on the current proposals, even with the benefit of financial guidance, it would be very challenging (if not impossible) for the Trustees to provide sufficient certainty to members to enable them to make an informed choice.



14. In addition, we are concerned that the relevant changes to tax legislation may not be finalised at the point when members are being asked to make their McCloud choice, adding further uncertainty.
15. We note that for the majority of members affected by McCloud, these difficulties only arise because IPSA chose to adopt the “immediate choice” approach. The Trustees repeatedly advocated the “deferred choice” approach which has been adopted for almost every other public sector scheme, noting (among other things) that “immediate choice” would require members to make choices based on incomplete information<sup>2</sup>. The Trustees are disappointed that many members now find themselves facing an unnecessarily difficult situation as a result of IPSA’s policy decision, despite our representations, to adopt “immediate choice”.
16. We acknowledge that, now that the PCPF rules have already been amended and the member communication exercise has already begun, switching to “deferred choice” at this stage would involve numerous challenges which would not have arisen if IPSA had adopted “deferred choice” in the first place. However, if IPSA has any appetite to do so, we would be happy to consider this possibility in more detail.
17. We note that IPSA are intending for the redress payments process to close by 5 April 2029. We are concerned that this proposed closure is too early. We do not believe that every member will necessarily be in a position to submit an application for redress by this closure date. For example, an active member may make a choice which results in additional contributions becoming payable. The full tax implications of this would not be known until the additional contributions have actually been paid in full, which might not be until after 5 April 2029. In particular, the member might not benefit from as much income tax relief as would have applied if the relevant contributions had been paid during the Relevant Period (for example, if they cease to be an active member, or if their marginal rate of tax reduces). There are likely to be other situations where flexibility could be required and a premature closure of the redress payments process may cause issues for members and the Trustees. We encourage IPSA to extend the closure date by an additional 4 years.
18. We recognise that there is no easy solution to the timing issues, and that the timing of the changes to tax legislation is outside of IPSA’s control. We would be happy to engage with IPSA further to explore what is most practical.

(iv) Other process considerations

19. We note IPSA’s summary of how the process is expected to operate in practice. It will be important to ensure that the rules provide sufficient clarity, so that the Trustees can administer it appropriately without straying into the territory of making policy decisions (see further our response to Question 7, below). Equally, if the rules are too prescriptive, the process could be unnecessarily burdensome for members (and/or the Trustees) and could risk unintended consequences. These considerations will need to be balanced carefully when drafting the relevant provisions.

**Question 5: Do you agree that the CARE section rules should be amended to allow active members approaching age 75 to take their tax-free lump sum, with their remaining pension abated until they leave Parliament?**

20. Yes.

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<sup>2</sup> See, for example, our response to the March 2021 IPSA consultation on McCloud at para 15

**Question 6: Do you agree that the FS section rules should be amended to ensure that they remain in line with the original intention in relation to how the limits on benefits are calculated?**

21. Yes.

**Question 7: Do you agree that the PCPF Trustees need and should have additional discretion to address specific cases that were not foreseen in the rules?**

22. We agree that there is a risk of unintended or unforeseen consequences and we have previously advocated for flexibility in the PCPF rules to deal with such issues<sup>3</sup>. We would not object to achieving that flexibility through new discretionary powers for the Trustees, provided that those discretionary powers are appropriately scoped.

23. However, IPSA must ensure that new discretionary powers for the Trustees' are limited to addressing genuinely unintended consequences (which we would expect to be limited in number), and cannot be used to revisit policy decisions or change the benefit design of the PCPF, as CRaG 2010 makes clear that these matters are IPSA's responsibility.

24. It will also be very important to communicate this distinction to members in the clearest possible terms. We are concerned that some members (and others) are currently under the impression that the Trustees have more wide-ranging discretions and/or that the Trustees have a decision-making role in policy or benefit design matters. To be absolutely clear, those matters have never been the responsibility of the Trustees: prior to the relevant provisions of CRaG 2010 coming into force they were a parliamentary responsibility and they are now IPSA's responsibility, and any change to this would require primary legislation.

25. To illustrate this point, we give two examples of issues which have actually been raised by members in recent months:

- a. The death in service benefits payable from the CARE Section are materially less generous than those payable from the FS Section. The Consultation mentions that the Trustees have discretion over whether to pay death benefits, but we note this is usually a binary choice – the Trustees can either pay the relevant death benefits in full at a level prescribed by the PCPF rules or not at all. If the Trustees decide to pay death benefits, they do not normally have any discretion over the amount.

A number of members have expressed concerns about the death benefit provision in the CARE Section, relative to the FS Section. The Trustees expressed similar concerns, noting that the impact of the closure of the FS Section on fully protected members might be particularly acute in this regard, and the Trustees invited IPSA to reconsider the level of death in service benefits going forward<sup>4</sup>. We reiterate that suggestion here and would be happy to discuss this further.

However, we note that this is a benefit design question. The fact that all active members are now eligible for the death in service benefits payable from the CARE Section rather than the FS Section, regardless of individual circumstances, is a deliberate and well-foreseen consequence of IPSA's policy decision to close the FS Section.

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<sup>3</sup> See our response to the March 2021 IPSA consultation on McCloud at paras 39 and 40

<sup>4</sup> See our response to the February 2022 IPSA consultation on McCloud at para 20

Therefore, this is ultimately a policy matter for IPSA, so any changes would need to be implemented by IPSA amending the relevant rules, not through the exercise of a discretionary power intended to address unintended or unforeseen consequences.

- b. A number of members have expressed concerns with the benefit structure of the CARE Section more generally. Again, the fact that members are no longer able to accrue benefits in the FS Section and that all future benefit accrual in the PCPF will therefore be on the benefit structure set out in the CARE Section rules (in each case regardless of individual circumstances) is the intended outcome of IPSA's policy decisions.

Some members have suggested that they should be able to continue to accrue in the FS Section. IPSA may wish to consider whether it wishes to facilitate this, either generally or in specific circumstances, and if so we would be happy to discuss how this could be achieved.

Again, this is ultimately a policy matter for IPSA, and therefore any changes would need to be implemented by IPSA amending the relevant rules, not through the exercise of a discretionary power intended to address unintended or unforeseen consequences.

- 26. We are happy to work with IPSA to consider how any discretionary powers can be framed so that they achieve IPSA's sensible and stated intention of mitigating unintended or unforeseen consequences, whilst making clear that IPSA remain solely responsible for policy decisions and questions of benefit design in accordance with CRaG 2010.

**Question 8: Do you have any views on these or any other possible equality impacts resulting from the proposals in this consultation?**

- 27. We remain supportive of equality and fairness as key principles, and agree that mitigating adverse tax consequences is consistent with those principles.

Signed for and on behalf of the Trustees of the PCPF

Sir Brian H Donohoe

Chairman of the Trustees

15 November 2023

# **Responses of the Trustees of the Parliamentary Contributory Pension Fund to the March 2024 consultation**

## **Background and introduction**

1. This document relates to the Parliamentary Contributory Pension Fund (the “PCPF”) and is the response from the Trustees of the PCPF (the “Trustees”) to IPSA’s consultation of March 2024 “MPs’ pensions: updates to the cost control mechanism” (the “Consultation”). Unless otherwise stated, terminology used in this response has the same meaning as in the Consultation.
2. We assume that the Consultation is made under Schedule 6, paragraph 15 of the Constitutional Reform and Governance Act 2010 (“CRAg 2010”). We are aware that the Trustees are statutory consultees and that our response to the Consultation will be laid before the House of Commons.
3. We welcome the fact that developments in the Consultation directly address a number of points which have been made in response to earlier consultations, in March 2021 and February 2022.
4. Our response to each of the questions raised in the Consultation is set out below (taking questions together, where appropriate).
5. Although the Consultation does provide more detail on some aspects of IPSA’s proposals, it remains a relatively high-level overview. This response is therefore deliberately high level.

## **Representations in relation to IPSA’s questions**

6. Our response in this section follows the format of restating the relevant Consultation question, followed by our representations.

**Question 1: Should IPSA introduce an appropriate economic check which is similar to the rest of the public service pension schemes with the intention that contribution changes are aligned with the longer-term economic outlook of the country?**

7. We support making this change, noting that it is in line with the wider public sector.

**Question 2: Should IPSA introduce the relevant provisions in parts 4 and 5 of the 2023 Directions into the rules in a way that is consistent with the 'lighter' version of the cost control mechanism?**

8. We support making this change, noting that introducing these provisions would replace some of the 2014 Treasury Directions, where appropriate.

**Question 3: Should IPSA specify an implementation period as the period for which the Scheme actuary should calculate the future costs of the scheme, and to clarify when any resulting changes to member contributions should be actioned?**

**Question 4: Should IPSA consider introducing a back stop position to avoid changes to contributions being made either retrospectively or shortly after completion of the cost cap valuation?**

9. We support making these changes, noting this aligns with the Trustees’ concerns raised in response to IPSA’s March 2021 consultation, and aligns the MPs’ treatment with the other public sector schemes.

**Question 5: Are there any areas of possible inequality in the approach we are consulting upon that we should consider? Do you have any views on these proposals or any other possible equality impacts resulting from the proposals in this consultation?**

10. We remain supportive of equality and fairness as key principles informing the proposed reforms.

Signed for and on behalf of the Trustees of the PCPF

Sir Brian H Donohoe

Chairman of the Trustees

1 May 2024

# The Parliamentary Contributory Pension Fund

## The MPs' Pension Scheme

### Introduction

- 1 The following terms have the following meanings within this memorandum and the schedule to it:
  - (a) **Current Scheme** means the current arrangements for pensions for MPs and certain office holders made on 16 December 2024.
  - (b) **IPSA** means the Independent Parliamentary Standards Authority.
  - (c) **Paragraph 12 Scheme** means a scheme containing provision about the application of the assets of the Fund in or towards the provision of pensions for or in respect of persons with service as a member of the House of Commons in respect of that service, which has been made by IPSA under paragraph 12 of schedule 6 to the 2010 Act; and
  - (d) **Trustees** means the trustees of the Fund.
- 2 Capitalised terms used but not defined have the meaning given to them in the Scheme.
- 3 Paragraph 12 of schedule 6 to the 2010 Act provides that IPSA may make a Paragraph 12 Scheme.
- 4 With effect on and from the dates set out in the table below, IPSA intends to make the Scheme in order to amend the Current Scheme. The date from which each amendment to the Current Scheme is effective shall be the “**Relevant Effective**

**Date**” and the term “**Relevant Effective Dates**” shall apply specifically to each change as set out in the table below.

| <b>Change</b>                                                                                                                                                                                                                                                                                                                                           | <b>Fund Rules amended</b>                      | <b>Relevant Effective Date</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------|
| Amendments to the "scheme-specific" limits on the maximum level of benefits that a member can receive from the final salary section                                                                                                                                                                                                                     | Schedule 2, paragraphs 2, 3 and 4(d)           | 20 May 2025                    |
| Amendments to permit certain members of the CARE section to take a pension commencement lump sum immediately before or after reaching age 75, whilst deferring the commencement of their pension to a later date, together with consequential changes to align the equivalent provisions in the FS Section                                              | CARE Rule 1.1<br>New CARE Rule 4A<br>FS Rule 8 | 20 May 2025                    |
| Amendments to: (i) clarify when changes to member contributions take effect as a result of the "cost cap mechanism"; (ii) introduce an "economic check" in relation to the cost cap mechanism; and (iii) incorporate relevant provisions of the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 into the MPs' Pension Scheme | General Rule 2<br>CARE Rule 5<br>Schedule 1    | 20 May 2025                    |

|                                                                                                                                |                              |             |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------|
| Amendment to correct a particular cross-referencing error and consequential amendments to certain provisions in the FS Section | FS Rule 49.2<br>FS Rule 49.3 | 20 May 2025 |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------|

5 In the course of preparing this memorandum, IPSA has:

- (a) consulted with the Treasury, the Minister for the Civil Service, the Trustees, persons that IPSA considers to represent those likely to be affected by the Scheme, the Government Actuary, the Review Body on Senior Salaries and any other person IPSA considers appropriate; and
- (b) sent a copy of any representations made to it by the Trustees in response to consultation under paragraph 15(1) of schedule 6 to the 2010 Act, the Scheme, and a statement of the reasons for making the Scheme to the Speaker of the House of Commons for laying before the House of Commons,

as required by paragraphs 15(1) and 15(2) of schedule 6 to the 2010 Act.



# **SCHEDULE 1**

## **The MPs' Pension Scheme**

- 1 In exercise of its powers under paragraph 12 of schedule 6 to the 2010 Act and all other enabling powers, IPSA hereby makes the Scheme in order to amend the provisions of the Current Scheme with effect on and from the Relevant Effective Dates.
- 2 Subject to paragraph 3 below and except as otherwise provided for in Parts B, C and D of the Fund Rules and Schedules 1 to 18 to the Fund Rules, with effect on and from the Relevant Effective Dates, the benefits payable to CARE Members and FS Members and the benefits payable on their death, shall be as described in Parts B, C and D of the Fund Rules and Schedules 1 to 18 to the Fund Rules.
- 3 Any provision of the Rules in Parts B, C and D of the Fund Rules and Schedules 1 to 18 to the Fund Rules which, if applied to CARE Members and FS Members, would breach any of the protections set out in paragraph 19 and paragraph 20 of Schedule 6 to the 2010 Act shall not apply to such CARE Members and FS Members or to the benefits payable to and in respect of such CARE Members and FS Members.
- 4 The provisions of the current Administration Scheme are restated as part of the Scheme which is being made by IPSA in this memorandum for future ease of reference, but for the avoidance of doubt, they are not amended in any way by this memorandum and the Administration Scheme as previously made by IPSA under paragraph 8 of Schedule 6 to the 2010 Act remains in full force and effect.
- 5 For the avoidance of doubt, the Scheme shall not apply to rights under the Fund in respect of any person where such rights relate exclusively to service prior to the CARE Commencement Date. Such rights shall continue to be governed by the provisions of the Fund as constituted immediately prior to the CARE Commencement Date, except to the extent set out in paragraph 3 above.

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## **PART A - ADMINISTRATION SCHEME**

### **1 Paragraph 8 scheme**

- 1.1 Part A of these Fund Rules constitutes an administration scheme made under paragraph 8 of schedule 6 to the 2010 Act. To the extent that this Part A uses terms defined in General Rule 2, those terms also form part of this administration scheme.
- 1.2 Administration Rules 2 to 8 apply to the extent that the Trustees exercise functions in relation to the Fund. To the extent that any provisions of the Fund applicable prior to the CARE Commencement Date are equivalent to, cover the same powers as or conflict with the provisions in the Administration Scheme, they shall be disapplied and have no effect after the CARE Commencement Date. Administration Rules 2 to 8 apply to the AVC Scheme contained in Schedule 16 except where contrary provisions appear in that Schedule.

### **2 Appointment and removal of Trustees**

- 2.1 The Trustees of the Fund shall be nominated or appointed, and may resign or be removed, in accordance with schedule 6 to the 2010 Act.

### **3 Proceedings of Trustees**

- 3.1 The Trustees may act by a majority of those present at any meeting of the Trustees at which a quorum is present.
- 3.2 The procedure of the Trustees shall, subject to the provisions of these Administration Rules, be such as the Trustees may determine, and the quorum for any meeting of the Trustees shall be three.

### **4 Trustee remuneration and liability**

- 4.1 No Trustee shall be entitled to be paid for acting in that capacity or any other capacity authorised by the Fund, except with the prior written consent of IPSA and in accordance with schedule 6 to the 2010 Act. Where IPSA consents to the remuneration of a Trustee, such remuneration shall be paid from the Fund.

- 4.2 Subject to section 33 of the 1995 Act, each Trustee and former Trustee shall be indemnified out of the Fund against any actions, claims, costs, losses, damages and expenses arising out of anything done or omitted to be done by him in the performance or purported performance of his functions except when the Trustee or former Trustee, as the case may be, has acted dishonestly, in bad faith or recklessly.
- 4.3 There shall not be purchased out of the Fund any indemnity insurance covering any of the liabilities mentioned in Administration Rule 4.2 above (including those where the exception applies).
- 4.4 The Trustees may rely in good faith on any information relevant to the Fund (about individuals or otherwise) supplied to them by or on behalf of any actual or prospective beneficiary of the Fund as conclusive evidence of the matter to which it relates and without being responsible for any resulting loss.

## **5 Administration and management of the Fund**

- 5.1 Subject to the provisions governing the Fund and the 2010 Act, the Trustees shall have all such powers and discretions as they may from time to time require for the management and administration of the Fund.
- 5.2 Subject to section 34 of the 1995 Act, the Trustees may delegate all or any of their powers, duties and discretions to any person on such terms and for such periods as they think fit, and any such delegate may sub delegate any such function, so far as is consistent with the terms of its appointment.
- 5.3 The Trustees may employ such officers, servants and agents in connection with the functions of administration of the Fund and the management and application of the assets of the Fund as they think fit, and any such agent may sub delegate any such function, so far as is consistent with the terms of its appointment.
- 5.4 The Trustees may settle or compromise any claim or dispute in relation to the Fund, provided that they obtain the consent of IPSA or the Minister for the Civil Service as appropriate in accordance with schedule 6 to the 2010 Act.

- 5.5 Where on the death of any person there is due to the deceased or his personal representatives from the Trustees a sum which (if any part of it due by way of Interest is disregarded) does not exceed the amount of the limit for the time being specified by virtue of orders made from time to time under section 6 of the Administration of Estates (Small Payments) Act 1965, probate or other proof of the title of the personal representatives of the deceased may be dispensed with, and the Trustees may pay the whole or any part of that sum to those representatives or to the person, or to or among any one or more of any persons, appearing to the Trustees to be beneficially entitled to the personal or movable estate of the deceased.
- 5.6 Any person to whom a payment is made under Administration Rule 5.5, and not the Trustees, shall thereafter be liable to account for the amount paid to him under that Administration Rule 5.5.
- 5.7 If the Trustees receive notice in writing of any claim against the estate of the deceased at any time before they have made a full payment under Administration Rule 5.5 above, then, except where the sum to be paid appears to them to be bona vacantia, they shall not make any, or (as the case may be) any further, payment under that Administration Rule 5.5 to any person other than the personal representatives of the deceased until the claim is satisfied or withdrawn.
- 5.8 The Trustees shall have power to waive or extend any time limit set out in the terms of the Fund either generally or in the case of a specific person. Before exercising their power to waive or extend any time limit the Trustees must obtain the written consent of:
- (a) IPSA in relation to any time limit set out in the terms of a scheme under paragraph 8 or 12 of schedule 6 to the 2010 Act; and
  - (b) the Minister for the Civil Service in relation to any time limit set out in the terms of a scheme under paragraph 16 of schedule 6 to the 2010 Act.

## **6 Payments to and from the Fund**

### **6.1**

(a) All pensions and other sums payable under the terms of the Fund by the Trustees, including Contributions Equivalent Premiums and Transfer Premiums payable in respect of former CARE Participants and FS Participants; and

(b) all Tax Redress Payments,

shall be paid out of the Fund, and all sums received by the Trustees under the terms of the Fund shall be paid into the Fund.

6.2 All taxes and expenses incurred in connection with the administration and management of the Fund (including any fee payable to the Comptroller and Auditor General) and the remuneration and pensions, or contributions towards pensions, payable to or in respect of officers and servants employed by the Trustees shall be paid out of the Fund.

6.3 The assets of the Fund shall form a single non-segregated fund.

6.4 Any assets provided to the Trustees in connection with or to fund any payments made under Schedule 18, and any assets provided in connection with or to fund the administration and management of the Redress Scheme (including but not limited to the Trustees' expenses), shall form part of the single non-segregated fund referred to in Administration Rule 6.3, but the Trustees and IPSA shall use all reasonable endeavours to enable the amount of such funds provided to the Trustees for the Redress Scheme and in respect of Schedule 18 to be separately calculated and identified where IPSA reasonably so requests.

6.5 For the avoidance of doubt, Tax Redress Payments shall not come within the scope of "pensions and other sums payable" as referred to in Administration Rule 6.1(a) but, as set out in Administration Rule 6.1(b), shall instead be separate payments.

## **7 Investment**

7.1 Without prejudice to the generality of their powers of investment under schedule 6 to the 2010 Act, the Trustees may in particular enter into any of the following transactions:

- (a) the purchase from an insurance company (as defined in section 275 of the Finance Act 2004) and maintenance of any annuity for the life of any person, or for any other period;
- (b) the establishment and maintenance of any policy of life assurance;
- (c) the underwriting or sub-underwriting of any funds, securities, bonds, debentures, stocks or shares;
- (d) the purchase of any asset which does not produce an income;
- (e) the purchase of or dealing in foreign currencies, options, traded option or financial futures;
- (f) the making of secured or unsecured loans of any assets of the Fund, including cash, securities, bonds, debentures, stocks or shares;
- (g) the purchase of real property or any interest in real property, in relation to which the Trustees may act as if they were absolutely and beneficially entitled to such property.

7.2 The Trustees may place all or any of the assets of the Fund under the control of, or in the name of, such body corporate as nominee for them as may be appointed by them or on their behalf.

7.3 The Trustees may raise or borrow any money, upon such terms as they think fit, for any of the purposes of the Fund and may secure money by charging all or any part of the Fund or any particular investment in the Fund.

7.4 The Trustees may insure any asset of the Fund on such terms as they think fit.

7.5 Notwithstanding regulation 3(3)(c) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, the Trustees shall appoint a fund manager.

7.6 The Trustees shall prepare and consult on a statement of investment principles for the Fund in accordance with schedule 6 to the 2010 Act.

## **8 Accounts and valuations**

8.1 The Fund shall be valued by the Government Actuary in accordance with the requirements of schedule 6 to the 2010 Act.

8.2 Exchequer contributions shall be paid into the Fund in accordance with paragraphs 10 and 11 of schedule 6 to the 2010 Act.

8.3 The Trustees shall keep proper accounts and shall prepare in respect of each financial year of the Fund statements of account in such form and in such manner as the Comptroller and Auditor General may direct.

8.4 The Comptroller and Auditor General shall examine and certify every statement of account prepared under Administration Rule 8.3 and shall lay a copy of every such statement, together with his report on it, before the House of Commons.

## **PART B - BENEFITS SCHEME - GENERAL RULES**

### **1 Paragraph 12 scheme**

- 1.1 Parts B, C and D of these Fund Rules and Schedules 1 to 17 to the Fund Rules together constitute a scheme made under paragraph 12 of schedule 6 to the 2010 Act.
- 1.2 The provisions of this Part B apply to benefits payable under both the CARE Section and the FS Section.

### **2 Definitions**

- 2.1 In these Fund Rules, except where otherwise stated or where the context requires otherwise:

**1965 Act** means the Ministerial Salaries and Members' Pensions Act 1965

**1971 Act** means the Pensions (Increase) Act 1971 and associated legislation; and where the Fund Rules provide that any revaluation or increases are to be applied in accordance with the 1971 Act, such revaluation or increases shall be applied on the basis that the pension authority (as defined in the 1971 Act) applies the revaluation or increases (as applicable) prescribed for the purposes of the 1971 Act in full

**1972 Act** means the Parliamentary and other Pensions Act 1972

**1975 Act** means the Social Security Pensions Act 1975

**1993 Act** means the Pension Schemes Act 1993

**1995 Act** means the Pensions Act 1995

**1999 Act** means the Welfare Reform and Pensions Act 1999 or corresponding Northern Ireland legislation and references to legislation under that Act also refer to corresponding Northern Ireland legislation

**2000 Act** means the Financial Services and Markets Act 2000

**2007 Act** means the Income Tax Act 2007

**2010 Act** means the Constitutional Reform and Governance Act 2010

**Accrued Pension Rights** and any equivalent expression mean such rights after taking into account any reduction applied in accordance with section 31 of the 1999 Act.

**Actual Period of Reckonable Service as an FS Participating Member, Actual Period of Reckonable Service as an FS Participating Office Holder and Actual Period of Reckonable Service as an FS Participant** have the meanings assigned to them by FS Rule 14

**Added (Combined) Pension** means additional pension purchased by a CARE Participant under paragraph 3 of Schedule 15

**Added (Participant) Pension** means additional pension purchased by a CARE Participant under paragraph 2 of Schedule 15.

**Added Pension** means either Added (Participant) Pension or Added (Combined) Pension

**Added Pension Notice** means a notice given by a CARE Participant under paragraph 7 or 11 of Schedule 15 requesting the purchase of Added Pension

**Added Year** means a period of reckonable service as an FS Participating Member purchased under FS Rule 59 and Schedule 5 including a part of a year expressed in days and any future Added Year

**Administration Rule** refers to a provision in the Administration Scheme set out in Part A of the Fund Rules and/or any relevant provision in the Schedules

**Administration Scheme** means the scheme, more particularly described in Administration Rule 1.1 as amended or in force from time to time

**Administrator** means the person who is the scheme administrator for the purposes of section 270 of the Finance Act 2004



**Adult Survivor** means a widow, widower, surviving civil partner or Surviving Same Sex Spouse or, in relation to a person who was a participant at any time on or after 3 November 2004, that person's Surviving Adult Dependant

**Aggregate Period of Reckonable Service as an FS Participating Member, Aggregate Period of Reckonable Service as an FS Participating Office Holder and Aggregate Period of Reckonable Service as an FS Participant** have the meanings assigned to them by FS Rule 15

**Applicable Option** means, in relation to any person, the option under paragraph 2 of Schedule 14A chosen (or, as applicable, deemed to have been chosen) by or in respect of that person in accordance with the relevant provisions of Schedule 14A

**AVC Scheme** has the meaning given in Schedule 16

**Basic or Prospective Pension or Pensions** has the meaning assigned to it by FS Rule 40

**CARE Commencement Date** means 8 May 2015

**CARE Credit** has the meaning given in CARE Rule 6.3

**CARE Deferred Pensioner** means a person who has been a CARE Participant but who:

- (a) has ceased CARE Participation;
- (b) is not in receipt of a pension under the CARE Section; and
- (c) is entitled or prospectively entitled to a pension under the CARE Section which is not yet in payment.

**CARE Member** means a person who is or has been a CARE Participant and continues to have a current or prospective entitlement to benefits under the CARE Section, and includes each CARE Participant, CARE Deferred Pensioner and CARE Pensioner

**CARE Participant** means a person who has been admitted to participate in the CARE Section in accordance with its provisions and who has not:

- (a) ceased to be a Member of the House of Commons or an Office Holder; or
- (b) withdrawn from or opted out of active membership of the CARE Section

and “CARE Participation” shall be read accordingly.

**CARE Pensioner** means a person who has been a CARE Participant or CARE Deferred Pensioner who is receiving a pension from the Fund (including an early retirement pension or an ill health pension)

**CARE Rule** refers to a provision in Part C of the Fund Rules and/or any relevant provision in Schedules 1, 14, 15 or 17.

**CARE Section** means the section of the Scheme that provides benefits on a career average basis, the terms of which are set out in Part C of the Fund Rules and/or the relevant provisions in Schedules 1, 14, 15 or 17.

**CARE Service** means the period or periods during which a person is a CARE Participant in Relevant Service in respect of which he pays Contributions under CARE Rule 5.1, but does not include any period during which he is an Opted Out Member. For the purposes of calculating the benefits payable to or in respect of a CARE Member, unless the Trustees and IPSA agree otherwise in relation to any particular circumstance or member (or group of members):

- (a) CARE Service shall include any period of service credited to him in the CARE Section in respect of a transfer into the Fund; and
- (b) if he has CARE Service as both a Member of the House of Commons and as an Office Holder, his benefits in each capacity shall be calculated separately. Accordingly, CARE Service during which the person is a Member of the House of Commons only shall not count towards the calculation of his benefits as an Office Holder, and vice versa.

**CARE Year** means each period of 12 months commencing on 1 April

**Category 1 contributor** means:

- (a) in respect of any period beginning on or after 5 July 2001 and ending before 15 July 2002:
  - (i) an FS Participating Member who is a Member of the House of Commons on 15 July 2002 or
  - (ii) an FS Participating Office Holder who is an Office Holder on 15 July 2002,

who opts, before 1 January 2003, to contribute to the Fund on or after 5 July 2001 at a rate of 9%;

- (b) in respect of any period beginning on or after 15 July 2002 and ending before 1 April 2008:
  - (i) an FS Participating Member or
  - (ii) a participating Office Holder,

who does not opt, before 1 January 2010, to contribute to the Fund at a reduced rate;

- (c) in respect of any period beginning on or after 1 April 2008 and ending before 1 April 2009:
  - (i) an FS Participating Member who:
    - (A) does not opt, before 1 January 2010, to contribute to the Fund at a reduced rate and, on or after that date, either does not exercise the option to select a membership category in FS Rule 11.4 or exercises that option with effect from a date on or after 1 April 2009; or
    - (B) exercises the option to select a membership category in FS Rule 11.4 and whose qualifying notice specifies that the Member wishes to contribute to the Fund as a

Category 1 contributor with effect on and from the later of 1 April 2008 or the date of the FS Participating Member's election or re-election to the House of Commons or

(ii) an FS Participating Office Holder who:

- (A) does not opt, before 1 January 2010, to contribute to the Fund at a reduced rate and, on or after that date, either does not exercise the option to select a membership category in FS Rule 12.4 or exercises that option with effect from a date on or after 1 April 2009 or
- (B) exercises the option to select a membership category in FS Rule 12.4 and whose qualifying notice specifies that the Office Holder wishes to contribute to the Fund as a Category 1 contributor with effect on and from the later of 1 April 2008 or the date of the participating Office Holder's current appointment as an Office Holder and

(d) in respect of any period beginning on or after 1 April 2009:

(i) an FS Participating Member who:

- (A) does not opt, before 1 January 2010, to contribute to the Fund at a reduced rate, or on or after that date does not exercise the option to select a membership category in FS Rule 11.4 or (for FS Participating Members on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 11.15 or
- (B) exercises the option to select a membership category in FS Rule 11.4 or (for FS Participating Members on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 11.15 and whose qualifying notice

specifies that the Member wishes to contribute to the Fund as a Category 1 contributor; or

- (ii) an FS Participating Office Holder who:
  - (A) does not opt, before 1 January 2010, to contribute to the Fund at a reduced rate, or on or after that date does not exercise the option to select a membership category in FS Rule 12.4 or (for participating Office Holders on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 12.16; or
  - (B) exercises the option to select a membership category in FS Rule 12.4 or (for participating Office Holders on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 12.16 and whose qualifying notice specifies that the Office Holder wishes to contribute to the Fund as a Category 1 contributor.

**Category 2 contributor means:**

- (a) in respect of any period beginning on or after 5 July 2001 and ending before 15 July 2002:
  - (i) an FS Participating Member or
  - (ii) a participating Office Holder,who does not opt, before 1 January 2003, to contribute to the Fund on or after 5 July 2001 at a rate of 9%
- (b) in respect of any period beginning on or after 15 July 2002 and ending before 1 April 2008:
  - (i) an FS Participating Member or
  - (ii) a participating Office Holder,

who opts, before 1 January 2010, to contribute to the Fund at a reduced rate

(c) in respect of any period beginning on or after 1 April 2008 and ending before 1 April 2009:

(i) an FS Participating Member who:

(A) opts, before 1 January 2010, to contribute to the Fund at a reduced rate and either has not subsequently exercised the option to select a membership category in FS Rule 11.4 or has subsequently exercised that option with effect from a date on or after 1 April 2009 or

(B) exercises the option to select a membership category in FS Rule 11.4(a) and whose qualifying notice specifies that the Member wishes to contribute to the Fund as a Category 2 contributor with effect on and from the later of 1 April 2008 or the date of the FS Participating Member's election or re-election to the House of Commons or

(ii) an FS Participating Office Holder who:

(A) opts, before 1 January 2010, to contribute to the Fund at a reduced rate and either has not subsequently exercised the option to select a membership category in FS Rule 12.4 or has subsequently exercised that option with effect from a date on or after 1 April 2009; or

(B) exercises the option to select a membership category in FS Rule 12.4(a) and whose qualifying notice specifies that the Office Holder wishes to contribute to the Fund as a Category 2 contributor with effect on and from the later

of 1 April 2008 or the date of the participating Office Holder's current appointment as an Office Holder and

(d) in respect of any period beginning on or after 1 April 2009:

(i) an FS Participating Member who:

- (A) opts, before 1 January 2010, to contribute to the Fund at a reduced rate and has not subsequently exercised the option to select a membership category in FS Rule 11.4 or (for FS Participating Members on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 11.15; or
- (B) exercises the option to select a membership category in FS Rule 11.4 or (for FS Participating Members on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 11.5 and whose qualifying notice specifies that the Member wishes to contribute to the fund as a Category 2 contributor; or

(ii) an FS Participating Office Holder who:

- (A) opts, before 1 January 2010, to contribute to the Fund at a reduced rate and has not subsequently exercised the option to select a membership category in FS Rule 12.4 or (for participating Office Holders on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 12.16 or
- (B) exercises the option to select a membership category in FS Rule 12.4 or (for participating Office Holders on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 12.16 and whose qualifying notice

specifies that the Office Holder wishes to contribute to the Fund as a Category 2 contributor

**Category 3 contributor** means:

- (a) in respect of any period beginning on or after 1 April 2008 and ending before 1 April 2009:
  - (i) an FS Participating Member:
    - (A) who exercises the option in FS Rule 11.4(a) to select a membership category and
    - (B) whose qualifying notice specifies that the Member wishes to contribute to the Fund as a Category 3 contributor with effect on and from the later of 1 April 2008 or the date of the FS Participating Member's election or re-election to the House of Commons or
  - (ii) a participating Office Holder:
    - (A) who exercises the option in FS Rule 12.4(a) to select a membership category and
    - (B) whose qualifying notice specifies that the Office Holder wishes to contribute to the Fund as a Category 3 contributor with effect on and from the later of 1 April 2008 or the date of the participating Office Holder's current appointment as an Office Holder and
- (b) in respect of any period beginning on or after 1 April 2009:
  - (i) an FS Participating Member who exercises the option to select a membership category in FS Rule 11.4 or (for FS Participating Members on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 11.15 and whose qualifying notice



specifies that the Member wishes to contribute to the Fund as a Category 3 contributor or

- (ii) an FS Participating Office Holder who exercises the option to select a membership category in FS Rule 12.4 or (for participating Office Holders on 1 April 2012 and in respect of the period beginning on 1 April 2012) in FS Rule 12.16 and whose qualifying notice specifies that the Office Holder wishes to contribute to the Fund as a Category 3 contributor

**Chairman of a Select Committee** means the Chairman of a select committee appointed under the Standing Orders of the House of Commons who is eligible for additional salary in respect of that appointment

**Chairman of a Standing Committee** means the Chairman of a standing committee appointed under the Standing Orders of the House of Commons who is eligible for additional salary in respect of that appointment

**Child** in relation to any deceased person does not include any person who is not a dependant of the deceased person for the purposes of section 167 of the Finance Act 2004 (pension death benefit rules) because paragraph 15(2) or (3) of schedule 28 to that Act applies to him, but subject to that it includes an illegitimate child, a stepchild, an adopted child or a natural child (whether legitimate or illegitimate) who had not been born as at the date of the relevant person's death

**Consolidated Fund** means the Consolidated Fund of the United Kingdom

**Consumer Prices Index** means:

- (a) the general index of consumer prices (for all items) published by the Statistics Board; or
- (b) where that index is not published for a month, any index or figures published by the Board and which is determined by the Trustees to be an appropriate substitute.

**Contracted-out Employment** shall be construed in accordance with section 8 of the 1993 Act

**Contribution** (except in the expression "Contributions Equivalent Premium"), means any amount deducted from salary or deemed to have been paid under section 5 of the 1965 Act, under section 3 or section 4 of the 1972 Act or under CARE Rule 5 or FS Rule 11 or FS Rule 12 and any reference to the payment of a Contribution shall be construed accordingly

**Contributions Equivalent Premium** has the same meaning as in section 55(2) of the 1993 Act

**Core Cost Cap Cost** means the expected cost of benefits accruing in respect of future service calculated in accordance with paragraph 17 of Schedule 1

**Cost Cap Future Service Cost** has the meaning given in paragraph 10 of Schedule 1

**Cost Cap Valuation** means a valuation of the cost of accrual in the CARE Section, carried out in accordance with Schedule 1

**Cost Cap Valuation Date** has the meaning given in paragraphs 3, 4 and 5 of Schedule 1

**Cost Cap Valuation Report** means the report prepared by the Government Actuary in accordance with paragraph 1 of Schedule 1 for the purpose of a Cost Cap Valuation

**Cumulative Future Service Technical Immunity Adjustment** has the meaning given to it in paragraph 15 of Schedule 1

**Early Retirement Reduction Waiver** means the disapplication of the reduction to a CARE Member's pension that would otherwise apply under CARE Rule 7.2 or 11.6, by the payment of a lump sum under paragraph 20 of Schedule 15

**Economic Cost Cap Cost** means the expected cost of benefits accruing in respect of future service allowing for the impact of a change in long-term economic assumptions, calculated in accordance with paragraph 18 of Schedule 1

**Effective Pension Age** means a reduced Normal Retirement Date for the purposes of calculating a CARE Participant's benefits that has been purchased by a CARE Participant under paragraph 17 of Schedule 15

**Effective Pension Age Notice** means a notice given by a CARE Participant under paragraph 15 of Schedule 15 requesting the purchase of an Effective Pension Age

**Effective Resolution** means a resolution of the House of Commons relating to the remuneration of Members which is not framed as an expression of opinion and where there are at any time two or more such resolutions in force they shall be read together

**Employer Cost Cap** means 13.4% of the Pensionable Salary of members of the Scheme, in accordance with paragraph 11 of Schedule 1

**Employer Cost Cap Directions 2023** means the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023, as amended, extended or re-enacted from time to time

**Ex-spouse** means a person entitled to a Pension Credit giving rise to a liability upon the Trustees within the meaning of section 29(1)(b) of the 1999 Act

**Fraction of a Year** means part of a year of reckonable service expressed as the proportion borne by the number of days in that part to three hundred and sixty-five; and Fraction of an Added Year shall be construed accordingly

**FS Closure Date** means 31 March 2023

**FS Deferred Pensioner** means a person who:

- (a) having:
  - (i) been but having ceased to be an FS Participant and/or
  - (ii) participated in the Fund prior to the CARE Commencement Date and participated in the Fund after the CARE Commencement Date as a CARE Member; and

- (b) having accrued rights to a pension from the Fund,

is not, or was not at his death, yet entitled to receive a pension from the Fund

**FS Member** means a person who is or has been an FS Participant and / or who participated in the Fund both prior to and after the CARE Commencement Date, and continues to have a current or prospective entitlement to benefits under the FS Section (including benefits accrued prior to the CARE Commencement Date) and includes each FS Participant, FS Deferred Pensioner and FS Pensioner

**FS Participant** means a person who is an FS Participating Member or an FS Participating Office Holder or both an FS Participating Member and an FS Participating Office Holder

**FS Participating Member** means a person:

- (a) who is a Fully Protected Member or Partially Protected Member; and
- (b) who is continuing to accrue benefits in the FS Section of the Fund by virtue of Schedule 14 applying to him;

For the avoidance of doubt:

- (i) a Partially Protected Member will cease to be an FS Participating Member if paragraphs 3, 5 or 8 of Schedule 14 apply to him,
- (ii) no person shall be an FS Participating Member after the FS Closure Date, and
- (iii) in accordance with Schedule 14A, a person may be treated as having been an FS Participating Member during the Relevant Period by virtue of having exercised an option under Schedule 14A (or the Relevant Default Option under Schedule 14A having been applied).

**FS Participating Office Holder** means a person:

- (a) who is a Fully Protected Member or Partially Protected Member; and

- (b) who is continuing to accrue benefits in the FS Section of the Fund by virtue of Schedule 14 applying to him; and
- (c) who is an Office Holder.

For the avoidance of doubt:

- (i) a Partially Protected Member will cease to be an FS Participating Office Holder if paragraphs 3, 5 or 8 of Schedule 14 apply to him or he ceases to be an Office Holder,
- (ii) no person shall be an FS Participating Office Holder after the FS Closure Date, and
- (iii) in accordance with Schedule 14A, a person may be treated as having been an FS Participating Office Holder during the Relevant Period by virtue of having exercised an option under Schedule 14A (or the Relevant Default Option under Schedule 14A having been applied).

**FS Pensioner** means a person entitled to receive a pension from the FS Section of the Fund; and may be either an FS Pensioner Member or an FS Pensioner Office Holder or both an FS Pensioner Member and an FS Pensioner Office Holder

**FS Pensioner Member** means a person entitled to receive a pension from the Fund (including an early retirement pension or an ill health pension) in respect of his service as a Member of the House of Commons whilst participating in the FS Section

**FS Pensioner Office Holder** means a person entitled to receive a pension from the Fund (including an early retirement pension or an ill health pension) in respect of his service as an Office Holder whilst participating in the FS Section

**FS Rule** refers to a provision in Part D of the Fund Rules and/or any relevant provision in Schedules 2 to 15 (inclusive) or 17 and, where appropriate, includes a

reference to equivalent provisions under the Fund as constituted prior to the CARE Commencement Date

**FS Section** means the section of the Scheme that provides benefits on either a final salary basis (for members of the House of Commons) or a career average basis (for Office Holders), the terms of which are set out in Part D of the Fund Rules and any part of Schedules 2 to 15 (inclusive) or 17 as appropriate

**Fully Protected Member** means a person who:

- (a) was a Member of the House of Commons or an Office Holder both on 1 April 2013 and immediately prior to the CARE Commencement Date;
- (b) was aged 55 or over as at 1 April 2013; and
- (c) has not ceased to be a Fully Protected Member under paragraph 2(b) of Schedule 14A or paragraph 8 of Schedule 14

**Fund** (except in the term Consolidated Fund) means the Parliamentary Contributory Pension Fund continued under paragraph 1 of schedule 6 to the 2010 Act of which the Scheme forms part

**Fund Rules** means the Administration Rules, the General Rules, the CARE Rules and the FS Rules as the context requires

**Future Service Technical Immunity Adjustment** means the adjustment required when calculating the Core Cost Cap Cost of a Scheme in order to exclude the impact of a change in the long-term economic assumptions arising since the previous valuation, calculated in accordance with paragraph 12 of Schedule 1

**Gainful Work** means:

- (a) work from which the person concerned gains the whole or a substantial part of the person's income (ignoring any income received from investments, trusts or other sources not related to work), being work:
  - (i) under a contract of employment,

- (ii) as the holder of an office, or
  - (iii) as a self-employed person engaged in a business or profession; or
- (b) work from which the person concerned would obtain such an income if the person had not waived payment in relation to that work,

and the Trustees may treat voluntary or unpaid work as gainful work if they consider that the duties of that work are equivalent to employment for which the person concerned could obtain an income

**General Rule** refers to a provision in Part B of the Fund Rules and/or any relevant provision in the Schedules

**Guaranteed Minimum Pension** has the same meaning as in section 8(2) of the 1993 Act

**HMRC** means the Commissioners for Her Majesty's Revenue and Customs

**Implementation Period** means the four month period specified in section 34(1) of the 1999 Act subject to any regulations made by the Secretary of State under section 34(4) or section 41(2)(a) of that Act or any extension granted by the Pensions Regulator in accordance with section 33(4) of that Act

**Index** means, except in the definition of "Consumer Prices Index", the retail prices index as defined by section 989 of the 2007 Act and, except in the definition of Permitted Maximum, references to the index at any time are to the index for the calendar month three months before that time

**Interest** (where the reference is to the payment of any sum with interest) means compound interest at the rate of three per cent per annum in respect of any period falling before 2 August 1978 and at the rate of four per cent per annum in respect of any later period, and, in either case, the interest shall be calculated with annual rests

**IPSA** means the Independent Parliamentary Standards Authority established by the Parliamentary Standards Act 2009

**Lost Tax Relief** means, in relation to a Schedule 14A Member in respect of whom an amount is due to the Trustees under paragraph 12 and/or 13 of Schedule 14A and such amount is wholly or partly calculated on a net basis in accordance with paragraph 16 of Schedule 14A, an amount equal to  $X - Y$  where:

X is the amount which would have been due to the Trustees under paragraph 12 and/or 13 of Schedule 14A if such amount had been calculated on a gross basis; and

Y is the amount which is required to be paid to the Trustees by or on behalf of the relevant Schedule 14A Member pursuant to paragraph 12 and/or 13 of Schedule 14A (but for the avoidance of doubt ignoring any set off applied in accordance with paragraph 17 of Schedule 14A)

**Lower Margin** means a rate which is less than the Employer Cost Cap by the percentage of Pensionable Salary specified in paragraph 22 of Schedule 1

**Member's Ordinary Salary** means a Member's yearly salary at the rate determined in accordance with:

- (a) a determination by IPSA under section 4A of the Parliamentary Standards Act 2009; or
- (b) in respect of any period prior to the first such determination by IPSA, pursuant to an Effective Resolution which is for the time being in force,

but does not include salary paid in respect of a Member's service as the Chairman of a Select Committee or the Chairman of a Standing Committee

**Minimum Pension Age** means on and after 6 April 2010, fifty-five unless:

- (a) a different minimum pension age applies as a consequence of the operation of paragraph 22(8) of schedule 36 of the Finance Act 2004; or
- (b) a different normal minimum pension age applies at any time in the future for the purposes of section 279 of the Finance Act 2004



**Ministers' Scheme** means the Ministers' etc Pension Scheme 2015 (made under paragraph 16 of Schedule 6 of the 2010 Act), as amended and in force from time to time

**the Multiple** means:

(a) subject to paragraph (b) below, in respect of a pension under FS Rule 16 of a person who is or has been an FS Participating Member, the relevant terminal salary under FS Rule 17.2; or

(b) in respect of a pension under FS Rule 16 of a person who held prior to 25 April 2013 the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons:

(i) the amount of his salary as a Member of the House of Commons during his final year of reckonable service; or

(ii) if at the Relevant Date his reckonable service as an FS Participating Member since the date of his appointment or election to that office is less than a year, the amount calculated using the formula:

$$(A \times 365) / B$$

where:

A is the amount of his salary as a Member of the House of Commons since the date of his appointment or election; and

B is the number of days of his reckonable service as an FS Participating Member since the date of that appointment or election; and

(c) in respect of a pension under FS Rule 18 of a person who is or has been a participating Office Holder, the relevant terminal salary under FS Rule 19.5 multiplied by the average of all the contribution factors under FS Rule

19.2) calculated in relation to him for his Aggregate Period of Reckonable Service as an FS Participating Office Holder

**Normal Retirement Date** means:

- (a) in respect of the FS Section, the date on which an FS Participant reaches the age of sixty-five; and
- (b) in respect of the CARE Section, the date on which a CARE Member reaches the greater of age 65 and his State Pension Age assessed as at the earliest of:
  - (i) the date those benefits come into payment under CARE Rule 6, 7, 8 or 11;
  - (ii) the date those benefits are transferred out of the CARE Section under General Rule 7 or CARE Rule 12; and
  - (iii) the date of his death

**Occupational Pension Scheme** has the meaning given in section 1 of the 1993 Act

**Office Holder** means the holder of a Qualifying Office

**Opted-out Member** means a person who has opted out as a CARE Participant under CARE Rule 3 and/or as an FS Participant under the FS Rules (including, without limitation, FS Rule 5, 7, 8, or 62) or the equivalent provisions of the Fund prior to the CARE Commencement Date, as applicable

**Opted-out Office Holder** has the meaning assigned to it by FS Rule 6

**Opt-in Notice** means a notice given to the Trustees under CARE Rule 4

**Option Date** means 31 January 2025, or any earlier date by which IPSA will require members to make their choices in relation to their benefit accrual during the Relevant Period, as communicated in writing to members by IPSA a minimum of 6 months in advance of such date, after which, if the member has not selected an

Applicable Option in accordance with and subject to paragraph 4 of Schedule 14A, the Relevant Default Option will apply

**Option Effective Date** means, in relation to any person, the date on which the Applicable Option takes effect (or, as applicable, is deemed to take effect) in accordance with the relevant provisions of Schedule 14A

**Opt-out Notice** means a notice given to the Trustees under CARE Rule 3

**Part U Optant** has the meaning assigned to it by FS Rule 66.3

**Partial Incapacity** means where the Trustees (or Administrator if different) consider that the person:

- (a) is ceasing to be a CARE Member as a direct consequence of his ill-health; and
- (b) is permanently prevented from performing adequately the duties of a Member of the House of Commons

**Partially Protected Member** means a person who:

- (a) was a Member of the House of Commons or an Office Holder both on 1 April 2013 and immediately prior to the CARE Commencement Date;
- (b) was aged at least 51 years and 6 months but under 55 as at 1 April 2013; and
- (c) has not ceased to be a Partially Protected Member under paragraph 2(a) or 2(b) of Schedule 14A or paragraph 5 or 8 of Schedule 14

**pension** does not include an allowance or gratuity

**Pension Credit** means a credit under section 29(1)(b) of the 1999 Act

**Pension Debit** means a debit under section 29(1)(a) of the 1999 Act

**Pension Debit Member** means a person whose benefits or future benefits under the Fund have been reduced in accordance with section 31 of the 1999 Act

**Pension Sharing Order** means any provision or order specified in section 28 of the 1999 Act giving rise to a liability upon the Trustees in respect of a Pension Credit

**Pensionable Salary** means:

- (a) in the case of a Member of the House of Commons, the Member's Ordinary Salary as such a Member; or
- (b) in the case of an Office Holder, the amount payable to him in excess of his ordinary salary as a Member of the House of Commons in respect of his tenure as an Office Holder

**Period of Protection** means, in relation to any person, the applicable period set out in paragraph 5(b) of Schedule 14

**Period of Tenure of a Qualifying Office** has the meaning assigned to it by FS Rule 4.2 and 4.3

**Periodic Payment Period** means the period in respect of which a CARE Participant pays periodic contributions to purchase Added Pension or Effective Pension Age (as applicable) and shall be subject to the provisions of paragraph 5 of Schedule 15

**Permitted Maximum**, except in FS Rules 24.6 to 24.8, 24.9(a) and 24.10, means:

- (a) in relation to the Tax Years 1988-89 and 1989-90, means £60,000;
- (b) in relation to any other Tax Year before the Tax Year 2006-07, means the figure specified for that Tax Year in an order made under section 590C of the Income and Corporation Taxes Act 1988, and
- (c) in relation to any later Tax Year, means the figure found for that year by virtue of paragraphs (i) to (iii) as follows:
  - (i) The figure is £108,600, subject to paragraphs (ii) and (iii) below.
  - (ii) If the Index for the month of September preceding the Tax Year 2007-08 or any later Tax Year is higher than it was for the

previous September, the figure for that year shall be an amount arrived at by:

- (A) increasing the figure for the previous Tax Year by the same percentage as the percentage increase in the Index;  
and
  - (B) if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple.
- (iii) If the Index for the month of September preceding the Tax Year 2007-08 or any later Tax Year is not higher than it was for the previous September, the figure for that year shall be the same as for the previous Tax Year.

Except where the context indicates otherwise, references to the Permitted Maximum in relation to a person mean the Permitted Maximum for the Tax Year in which the person ceases to be an FS Participant

**Personal Pension Scheme** has the meaning given in section 1 of the 1993 Act

**Protected Individual** has the meaning assigned to it by FS Rule 61.2

**Qualifying Arrangement** means an arrangement specified in paragraph 6 of schedule 5 to the 1999 Act which is not disqualified by virtue of paragraph 7 of that schedule

**Qualifying Office** means a qualifying office or position as defined in paragraph 13 of schedule 6 to the 2010 Act

**Redress Scheme** has the meaning given in paragraph 2 of Schedule 18

**Redress Scheme Applicant** means a Schedule 18 Eligible Person who makes a Redress Scheme Application

**Redress Scheme Application** has the meaning given in paragraph 14 of Schedule 18

**Redress Scheme Application Closure Date** means 5 April 2033, or such other date as is agreed between IPSA and the Trustees in writing as the date by which the Trustees must have received all applications submitted by Redress Scheme Applicants for the purpose of Schedule 18. No further applications for the purpose of Schedule 18 may be made after the end of the Redress Scheme Application Closure Date

If the Trustees and IPSA agree a different closure date, they will agree the alternative Redress Scheme Application Closure Date not less than six months in advance of the alternative proposed Redress Scheme Application Closure Date. In any event, the Trustees shall notify any Schedule 18 Eligible Person of whom they are aware of the Redress Scheme Application Closure Date not less than three months in advance of such date. The Trustees shall be deemed to have given notification of such date by: (i) posting a notification on the PCPF website; (ii) sending a notice to each Schedule 18 Eligible Person of whom they are aware at the last known postal address available to the Trustees or the most recent email address available to the Trustees; and/or (iii) any other reasonable means agreed in writing between the Trustees and IPSA

**Redress Scheme Protocol** has the meaning given in paragraph 29 of Schedule 18

**Redress Scheme Statement of Account** has the meaning set out in paragraphs 41 to 43 of Schedule 18

**Registered Pension Scheme** has the same meaning as in Part 4 of the Finance Act 2004 (see section 150(2) of that Act)

**Relevant Benefit Adjustment** means an adjustment to the benefits payable to or in respect of a Schedule 14A Member:

- (a) under paragraph 17A of Schedule 14A; or

- (b) under General Rule 5 or otherwise to reflect the payment by the Administrator of a tax charge on behalf of the Schedule 14A Member, and where such tax charge arose, wholly or partly:
  - (i) in connection with the exercise of an option under paragraph 2 of Schedule 14A; or
  - (ii) in connection with benefits accrued during the Relevant Period

**Relevant Child** means any Child of the deceased, or of any Adult Survivor of the deceased, who:

- (a) is under eighteen years of age; or
- (b) is under twenty-three years of age and is in full-time education or vocational training; or
- (c) is in the opinion of the Trustees unable to engage in gainful employment because of physical or mental impairment and either:
  - (i) the person is under twenty-three years of age; or
  - (ii) that impairment is in the opinion of the Trustees' medical adviser likely to be permanent and the person is dependent on the deceased as at the date of the deceased's death because of physical or mental impairment.

For the purposes of (b) above, a person who is under twenty-two years of age at the date of the deceased's death is taken to be in full-time education or vocational training if the person has temporarily stopped full-time education or vocational training for a period of up to 15 months, provided that no pension shall be paid during such period unless the person is eligible for the pension otherwise than under (b) above

**Relevant Date** means the relevant date for the determination under any provision of the Fund of the pension of a person

**Relevant Default Option** means the benefits actually accrued by the relevant Schedule 14A Member in respect of Relevant Service during the Relevant Period as at the time immediately prior to the Option Effective Date, in accordance with the provisions of the Scheme applicable at that time

**Relevant Gender Change Case** means:

- (a) in relation to a person who is a woman, a case where:
  - (i) that person is a woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004; and
  - (ii) the marriage of that person and her widow (that ends with that person's death) subsisted before the time when the certificate was issued
- (b) in relation to a person who is a man, a case where:
  - (i) that person is a man by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004; and
  - (ii) the marriage of that person and his widower (that ends with that person's death) subsisted before the time when the certificate was issued

**Relevant Pension** has the meaning given in CARE Rules 16.2, 16.3 or 16.4 as the case may be

**Relevant Period** means the period commencing on and from the CARE Commencement Date and ending on the conclusion of the FS Closure Date

**Relevant Service** means service as a Member of the House of Commons or Period of Tenure of a Qualifying Office within the meaning of FS Rule 4.2 or 4.3 on or after the CARE Commencement Date



For the avoidance of doubt, no additional Relevant Service may be accrued as an FS Participant from the end of the FS Closure Date onwards

**Revaluation Increase** has the meaning given in CARE Rule 6.5

**Retirement Index Adjustment** has the meaning given in CARE Rule 6.6

**Revaluation Percentage** means the annual percentage increase or decrease in the Consumer Prices Index published in the previous September

**Same Sex Spouse** means a same sex married person, in accordance with the Marriage (Same Sex Couples) Act 2013

**Schedule 14A Member** means a person with Relevant Service during the Relevant Period who was a Fully Protected Member, a Partially Protected Member or an Unprotected Member

**SCAPE Discount Rate** means the Superannuation Contributions Adjusted for Past Experience discount rate, as set by HM Treasury from time to time and used to assess the value of benefits accrued and accruing in a public service pension scheme in order to calculate valuation results or cost cap valuation results

**Schedule 18 Eligible Person** means:

- (a) a Schedule 14A Member,
- (b) a beneficiary of a Schedule 14A Member,
- (c) a personal representative of a Schedule 14A Member's estate,
- (d) an Ex-spouse of a Schedule 14A Member, or
- (e) any other person who the Trustees consider (in their absolute discretion) it is appropriate to permit to make a Redress Scheme Application

**Scheme** means the Parliamentary Contributory Pension Fund (MPs' Pension Scheme), a scheme made under paragraph 12 of schedule 6 to the 2010 Act and set out in Parts B, C and D of the Fund Rules and Schedules 1 to 17 to the Fund Rules as amended or in force from time to time

**Serious Ill-health Lump Sum** means a serious ill-health lump sum within the meaning of paragraph 4 of schedule 29 to the Finance Act 2004

**State Pension Age**, in relation to a person, means the person's assumed state pension age as set out in the latest directions issued by the Treasury under sections 11(2) and 12(3) of the Public Service Pensions Act 2013 for the purposes of setting the valuation and cost cap assumptions for public service pension schemes;

**Surviving Adult Dependant** means, in relation to a person who has died, a person who:

- (a) made and signed with the deceased person a declaration in a form prescribed by the Trustees and the declaration was not subsequently cancelled by either partner by a signed revocation in such form as the Trustees prescribed or otherwise accepted; and
- (b) satisfies the Trustees that at the time of the deceased person's death:
  - (i) the person and the deceased person were cohabiting as partners in an enduring long-term relationship and neither the person nor the deceased person was cohabiting with a third person as partners in an enduring long-term relationship;
  - (ii) the person and the deceased person were not prevented from marrying or forming a civil partnership; and
  - (iii) either the person was financially dependent on the deceased person or they were financially interdependent.

**Surviving Same Sex Spouse** means a surviving same sex married person, in accordance with the Marriage (Same Sex Couples) Act 2013

**Target Cost** has the meaning given in paragraphs 26 and 27 of Schedule 1

**Tax Protection** means, in relation to an individual, any of the following forms of protection:

- (a) enhanced protection under paragraph 12 of schedule 36 to the Finance Act 2004;
- (b) fixed protection under paragraph 14 of schedule 18 to the Finance Act 2011;
- (c) fixed protection 2014 under paragraph 1 of schedule 22 to the Finance Act 2013;
- (d) individual protection 2014 under paragraph 1 of schedule 6 to the Finance Act 2014;
- (e) fixed protection 2016 under paragraph 1 of schedule 4 to the Finance Act 2016;
- (f) individual protection 2016 under paragraph 9 of schedule 4 to the Finance Act 2016; or
- (g) any other comparable form of statutory protection from lifetime allowance charges that the Trustees consider appropriate for the purposes of this definition

**Tax Redress Payment** has the meaning given in paragraph 6 of Schedule 18

**Tax Redress Payments Legislation** means section 15 of the Finance Act 2024 and any regulations made under and in accordance with any of the powers in that section (including any provisions of such regulations which are made pursuant to any other powers)

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

**Total Incapacity** means where the Trustees (or Administrator if different) consider that the person

- (a) is ceasing to be a CARE Member as a direct consequence of his ill-health;
- (b) is permanently prevented from performing adequately the duties of a Member of the House of Commons;
- (c) is permanently prevented from performing any Gainful Work

**Transfer Premium** has the same meaning as in section 44A of the 1975 Act

**Trivial Commutation Lump Sum** has the same meaning as in paragraph 7 of schedule 29 to the Finance Act 2004

**Unprotected Member** means a person who:

- (a) was a Member of the House of Commons or an Office Holder at any time prior to the CARE Commencement Date; and
- (b) was not, at any time, a Fully Protected Member or a Partially Protected Member

**Upper Margin** means a rate which exceeds the Employer Cost Cap by the percentage of Pensionable Salary specified in paragraph 22 of Schedule 1

**Valuation Implementation Date** means the date which is three years and one day after the Cost Cap Valuation Date

**Voluntary Contribution Rights** means rights under an Occupational Pension Scheme that derive from voluntary Contributions made by the applicant for a transfer

### 3 **Interpretation**

#### 3.1 In the Administration Scheme and the Scheme (except the FS Section):

- (a) terms defined under section 5 and schedule 1 of the Interpretation Act 1978 shall have meanings given to them in that Act, except where otherwise defined in the Fund Rules;

- (b) the principles of interpretation set out in sections 6 to 11 of the Interpretation Act 1978 shall apply, save that the words **male**, **female**, **widow** and **widower** shall not include the other gender;
  - (c) the table of contents and the headings to the provisions of the Fund Rules are for reference purposes only and shall not affect the meaning or construction of the Fund Rules; and
  - (d) save where expressly provided otherwise, any reference to a statute (or to a particular chapter, part of, section of, or schedule to, a statute) includes any modification or re-enactment of it and any regulations made under it.
- 3.2 In respect of the FS Section, all rules of interpretation that apply to the FS Section immediately prior to the CARE Commencement Date shall continue to apply in full.
- 3.3 Where the Fund Rules refer to any act or omission occurring, or any right, power, option or discretion being exercised, this shall include where applicable the occurrence or exercise of such matter prior to the CARE Commencement Date under the corresponding provision of the Fund that was then in force.
- 4 Statutory requirements**
- 4.1 A pension under the Fund shall not be assignable or chargeable with debts or other liabilities except to the extent permitted by section 44 of the 1999 Act.
- 5 Payment of tax**
- 5.1 Where the Administrator is liable to a lifetime allowance charge under section 214 of the Finance Act 2004 or an annual allowance charge under section 237B of the Finance Act 2004 in respect of the Member, the Administrator shall pay the amount of the charge provided that in the case of section 237B that:
- (a) the Member has complied with any requirements of that section or any other requirements of sections 237B to 237E; and
  - (b) the Member's entitlement under the Scheme may be adjusted as provided under section 237E on payment of the charge.

- 5.2 Subject to General Rule 5.1, the Administrator may deduct from any payment under the Scheme any tax for which it or the Trustees may be liable in respect of it.

## **6 Lifetime allowance and other tax arrangements**

- 6.1 Where an individual has Tax Protection, he may on or after the CARE Commencement Date opt for CARE Rule 5 and/or FS Rules 11 and 12 not to apply in respect of his salary by giving written notice to the Trustees. Once made, such an option may only be revoked with the Trustees' consent.
- 6.2 Any notice exercising or revoking such an option must specify the date on which it is to take effect, which shall not be earlier than the beginning of the month in which the notice is given.
- 6.3 Any notice given or option exercised before the CARE Commencement Date under FS Rule 61.1 (or any equivalent predecessor provision) in relation to Tax Protection shall have effect, in relation to the CARE Section, as if it was an option validly exercised under General Rule 6.1 and effective from the CARE Commencement Date.
- 6.4 An individual shall not be regarded as a CARE Participant or an FS Participant for the purposes of CARE Rule 5 or FS Rules 11 to 13, at any time when an option exercised by the individual under General Rule 6.1 has effect.
- 6.5 But, except as provided by General Rule 6.6, the fact that the individual is not making Contributions to the Fund deducted from his salary under those CARE Rules or FS Rules shall be disregarded for the purposes of determining whether the individual falls within the definition of "CARE Participant", "FS Participant", "FS Participating Member" or "FS Participating Office Holder" in General Rule 2.
- 6.6 Notwithstanding anything in General Rule 6.5:
- (a) no period during which the individual's option has effect shall be regarded as a period of reckonable service (or actual reckonable service) or CARE Service as an FS Participant, FS Participating Member or participating

office-holder, except for the purpose of determining the relevant terminal salary of the individual under FS Rule 17 or 19; and

- (b) if a pension becomes payable to the individual under FS Rule 16 by virtue of FS Rule 28, the pension will be calculated as if it were a lower tier ill-health pension under FS Rule 28.3 and no enhancement will apply to the individual's reckonable service.

- 6.7 Where an option under General Rule 6.1 is revoked, the individual shall from the effective date of the revocation pay Contributions as a CARE Participant or FS Participant (as applicable) at the rate then applicable to such Members.
- 6.8 A person with Tax Protection may surrender the whole or part of any rights to any benefit to which he (or any dependant of his) has a prospective entitlement under the Fund for the purpose of ensuring that his Tax Protection is not prejudiced. Such a surrender may only be made by written notice to the Trustees and is irrevocable.
- 6.9 A surrender under General Rule 6.8 is ineffective so far as it purports to affect:
- (a) any rights in respect of an excluded pension (as defined in section 172A(10) of the Finance Act 2004) that is payable under FS Rules 45 to 52 or paragraph 3(a) of Schedule 12; or
  - (b) any rights entitlement to which is required for the individual to be in Contracted-Out Employment in relation to the Scheme.
- 6.10 Without prejudice to General Rules 6.1 to 6.9 above, if an individual notifies the Trustees in writing that he is or may be at risk of losing any Tax Protection, the Trustees may in their absolute discretion agree with the individual to restrict any benefit payable from the Fund or otherwise vary the terms on which the individual participates in the Fund, provided that such restriction or variation shall not result in the individual (or their dependants) becoming entitled to or having any right to any greater or additional benefit from the Fund.

## **7 Transfers out**

7.1 Chapter 1 of Part 4ZA of the 1993 Act applies to the Scheme. Accordingly:

- (a) where a former CARE Participant or former FS Participant has a right to transfer his benefits under the 1993 Act (and makes a written request to the Trustees in such form as they may require), the Trustees shall comply with the requirements of Chapter 1 as applicable.
- (b) where a former CARE Participant or former FS Participant does not have a right to transfer some or all of his benefits under the 1993 Act, the Trustees may at their discretion treat him as if he did have such a right.

7.2 This General Rule 7.2 is subject to General Rule 7.2A and 7.2B. If a person has benefits (including benefits accrued prior to the CARE Commencement Date) in more than one of the CARE Section, the FS Section and the AVC Scheme (for the purposes of this General Rule 7.2, the "Relevant Sections"), any transfer under this General Rule 7 may relate either:

- (a) to all of their benefits under all of the Relevant Sections; or
- (b) to all of their benefits under one or more of the Relevant Sections but not to any of their benefits under any other Relevant Section.

However any transfer must relate to the whole of a person's benefits in each of the Relevant Sections to which the transfer relates.

7.2A General Rule 7.2 shall not restrict any payment which may be made in accordance with paragraph 7 of Schedule 14A.

7.2B Where a transfer pursuant to this General Rule 7 is made in respect of a Schedule 14A Member prior to his Option Effective Date, General Rule 7.2 shall apply to such transfer on the basis of the relevant Schedule 14A Member's benefit entitlements as they were at the time of the transfer and ignoring the effect (if any) of Schedule 14A.



- 7.3 The amount of the transfer pursuant to this General Rule 7 shall be calculated in a manner determined by the Trustees, after consultation with the Government Actuary. The Trustees must use such assumptions as they consider appropriate (having taken advice from the Government Actuary) and having regard to section 97 of the 1993 Act and regulations made under that Act (whether or not the payment is in respect of a person entitled to a guaranteed cash equivalent transfer value under that Act). In relation to a transfer out of the FS Section, if the amount so calculated is less than the amount in General Rule 7.4 below, then the transfer shall be increased to the higher amount.
- 7.4 The minimum transfer value from the FS Section for the purposes of General Rule 7.3 shall be the sum of:
- (a) any transfers into the Fund in respect of him;
  - (b) any contributions made by him under FS Rules 11 and 12; and
  - (c) any contributions made by him under FS Rule 59 to purchase Added Years.
- 7.5 The Trustees shall not make a transfer pursuant to this General Rule 7 unless they are satisfied that it will not result in the Scheme making or be treated as having made an unauthorised payment within the meaning of section 160 of the Finance Act 2004, provided that this General Rule 7.5 shall not apply to any payment which may be made in accordance with Schedule 14A.
- 7.6 This General Rule applies to all CARE Members and FS Members even where part or all of their benefits accrued before the CARE Commencement Date.
- 7.7 Where a transfer is made under this General Rule 7 in respect of a person's rights under a Section of the Scheme, or of all his rights under the Scheme, those rights are extinguished.
- 7.8 The benefits of any person: (i) who has exercised an option under paragraphs 2, 7 or 8 of Schedule 14A (or to whom the Relevant Default Option under Schedule 14A has been applied); and (ii) from whom the Trustees receive a transfer request under this General Rule 7 after that option has been exercised (or the Relevant

Default Option has been applied), shall for the purposes of such transfer, in relation to accrual during the Relevant Period, be applied in accordance with each person's choice as exercised (or the Relevant Default Option that has been applied to that person). Where a person who is subject to Schedule 14A has not made a choice and provides a transfer request prior to the Option Date, the benefits of such person shall be calculated and applied in accordance with the categorisation of their accrued benefits at the time of the transfer request.

## **8 Transfers in**

8.1 Subject to the remainder of this General Rule 8, a CARE Participant or FS Participant may apply to transfer benefits (but not a Pension Credit) from another Registered Pension Scheme into the Section in which he participates.

8.2 An application under General Rule 8.1 shall be in such form, and shall specify such information, as the Trustees may require.

8.3 No application may be made in respect of:

(a) a transfer value payment from a Personal Pension Scheme; or

(b) a transfer value payment relating only to Voluntary Contribution Rights,

if the applicant has paid Contributions to the Personal Pension Scheme or towards those Voluntary Contribution Rights after the later of 6 April 2006 and the latest date on which the applicant became a CARE Participant or FS Participant.

8.4 General Rule 8.3(b) shall not apply if:

(a) the applicant is also making an application for a transfer in respect of another Occupational Pension Scheme;

(b) that other scheme relates to the same employment as the scheme from which the Voluntary Contribution Rights are to be transferred; and

(c) the transfer from the other scheme relates to rights that are not Voluntary Contribution Rights.

- 8.5 A person may not transfer benefits from another Registered Pension Scheme such that the benefits awarded under General Rule 8.7 will result in him receiving a pension of more than 50% of Pensionable Salary as at the CARE Commencement Date or the date on which he became a CARE Participant, if later, calculated on the basis set out in General Rule 8.8 or 8.9 as appropriate.
- 8.6 Where an application is duly made under General Rule 8.1, the Trustees may accept the transfer on such terms and conditions as they may require, provided that any statutory requirements applicable to Guaranteed Minimum Pensions and service in Contracted-out Employment are satisfied.
- 8.7 If the Trustees accept a transfer under this General Rule 8, the applicant shall receive:
- (a) additional CARE Credits (if he is a CARE Participant) calculated on the basis set out in General Rule 8.8; or
  - (b) an increase to his aggregate period of reckonable service (if he is an FS Participant) on the basis set out in General Rule 8.9.

In each case whether he is a CARE Participant or an FS Participant shall be determined on the date on which the application is made under General Rule 8.1.

- 8.8 Additional CARE Credits shall be calculated as at the date on which the transfer is received by the Scheme, in accordance with guidance from the Government Actuary for the purpose.
- 8.9 Additional reckonable service shall be calculated:
- (a) as at the date on which the transfer is received by the Scheme;
  - (b) based on the FS Participant's Pensionable Salary as at that date or (if later) the date two months after the Trustees receive his application under General Rule 8.1; and
  - (c) in accordance with guidance and tables provided by the Government Actuary for the purpose.

8.10 For the avoidance of doubt:

- (a) any transfer received by the Scheme prior to the CARE Commencement Date shall be governed by the terms of the Fund applicable at the time of the receipt of the transfer; and
- (b) any transfer received by the Scheme after the end of the FS Closure Date shall only be accepted into the CARE Section. No transfer received after the FS Closure Date shall be accepted into the FS Section.

8.11 Any transfers under this General Rule 8 received by the Scheme during the Relevant Period in relation to persons who have exercised an option under paragraphs 2, 7 or 8 of Schedule 14A (or to whom the Relevant Default Option under Schedule 14A has been applied following those persons' respective Option Effective Dates) shall be treated in accordance with each person's Applicable Option and shall be applied in accordance with Rule 8.7 to the section of the Scheme on which the member is currently or has most recently accrued benefits.

8.12 To the extent that any transfer under this General Rule 8 is impacted by the relevant individual's Applicable Option in a way which means that their benefits in the Scheme in respect of the Relevant Period are reduced, said individual shall not be entitled to any refund from the Scheme in relation to that reduction.

## 9 **Pension Sharing**

9.1 The provisions of this General Rule 9:

- (a) apply to a surviving civil partner and a Surviving Same Sex Spouse as they apply to a surviving spouse,
- (b) apply to a civil partner and a Same Sex Spouse as they apply to a spouse, and
- (c) apply to a civil partnership and a same sex marriage as they apply to a marriage.

- 9.2 Following the making of a Pension Sharing Order the Trustees shall, within the Implementation Period, pay the amount of the Ex-spouse's Pension Credit, as calculated in accordance with General Rule 9.6, to the person responsible for a Qualifying Arrangement with a view to acquiring rights under that arrangement for the Ex-spouse if:
- (a) the person responsible for that arrangement is able and willing to accept payment of the credit, and
  - (b) General Rule 9.3 or 9.4 applies.
- 9.2A Where a Pension Sharing Order applies in relation to a Pension Debit Member prior to the FS Closure Date and the accrued Scheme benefits of such Pension Debit Member are affected as a result of: (i) an election by the Pension Debit Member in accordance with Schedule 14A; or (ii) the application of a Relevant Default Option under Schedule 14A, in relation to the benefits they have accrued in the Scheme in the Relevant Period, the amount of the Ex-spouse's Pension Credit, as calculated in accordance with General Rule 9.6, shall not be affected or adjusted, except as required by applicable law.
- 9.2B In relation to any Pension Sharing Order to which General Rule 9.2A applies, the Trustees shall have discretion to amend or adjust the benefits in relation to the amount of the Ex-spouse's Pension Credit where so directed by the High Court or the family court or where required by applicable law.
- 9.3 The Ex-spouse has consented to the Trustees making such payment to that Qualifying Arrangement.
- 9.4 Where the Ex-spouse has not given consent for the purposes of General Rule 9.3, the Qualifying Arrangement is one which the Trustees have determined at their discretion.
- 9.5 For the avoidance of doubt the Trustees must, before making a payment under General Rule 9.4, attempt to make a payment under General Rule 9.3.

Amount of Pension Credit: calculation of cash equivalent

- 9.6 For the purposes of General Rule 9.2, the amount of Pension Credit shall be such sum as shall satisfy the requirements prescribed for the time being under section 30 of the 1999 Act.

Death of Ex-spouse before liability in respect of Pension Credit is discharged

- 9.7 If the Ex-spouse dies before the Trustees have discharged their liability in respect of an Ex-spouse's Pension Credit, the Trustees shall discharge their liability in accordance with this General Rule 9.
- 9.8 The Ex-spouse may nominate in writing in such form as the Trustees may require one or more persons to receive his Pension Credit in accordance with the provisions of this General Rule 9.
- 9.9 If the Trustees receive a nomination in accordance with General Rule 9.8 they may, if they think fit, pay to the person or persons nominated by the Ex-spouse a lump sum the aggregate of which is equal to 25% of the amount of Pension Credit calculated in accordance with General Rule 9.6.
- 9.10 If the Trustees do not make any payment to a person or persons nominated by the Ex-spouse in accordance with General Rule 9.9, they shall pay to the deceased Ex-spouse's personal representatives a lump sum which is equal to 25% of the amount of Pension Credit calculated in accordance with General Rule 9.6.
- 9.11 With the balance of the Pension Credit remaining after making a payment under General Rule 9.9 or 9.10 the Trustees may, if they think fit, enter into an annuity contract or take out a policy of insurance on behalf of a dependant or dependants of the Ex-spouse as defined in General Rule 9.14, provided that such contract or policy satisfies the requirements of regulation 6(3) of the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000.

- 9.12 A pension paid to one or more dependants in consequence of an annuity contract or policy of insurance shall not exceed:
- (a) in the case of a single dependant, two thirds of the amount of pension which could have been paid to the Ex-spouse had the whole of the Pension Credit, calculated in accordance General Rule 9.6, been used to enter into an annuity contract or to take out a policy of insurance on behalf of the Ex-spouse and assuming, if the Ex-spouse died before reaching the age of 50, that the Ex-spouse had reached the age of 50 immediately before death;
  - (b) where a pension is paid to two or more dependants, the total amount of such pension which could have been paid to the Ex-spouse calculated in accordance with (a) above.
- 9.13 The balance of any Pension Credit held by the Trustees after applying the provisions of this General Rule 9 shall be retained by the Fund.
- 9.14 In this General Rule 9 "**dependants**" means any widow, widower, surviving civil partner or Surviving Same Sex Spouse of the Ex-spouse or any child of the Ex-spouse.

#### Charging

- 9.15 The Trustees may recover charges incurred in connection with any of the activities prescribed for the time being under section 41 of the 1999 Act and in accordance with, and to the extent prescribed.

### **10 Death benefit nominations**

- 10.1 A gratuity or lump sum granted under CARE Rule 13, 13A, 14 or 15 or FS Rule 44 or 50 in respect of a CARE Member or FS Member shall be granted:
- (a) to the person or persons nominated in any nomination made by him for the purposes of this General Rule which was in force at the time of his death; or

- (b) if no such nomination was in force at that time or, pursuant to General Rule 10.3 below, to the extent that a nomination is treated as not being in force, to his personal representatives.
- 10.2 Where a CARE Member or FS Member nominates more than one person for the purposes of this General Rule, he may also specify the proportion of the gratuity or lump sum to be granted to each such person.
- 10.3 The Trustees shall treat a nomination made for the purposes of this General Rule 10 by any person as not being in force at the time of the person's death to the extent that:
  - (a) any person nominated was the CARE Member's or FS Member's wife or husband or civil partner or Same Sex Spouse at the time the nomination was made but has subsequently ceased to be that person's wife or husband or civil partner or Same Sex Spouse; or
  - (b) they are of the opinion that the payment of the gratuity to any person nominated is not reasonably practicable in all the circumstances.
- 10.4 A nomination for the purposes of this General Rule 10 must be made, and may be revoked, by a notice in writing given to the Trustees, and such a notice must be in such form as the Trustees may require.
- 11 **Members with FS and CARE benefits**
- 11.1 This General Rule 11 applies to any person who is both a CARE Member and an FS Member.
- 11.2 Benefits accruing in the CARE Section, the FS Section, the AVC Scheme or the Ministers' Scheme shall be calculated and treated as separate tax arrangements for the purposes of the Finance Act 2004.



- 11.3 Where this General Rule 11 applies to an individual, unless the Trustees and IPSA agree otherwise in relation to any particular circumstance or member (or group of members):
- (a) he may draw his benefits separately from the CARE Section and the FS Section, in accordance with the relevant provisions of each section;
  - (b) the relevant terminal salary of an FS Deferred Pensioner under FS Rule 17 or 19 shall be calculated by reference to the date at which he leaves CARE Service (if that is later than the date on which he ceased to be an FS Participant) except in the case of an Office Holder where FS Rule 19 will continue to apply provided that for the purposes of FS Rule 19.5, "Actual Period of Reckonable Service as an FS Participating Office Holder" shall include any period which is an actual period of reckonable service as an Office Holder in the FS Section, the CARE Section or the Former Scheme (as defined in the Minister's Scheme) or any period of Relevant Service for the purposes of the Minister's Scheme.
  - (c) subject to General Rule 11.3(b) and except where otherwise expressly stated in the Fund Rules, his CARE Service shall not entitle him to benefits in the FS Section and his reckonable service in the FS Section shall not entitle him to benefits in the CARE Section; and
  - (d) he shall not be entitled to any additional period of reckonable service under FS Rule 28.6 for the purposes of calculating an upper tier ill-health pension under FS Rule 28.2.
- 11.4 Where this General Rule 11 applies to an individual, any death benefits payable in respect of them from the FS Section after the CARE Commencement Date shall be calculated and paid on the basis that they are an FS Deferred Pensioner.
- 11.5 For the avoidance of doubt, in relation to a person who participated in the Fund both prior to and after the CARE Commencement Date, the FS Rules shall govern all benefits accrued prior to the CARE Commencement Date and the FS Rules shall be construed accordingly. Without limitation to the generality of the foregoing, such a

person shall be treated for the purposes of the FS Rules as having been an FS Participating Member and/or an FS Participating Office Holder (as applicable) for any period prior to the CARE Commencement Date during which they were a “participating Member” and/or a “participating office holder” under the provisions of the Fund as constituted immediately prior to the CARE Commencement Date.

## **12      AVC Scheme**

- 12.1      Prior to the end of 30 March 2022, a CARE Participant or an FS Participant may make contributions to the AVC Scheme in accordance with Schedule 16.

## **13      Contracting-out**

- 13.1      Schedule 17 has effect in relation to contracting-out.

## **PART C - BENEFITS SCHEME - CARE SECTION**

### **1 Membership of the CARE Section**

- 1.1 Subject to CARE Rules 2, 3 and 4A below, a person serving as a Member of the House of Commons or as an Office Holder shall be a CARE Participant for the duration of his Relevant Service on or after the CARE Commencement Date.

### **2 Transitional provisions and special cases**

- 2.1 A person shall not be a CARE Participant for any period during which he is excluded under Schedule 14 or Schedule 14A (whether by his own election or by the application of the Relevant Default Option).

### **3 Opting out of CARE Participation**

- 3.1 A person in Relevant Service may opt out as a CARE Participant by giving written notice to the Trustees in such form as the Trustees may require.
- 3.2 In respect of a Member of the House of Commons, if the Trustees receive an Opt-out Notice within three months of the date the person is elected to such membership, the effective date of the Opt-out Notice is the date of that election. Any Contributions deducted from the person since that date under CARE Rule 5 shall be repaid to him.
- 3.3 In respect of an Office Holder, if the Trustees receive an Opt-out Notice within three months of the date the person commences his tenure in the relevant office, the effective date of the Opt-out Notice is the date that tenure commenced. Any Contributions deducted from the person since that date under CARE Rule 5 shall be repaid to him.
- 3.4 A person who is in Relevant Service as both a Member of the House of Commons and as an Office Holder may give an Opt-out Notice in respect of one or both such capacities.
- 3.5 If the Trustees receive an Opt-out Notice more than three months after the date specified in CARE Rule 3.2 or 3.3 (as applicable), the effective date of the Opt-out

Notice is whatever date the Trustees determine to be the earliest practicable date after the date on which they receive the Opt-out Notice.

#### **4 Opting in to CARE Participation**

4.1 An Opted-out Member may opt in to CARE Participation with effect from:

- (a) in the case of a Member of the House of Commons, the date of any General Election or by-election at which he is elected to membership of the House of Commons;
- (b) in the case of an Office Holder, the date of the commencement of a new period of tenure as an Office Holder; or
- (c) in the case of either a Member of the House of Commons or an Office Holder, the date falling not less than 12 months after the effective date of the Opt-out Notice under CARE Rule 3.2, 3.3 or 3.5 (as applicable),

such date being the Opt-in Date. A person wishing to opt in to CARE Participation must give written notice to the Trustees in such form as the Trustees may require.

4.2 An Opt-in Notice is only valid if:

- (a) it is received either before or within three months of the Opt-in Date;
- (b) the person pays to the Trustees the amount, if any, that would have been deducted from his salary under CARE Rule 5 between the Opt-in Date and the first date after the Opt-in Date when a deduction is made from his salary under CARE Rule 5; and
- (c) the payment (if any) due under CARE Rule 4.2(b) above is made within 28 days of the Trustees notifying the person of the amount due.

#### **4A Lump sums from age 75 whilst Members of the House of Commons and Office Holders**

4A.1 This CARE Rule 4A applies to any person who, at any time on or after the Relevant Date:

- (a) is a CARE Participant; and
  - (b) would be entitled to receive a pension under CARE Rule 6 if he had ceased to be a CARE Participant, a Member of the House of Commons and an Office Holder.
- 4A.2 The person may opt under this CARE Rule 4A not to remain a CARE Participant on and after the Crystallisation Date.
- 4A.3 The option must be exercised, specifying the Crystallisation Date, by notice in writing given to the Trustees.
- 4A.4 A person who exercises the option under this CARE Rule 4A:
  - (a) ceases to be a CARE Participant on the Crystallisation Date,
  - (b) is treated for the purposes of the CARE Section (except CARE Rule 19) as if he ceased to be a Member of the House of Commons and an Office Holder on the Crystallisation Date (and accordingly is entitled under CARE Rule 6 to receive the pension to which he would be entitled if he had so ceased, but subject to CARE Rule 19); and
  - (c) is treated for the purposes of CARE Rule 6.7 and CARE Rule 9 as having given notice under CARE Rule 9.1 of his desire to commute into a lump sum such part of the pension as is specified in the notice under this CARE Rule 4A.
- 4A.5 In this CARE Rule 4A:
  - (a) the **Relevant Date** in respect of a person is the day before that person's 75th birthday; and
  - (b) the **Crystallisation Date** in respect of a person is the day on or after the Relevant Date which is specified in the notice under this CARE Rule 4A, provided that, unless the Trustees otherwise agree, the Crystallisation Date must be at least six months after the date on which such notice is given.

4A.6 The rights under this CARE Rule 4A are subject to the transitional provisions set out in Schedule 14 and Schedule 14A.

## **5 Contributions by CARE Participants**

5.1 Each CARE Participant shall pay Contributions to the Fund at the rate required by CARE Rule 5.2 below. Contributions shall be deducted from each payment in respect of Pensionable Salary made to the CARE Participant.

5.2 The rate required by this CARE Rule 5 is:-

- (a) 11.09% of Pensionable Salary; or
- (b) such other percentage of Pensionable Salary adjusted as a result of a Cost Cap Valuation in accordance with paragraph 20 of Schedule 1.

5.3 A Cost Cap Valuation shall be carried out in accordance with Schedule 1 as at each Cost Cap Valuation Date.

5.4 Any change to the Contributions under CARE Rule 5.2(b) above shall take effect starting from:

- (a) subject to CARE Rule 5.4(b) below, the date which is three years after the Cost Cap Valuation Date of each Cost Cap Valuation which changes the Contributions pursuant to CARE Rule 5.2(b); or
- (b) if the date on which the Government Actuary signs the Cost Cap Valuation Report is less than one month before the date determined in accordance with CARE Rule 5.4(a) above, any such change to the Contributions pursuant to CARE Rule 5.2(b) shall instead take effect from 1 April of the year following the date on which the Government Actuary signs the Cost Cap Valuation Report.

5.5 IPSA shall maintain a schedule of Cost Cap Valuations, including any resultant change to the contribution rate and shall notify the CARE Participants of any change once the Cost Cap Valuation has been completed under CARE Rule 5.3.

## 6 Normal retirement pension

6.1 A person who ceases to be a CARE Participant is entitled to receive a pension under CARE Rule 6.2 below on meeting the following conditions:

- (a) he is neither a Member of the House of Commons nor an Office Holder;
- (b) he is not a candidate for election to the House of Commons; and
- (c) he has reached or passed his Normal Retirement Date.

6.2 A person who satisfies the conditions in CARE Rule 6.1 above is entitled to receive a pension for life equal to the following amounts plus the Retirement Index Adjustment calculated in accordance with CARE Rule 6.6 below:

- (a) the CARE Credits credited to him (including CARE Credits provided pursuant to a transfer into the Scheme after the CARE Commencement Date in accordance with General Rule 8); and
- (b) any Added Pension purchased in accordance with Schedule 15; and
- (c) Revaluation Increases credited to him; less
- (d) where the pension payable is subject to a pension debit, a reduction to that pension in accordance with section 31 of the 1999 Act.

If the member has passed his Normal Retirement Date, the resulting pension shall be increased to reflect late payment as determined by the Trustees to be actuarially neutral after consulting IPSA and taking advice from the Government Actuary.

6.3 For each CARE Year in which a CARE Participant is in CARE Service, the Member will be credited with a "**CARE Credit**" of 1/51st of his Pensionable Salary in that CARE Year. If the CARE Participant is both a Member of the House of Commons and an Office Holder, he shall receive separate CARE Credits in respect of each such office based on the appropriate Pensionable Salary for each office.

- 6.4 Where a CARE Participant is in CARE Service for only part of a CARE Year, he shall receive a proportionate CARE Credit based on the number of complete months in that CARE Year during which he is in CARE Service. For this purpose, "complete month" includes an incomplete month that consists of at least 16 days of CARE Service.
- 6.5 On each 1 April after commencing CARE Service, a CARE Participant will be credited with a "**Revaluation Increase**" equal to the Revaluation Percentage of the total amount of CARE Credits, Added Pension and any previous Revaluation Increases credited to him in respect of all CARE Years ending before that 1 April (including CARE Credits provided pursuant to a transfer into the Scheme after the CARE Commencement Date in accordance with General Rule 8). However, no Revaluation Increase shall be credited to a Member on any 1 April after he has ceased to be in CARE Service.
- 6.6 When a CARE Participant becomes entitled to his pension under CARE Rule 6.1 above prior to any increase being credited for his final year of CARE Service under CARE Rule 6.5 above, the total amount payable under CARE Rule 6.2 above shall be increased or decreased by the Retirement Index Adjustment, found by the following calculation:
- (a) the number of complete months (including for this purpose an incomplete month of at least 16 days) in the period beginning with the first day of the CARE Year in which the Relevant Date occurs and ending with the Relevant Date, divided by 12, and then multiplied by the Revaluation Percentage which would be applied on the following 1 April under CARE Rule 6.5, provided that if such Revaluation Percentage has not been published then the Revaluation Percentage which was applied at the previous 1 April shall be applied;
  - (b) the percentage found at (a) above is then applied to the whole of the CARE pension calculated at CARE Rule 6.2 above. The resulting sum will be the Retirement Index Adjustment.



6.7 A CARE Participant entitled to a pension under this CARE Rule may receive a lump sum in place of part of his CARE Section pension in accordance with CARE Rule 9.

## **7 Early retirement pension**

7.1 A person who ceases to be a CARE Participant and does not satisfy the conditions in CARE Rule 6.1 may apply to receive an immediate pension under this CARE Rule 7 if he meets the following conditions:

- (a) he is neither a Member of the House of Commons nor an Office Holder;
- (b) he is not a candidate for election to the House of Commons; and
- (c) he has reached or passed Minimum Pension Age but has not reached his Normal Retirement Date.

7.2 An application under CARE Rule 7.1 must be made in writing to the Trustees. The CARE Member shall be entitled to receive a pension for life calculated as described in CARE 6.2 but reduced to reflect early payment in accordance with CARE Rule 7.3 below.

7.3 The reduction under this CARE Rule 7 shall:

- (a) not apply if the CARE Member has purchased an Early Retirement Reduction Waiver; or
- (b) otherwise, be determined by the Trustees after taking advice from the Government Actuary; and

where a CARE Member has an Effective Pension Age in respect of some or all of his pension, the reduction in respect of that part of his pension shall be calculated by reference to his Effective Pension Age and not his Normal Retirement Date.

7.4 A CARE Participant entitled to a pension under this CARE Rule 7 may receive a lump sum in place of part of his CARE Section pension in accordance with CARE Rule 9.

## **8        III health retirement pension**

8.1        A person who ceases to be in Relevant Service before his Normal Retirement Date by reason of:

- (a)        Partial Incapacity; or
- (b)        Total Incapacity,

may apply to the Trustees under CARE Rule 8.2 to receive an immediate pension.

8.2        The Trustees must give the CARE Participant notice in writing that the CARE Participant may receive an immediate pension under this CARE Rule 8, specifying whether the pension is due to Partial or Total Incapacity. Prior to issuing such a notice the Trustees must:

- (a)        be satisfied (subject to CARE Rule 8.6 and 8.7) that the CARE Participant satisfies the test of Partial Incapacity or Total Incapacity as the case may be; and
- (b)        in the case of Total Incapacity, require the CARE Participant to certify to the Trustees that he does not intend:
  - (i)        to seek re-election to the House of Commons;
  - (ii)       to accept any future offer of a Qualifying Office;
  - (iii)      to accept membership of the House of Lords; or
- (c)        in the case of Partial Incapacity, require the CARE Participant to certify to the Trustees that he does not intend:
  - (i)        to seek re-election to the House of Commons;
  - (ii)       to accept any future offer of a Qualifying Office.

8.3        Where a CARE Participant becomes entitled to a pension by reason of Partial Incapacity, he shall receive a pension for life calculated as described in CARE 6.2 (but for the avoidance of doubt with no reduction to reflect early payment).

- 8.4 Where a CARE Participant becomes entitled to a pension by reason of Total Incapacity, he shall receive a pension for life calculated as the sum of:
- (a) the amount calculated as described in CARE Rule 6.2 (and for the avoidance of doubt with no reduction to reflect early payment); plus
  - (b) an additional amount of the pension calculated as described in CARE Rule 6.2 but ignoring:
    - (i) any CARE Credits attributable to service as an Office Holder;
    - (ii) any Added Pension; and
    - (iii) any pension attributable to a transfer payment

and for the avoidance of doubt with no reduction to reflect early payment, multiplied by the fraction in CARE Rule 8.5.

- 8.5 The fraction in this CARE Rule 8.5 is:

A

B

where:

A is the number of whole or part years from the day after the member's Relevant Service ceased to the day before he will reach Normal Retirement Date (assuming he lives until that date); and

B is the number of whole or part CARE Years of CARE Service (whether continuous or otherwise) completed by the CARE Participant or, if less, the number of years of his continuous CARE Service.

- 8.6 The Trustees must, in considering any application under this CARE Rule 8.1, consider:

- (a) evidence from a registered medical practitioner that, because of physical or mental impairment:

- (i) the CARE Participant is incapable of carrying on his occupation or incapable of performing any Gainful Work; and
    - (ii) the CARE Participant's incapacity is likely to be permanent; and
  - (b) such other evidence as the Trustees consider to be appropriate.
- 8.7 When considering the degree of incapacity, the Trustees and the registered medical practitioner may take into account:
- (a) the duties of a Member of the House of Commons and/or, where appropriate, the duties of an Office Holder as specified by the Trustees;
  - (b) the location of the CARE Participant's constituency; and
  - (c) the impact of any medical treatment that the CARE Participant could undergo.
- 8.8 The Trustees may require the CARE Participant to undergo a medical examination by a registered medical practitioner nominated by them in considering an application under this CARE Rule 8.1. The Trustees may decide to pay the fees in respect of the medical examination (or may require the CARE Participant to do so) and may refuse the application if the CARE Participant refuses to undergo the medical examination.
- 8.9 Where a CARE Participant retires under this CARE Rule 8.1, the Trustees may require a registered medical practitioner to periodically review and report to the Trustees on whether the person continues to suffer from Partial Incapacity or Total Incapacity. Such a review shall be carried out at such intervals as the Trustees determine. No review shall take place after the CARE Participant has reached Normal Retirement Date under the Scheme.
- 8.10 Following a review under CARE Rule 8.9, the Trustees may reduce the relevant pension to the extent they consider appropriate or terminate it completely.
- 8.11 A CARE Participant who ceased to be a CARE Participant in consequence of the dissolution of Parliament shall be treated as having ceased due to ill health if he

makes an application under this CARE Rule 8 and satisfies the Trustees that as a direct consequence of his ill health he did not seek re-election to the House of Commons after the dissolution. A CARE Participant may make an application under this CARE Rule 8 if he intends to step down from his duties as a Member of the House of Commons on account of ill health, prior to having done so specifying in his application the date on which he intends to step down.

- 8.12 A CARE Participant entitled to a pension under this CARE Rule 8 may receive a lump sum in place of part of his CARE Section pension in accordance with CARE Rule 9.
- 8.13 If a CARE Participant has a pension under this CARE Rule 8 reduced or terminated under CARE Rule 8.10, and subsequently becomes entitled to a pension under CARE Rule 6 or 7, then such pension under CARE Rule 6 or 7 shall be reduced by such amount as the Government Actuary determines to take account of any lump sum paid to the CARE Participant under this CARE Rule 8. For the avoidance of doubt, this Rule will apply to the pension payable from the CARE Section even in a case where FS Rule 34.5 or FS Rule 34.7 applies.

## **9 Commutation at retirement**

- 9.1 Any person who is entitled to receive a pension under any of CARE Rules 6, 7, 8 or 11 may, before the first instalment of the pension is paid, give written notice to the Trustees in such form as they may require that he wishes to receive a lump sum in place of part of his CARE Section pension.
- 9.2 If a Member exercises the option in CARE Rule 9.1 above:
  - (a) the amount of the lump sum and the reduction to the Member's annual pension shall be calculated using conversion factors of £1 of pension surrendered for each £12 of lump sum provided; and
  - (b) he may not give up pension for a lump sum to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 the Finance Act 2004.

## **10 Total commutation**

### **10.1 If the requirements for:**

- (a) a Serious Ill-health Lump Sum;
- (b) a Trivial Commutation Lump Sum; or
- (c) a lump sum payment under the Registered Pension Schemes (Authorised Payments) Regulations 2009

are met in respect of a Member, the Trustees may at their discretion pay a lump sum to or in respect of the Member, subject to any applicable statutory requirements in relation to Guaranteed Minimum Pensions and service in Contracted-out Employment. Such a lump sum will be calculated on such basis as the Trustees consider reasonable after taking advice from the Government Actuary, and shall extinguish the Member's entitlement to benefits under the Scheme.

## **11 Early leavers – pension options**

- 11.1 A CARE Participant who leaves CARE Service before Normal Retirement Date without becoming entitled to an immediate pension or lump sum under CARE Rules 6 to 10 above and without taking a transfer or refund under CARE Rule 12 will be a CARE Deferred Pensioner.
- 11.2 A CARE Deferred Pensioner will be entitled to receive a pension for life from his Normal Retirement Date on meeting the conditions in CARE Rule 6.1.
- 11.3 The pension payable under CARE Rule 11.2 will be calculated as described in CARE Rule 6.2. For the avoidance of doubt, the Retirement Index Adjustment will be calculated when the CARE Participant leaves CARE Service. This amount will then be revalued from the date the CARE Deferred Pensioner left CARE Service to his Normal Retirement Date in accordance with the 1971 Act.
- 11.4 A CARE Deferred Pensioner who does not meet the conditions in CARE Rule 6.1 may apply (in such form as the Trustees may require from time to time) to receive a pension under this CARE Rule 11 if he meets the following conditions:

- (a) he is neither a Member of the House of Commons nor an Office Holder;  
and
- (b) he is not a candidate for election to the House of Commons; and
- (c) either:
  - (i) he has reached or passed Minimum Pension Age; or
  - (ii) he suffers from Partial Incapacity or Total Incapacity.

11.5 Where an application under CARE Rule 11.4 is made and the condition in CARE Rule 11.4(c)(i) is not satisfied, such application may not be accepted unless the Trustees are satisfied that the pension would not constitute an unauthorised payment for the purposes of section 160 of the Finance Act 2004.

11.6 If the Trustees accept an application for early retirement (including for ill health early retirement), the CARE Deferred Pensioner shall be entitled to receive a pension for life calculated as described in CARE Rule 11.3 but reduced to reflect early payment in accordance with CARE Rule 11.7 below.

11.7 The reduction under CARE Rule 11.6:

- (a) shall not apply if the CARE Member has purchased an Early Retirement Reduction Waiver; or
- (b) otherwise, shall be determined by the Trustees after taking advice from the Government Actuary; and
- (c) where a CARE Member has an Effective Pension Age in respect of some or all of his pension, the reduction in respect of that part of his pension shall be calculated by reference to his Effective Pension Age and not his Normal Retirement Date.

11.8 A CARE Deferred Pensioner entitled to a pension under this CARE Rule 11 may receive a lump sum in place of part of his CARE Section pension in accordance with CARE Rule 9.

## **12 Early leavers – transfers and refunds**

12.1 A person who has ceased to be in CARE Service may, if he is eligible under the relevant rule, give written notice to the Trustees requiring them to:

- (a) transfer his CARE Section benefits to another pension scheme under General Rule 7; or
- (b) refund his Contributions under CARE Rule 12.2 below.

12.2 Contributions paid by a Member and not previously refunded to him may be refunded to him by the Trustees if:

- (a) it complies with the preservation requirements in Part IV of the 1993 Act;
- (b) it would not constitute a scheme chargeable payment for the purposes of Part 4 of the Finance Act 2004;
- (c) there has been no previous benefit crystallisation event (within the meaning of section 216 of the Finance Act 2004) in relation to the CARE Member and the Scheme;
- (d) he has not become Lord Chancellor before 4 September 2012; and
- (e) he has not prior to 25 April 2013 held the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons.

12.3 A refund paid under CARE Rule 12.2 above shall include Interest from the date on which the Contributions were paid.

## **13 Death of a CARE Participant**

13.1 Subject to CARE Rule 13A.4, on the death of a CARE Participant, the following benefits may, at the Trustees' discretion, be payable:

- (a) a lump sum equal to two times the CARE Participant's Pensionable Salary at the date of his death;



- (b) a lump sum equal to all of the Contributions paid into the Fund under CARE Rule 5 by the Member together with Interest from the date on which the Contributions were paid;
- (c) if the CARE Participant leaves a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant, a pension for life to that person calculated in accordance with CARE Rule 16.1; and
- (d) if the CARE Participant leaves one or more Relevant Children, a pension to such one or more of those Relevant Children as the Trustees may decide, calculated in accordance with CARE Rule 17.1.

13.2 General Rule 10 shall apply to any lump sum payable under this CARE Rule 13.

13.3 If the CARE Participant is aged 75 or over at the date of his death, then:

- (a) to the extent that any part of the pension to which any person becomes entitled after his death would not qualify as a dependant's scheme pension for the purposes of section 167 of the Finance Act 2004, then the benefits payable to the person may be adjusted in a manner determined by the Trustees; and
- (b) to the extent that any lump sum payable under this CARE Rule 13 above may be subject to a special lump sum death benefits charge under section 206 of the Finance Act 2004, it may be deducted from the amount paid, in accordance with General Rule 5.

#### 13A **Death of a CARE Participant in the line of duty**

13A.1 On the death of a CARE Participant:

- (a) in the course of carrying out a parliamentary function, provided that death is wholly or mainly attributable to the nature of the parliamentary function; or

- (b) other than in the course of carrying out a parliamentary function as a result of an attack or similar act which is directly attributable to holding office as a Member of the House of Commons or as an Office Holder,

benefits in accordance with this Rule 13A may, at the Trustees' discretion, be payable:

- (i) a lump sum equal to two and a half times the CARE Participant's Pensionable Salary at the date of his death;
- (ii) a lump sum equal to all of the Contributions paid into the Fund under CARE Rule 5 by the Member together with Interest from the date on which the Contributions were paid;
- (iii) if the CARE Participant leaves a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant, a pension for life to that person calculated in accordance with CARE Rule 16.1; and
- (iv) if the CARE Participant leaves one or more Relevant Children, a pension to such one or more of those Relevant Children as the Trustees may decide, calculated in accordance with CARE Rule 17.3A.

13A.2 General Rule 10 shall apply to any lump sum payable under this CARE Rule 13A.

13A.3 If the CARE Participant is aged 75 or over at the date of his death, then:

- (a) to the extent that any part of the pension to which any person becomes entitled after his death would not qualify as a dependant's scheme pension for the purposes of section 167 of the Finance Act 2004, then the benefits payable to the person may be adjusted in a manner determined by the Trustees; and
- (b) to the extent that any lump sum payable under this CARE Rule 13A may be subject to a special lump sum death benefit charge under section 206 of

the Finance Act 2004, it may be deducted from the amount paid, in accordance with General Rule 5.

- 13A.4 If any benefits become payable under this Rule 13A, the equivalent benefits under Rule 13 will not be payable.

#### **14 Death of a CARE Deferred Pensioner**

- 14.1 On the death of a CARE Deferred Pensioner, the following benefits may, at the Trustees' discretion, be payable:

- (a) a lump sum equal to all of the Contributions paid into the Fund under CARE Rule 5 by the Member together with Interest from the date on which the Contributions were paid at such rate as the Trustees may decide;
- (b) if the CARE Deferred Pensioner leaves a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant, a pension for life to that person calculated in accordance with CARE Rule 16.1; and
- (c) if the CARE Deferred Pensioner leaves one or more Relevant Children, a pension to such one or more of those Relevant Children as the Trustees may decide, calculated in accordance with CARE Rule 17.1.

- 14.2 General Rule 10 shall apply to any lump sum payable under this CARE Rule 14.

- 14.3 If the CARE Deferred Pensioner is aged 75 or over at the date of his death, then

- (a) to the extent that any part of the pension to which any person becomes entitled after his death would not qualify as a dependant's scheme pension for the purposes of section 167 of the Finance Act 2004, then the benefits payable to the person may be adjusted in a manner determined by the Trustees; and
- (b) to the extent that any lump sum payable under this CARE Rule 14 above may be subject to a special lump sum death benefits charge under section 206 of the Finance Act 2004, it may be deducted from the amount paid, in accordance with General Rule 5.

**15 Death of a CARE Pensioner**

15.1 On the death of a CARE Pensioner, the following benefits may, at the Trustees' discretion, be payable:

- (a) subject to (b) below, if the CARE Pensioner dies within five years of his pension coming into payment, a lump sum equal to the aggregate of the pension payments that would have been made during the remainder of that five year period;
- (b) if payment of some or all of the lump sum under (a) above would be a scheme chargeable payment for the purposes of Part 4 of the Finance Act 2004, the Trustees shall instead pay the pension payments that would have been made during the remainder of that five year period as an addition to the pension(s) payable under (c) or (d) below, as applicable. If no such pension is payable, the aggregate of those pension payments shall be paid to the CARE Pensioner's personal representatives;
- (c) if the CARE Pensioner leaves a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant, a pension for life to that person calculated in accordance with CARE Rule 16.1; and
- (d) if the CARE Pensioner leaves one or more Relevant Children, a pension to such one or more of those Relevant Children as the Trustees may decide, calculated in accordance with CARE Rule 17.1.

15.2 General Rule 10 shall apply to any lump sum payable under this CARE Rule 15.

15.3 If the CARE Pensioner is aged 75 or over at the date of his death, then:

- (a) to the extent that any part of the pension to which any person becomes entitled after his death would not qualify as a dependant's scheme pension for the purposes of section 167 of the Finance Act 2004, then the benefits payable to the person may be adjusted in a manner determined by the Trustees; and

- (b) to the extent that any lump sum payable under this CARE Rule 15 above may be subject to a special lump sum death benefits charge under section 206 of the Finance Act 2004, it may be deducted from the amount paid, in accordance with General Rule 5.

**16 Pensions for survivors**

**16.1 Subject to CARE Rule 16.5:**

- (a) the annual rate of a pension payable under CARE Rule 13.1(c), 14.1(b) or 15.1(c) is 37.5% of the Relevant Pension; and
- (b) the annual rate of a pension payable under CARE Rule 13A.1(iii) is 45% of the Pensionable Salary at the date of his death.

**16.2 In the case of the death of a CARE Participant, the Relevant Pension is:**

- (a) the pension to which he would have been entitled under the CARE Section had he left CARE Service on the day immediately before his death, calculated:
  - (i) at the date of his death;
  - (ii) disregarding any Added (Participant) Pension and any part of any Revaluation Increase attributable to such pension; and
  - (iii) without deduction in respect of early receipt or commutation; plus
- (b) an additional amount equal to the lesser of:
  - (i) the pension calculated under (a) disregarding any Added (Participant) Pension or transfer payment; and
  - (ii) the amount under (i) above multiplied by:

A

B

where:

A is the number of whole or part years from the day after the member's death to the day before he would (had he survived) have reached Normal Retirement Date, to a maximum of ten; and

B is the number of whole or part CARE Years of CARE Service (whether continuous or otherwise) completed by the CARE Participant.

- 16.3 In the case of the death of a CARE Deferred Pensioner, the Relevant Pension is the preserved pension to which he would have been entitled under the CARE Section at Normal Retirement Date had he left CARE Service on the day immediately before his death, calculated:
- (a) at the date of his death; and
  - (b) disregarding any Added (Participant) Pension and any part of any Revaluation Increase attributable to such pension.
- 16.4 In the case of the death of a CARE Pensioner, the Relevant Pension is the pension payable to him at the date of his death, disregarding:
- (a) any reduction previously made to his pension under CARE Rule 9; and
  - (b) any Added (Participant) Pension and any part of any Revaluation Increase and any pension increase attributable to such pension.
- 16.5 A pension payable under CARE Rule 13.1(c), 14.1(b), 13A.1(iii) or 15.1(c) shall be adjusted as follows:
- (a) reduced by 2.5% for each whole year, in excess of twelve years, by which the recipient is younger than the deceased (up to a maximum reduction of 50%); and
  - (b) adjusted in a manner determined by the Trustees as is necessary to ensure that the pension paid is a dependants' scheme pension for the purposes of the Finance Act 2004.

17      **Pensions for children**

17.1      A pension shall be payable to or in respect of a Relevant Child of a CARE Member on the death of the CARE Member, in accordance with CARE Rule 13.1(d), 13A.1(iv), 14.1(c) or 15.1(d).

17.2      Where the CARE Member leaves a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant, the annual rate of a pension payable under CARE Rule 13.1(d), 14.1(c) or 15.1(d) is:

- (a)      Where there is only one Relevant Child, 80% of the annual rate of pension payable under CARE Rule 13.1(c), 14.1(b) or 15.1(c);
- (b)      Where there is more than one Relevant Child, each Relevant Child shall receive the amount under CARE Rule 17.2(a) multiplied by:

A

B

where:

A is 2; and

B is the number of Relevant Children at the date of the CARE Member's death.

17.3      Where the CARE Member does not leave a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant, the annual rate of a pension payable under CARE Rule 13.1(d), 14.1(c) or 15.1(d) is:

- (a)      where there is only one Relevant Child, the annual rate of a pension payable under CARE Rule 13.1(c), 14.1(b) or 15.1(c) multiplied by 4 and divided by 3;
- (b)      where there is more than one Relevant Child, each Relevant Child shall receive the amount under CARE Rule 17.3(a) multiplied by:

A

B

where:

A is 2; and

B is the number of Relevant Children at the date of the CARE Member's death.

17.3A The annual rate of a pension payable under CARE Rule 13A.1(iv) is:

- (a) where the CARE Member leaves a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant:
  - (i) where there are four or fewer Relevant Children, each Relevant Child shall receive 10% of the Pensionable Salary at the date of his death;
  - (ii) where there are more than four Relevant Children, each Relevant Child shall receive the amount which is 40% of the Pensionable Salary at the date of his death divided by the number of Relevant Children;
- (b) where the CARE Member does not leave a surviving spouse, Same Sex Spouse, civil partner or Surviving Adult Dependant:
  - (i) where there are four or fewer Relevant Children, each Relevant Child shall receive 20% of the Pensionable Salary at the date of his death;
  - (ii) where there are more than four Relevant Children, each Relevant Child shall receive the amount which is 80% of the Pensionable Salary at the date of his death divided by the number of Relevant Children.

17.4 A pension shall not be paid before the Relevant Child is born and shall cease to be payable to a Relevant Child on the date that Child ceases to meet the definition of Relevant Child. The amount paid to each Relevant Child as calculated under CARE



Rules 17.2, 17.3 and 17.3A will not be adjusted for any remaining Relevant Child once one Relevant Child ceases to receive a pension under this CARE Rule 17.

17.5 A pension payable to a Relevant Child shall be adjusted in a manner determined by the Trustees as is necessary to ensure that the pension paid is a dependants' scheme pension for the purposes of the Finance Act 2004.

17.6 For the purposes of this CARE Rule 17, the annual rate of pension payable under CARE Rule 13.1(c), 14.1(b) or 15.1(c) shall be calculated disregarding any reduction falling to be made under CARE Rule 16.5(a).

## **18 Added Pension, Effective Pension Age and Early Retirement Reduction Waiver**

18.1 A CARE Member may purchase Added Pension, an Effective Pension Age and/or an Early Retirement Reduction Waiver in accordance with the provisions of Schedule 15.

## **19 Payment of pensions**

19.1 Pensions under the CARE Section are payable monthly in arrears on such date or dates as the Trustees may decide and, subject to CARE Rule 17.4 and the remaining provisions of this CARE Rule 19, shall continue for life.

19.2 Pensions in payment under the CARE Section shall be increased at the beginning of each CARE Year in accordance with the relevant Pension Increase (Review) Order made under the provisions of the 1971 Act.

19.3 Where the pension has been in payment for less than a year at the date of the increase under CARE Rule 19.2, the increase to that pension shall be a proportionate part of the full increase, calculated daily.

19.4 Subject to any applicable statutory requirements in relation to Contracted-out Employment, a pension payable to a CARE Pensioner shall be reduced to nil during any period in which he is in Relevant Service, other than a period of Relevant Service in which no Pensionable Salary is payable or in respect of which no Pensionable Salary is drawn.

- 19.5 The reduction in CARE Rule 19.4 shall be disregarded for the purpose of calculating any benefit under CARE Rule 15.1(a) or 15.1(b).
- 19.6 Once any person whose pension has been reduced to nil under CARE Rule 19.4 ceases to be a Member of the House of Commons, then his pension shall recommence at the rate paid prior to suspension, plus any increases which would have been awarded under CARE Rule 19.2 during the period referred to in CARE Rule 19.4 if the pension had not been suspended.

## **PART D - BENEFITS SCHEME - FS SECTION**

### **1 Existing benefits**

- 1.1 In the case of any person who has Accrued Pension Rights in the Fund which are not attributable to or derived from the reckonable service of a person who has made Contributions to the Fund after the CARE Commencement Date, these FS Rules shall not apply. The Accrued Pension Rights of such persons shall be determined according to the provisions that governed the Fund in relation to his period of reckonable service prior to the CARE Commencement Date, except to the extent that any such provision is inconsistent with the Administration Rules or the General Rules.

### **1A Accrual following FS Closure Date**

- 1A.1 There shall be no further accrual in the FS Section after the FS Closure Date.

### **2 Membership for Members of the House of Commons**

- 2.1 On and from the CARE Commencement Date, no person is eligible to become or remain an FS Participating Member except as permitted under Schedule 14 or Schedule 14A.

### **3 Membership for Prime Ministers and Speakers**

- 3.1 Any person who on or after 28 February 1991 and prior to 25 April 2013 has held the office of:

- (a) Prime Minister and First Lord of the Treasury; or
- (b) the Speaker of the House of Commons

was, before the CARE Commencement Date, permitted to exercise an option in writing to become an FS Participating Member in the FS Section.

- 3.2 Subject to FS Rules 3.3 and 3.4 below, the effective date of the option is whatever date the Trustees shall determine to be the earliest practicable date after that on which they receive written notice of the exercise of the option.

- 3.3 If in respect of a person entitled to exercise an option under FS Rule 3.1 above the Trustees receive the written notice not more than three months after the date of the appointment or election of that person to that office, the effective date of the option is the date of that appointment or election; and he shall pay to the Trustees within twenty-eight days of his exercise of the option, or within such longer period as the Trustees may in their discretion determine, the sum certified by the Trustees as being the amount which would have been deducted from his salary under FS Rule 11 between the effective date of the option and the first date thereafter when a deduction from his salary under FS Rule 11 is made.
- 3.4 If in respect of the person who on 28 February 1991 held the office of Prime Minister and First Lord of the Treasury, the Trustees receive the written notice not more than three months after the date when the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993 came into force, the effective date of the option is 1 April 1993; and he shall pay to the Trustees within twenty-eight days of his exercise of the option, or within such longer period as the Trustees may in their discretion determine, the sum certified by the Trustees as being the amount which would have been deducted from his salary under the FS Section between 1 April 1993 and the first date thereafter when a deduction from his salary under FS Rule 11 is made.
- 3.5 The provisions of these FS Rules that relate specifically to the entitlements of the Prime Minister and First Lord of the Treasury or Speaker of the House of Commons shall continue to apply but only in relation to any person with a term of service in either of those offices that began before 25 April 2013. In respect of any person whose only term or terms of service in either such office begins on or after 25 April 2013, these FS Rules shall apply in the same way that they apply to other Members of the House of Commons and Office Holders.

#### **4 Membership for Office Holders**

- 4.1 On and from the CARE Commencement Date, no person is eligible to become or remain an FS Participating Office Holder except as permitted under Schedule 14 or Schedule 14A.

4.2 Subject to FS Rule 4.3 below, in the Fund Rules **Period of Tenure of a Qualifying Office** means any continuous period beginning on or after 1 April 1972 for which a person is:

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

4.3 In the Fund Rules, Period of Tenure of a Qualifying Office means, in relation to a Chairman of a Select Committee or, as the case may be, a Chairman of a Standing Committee, any continuous period beginning on or after 26 November 2003 for which an FS Participating Member is entitled to receive a salary as a Chairman of a Select Committee or, as the case may be, a Chairman of a Standing Committee.

## **5 Right to opt out for Members of the House of Commons**

5.1 An FS Participating Member may exercise an option in writing under this FS Rule 5 not to be an FS Participant in the FS Section.

5.2 Subject to FS Rule 5.3 below, the effective opt-out date in respect of a Member is whatever date the Trustees shall determine to be the earliest practicable date after that on which they receive from him written notice of the exercise of the option.

5.3 If the Trustees receive the written notice not more than three months after the date of a General Election or by-election at which the person was elected to membership of the House of Commons, the effective opt-out date is the date of that election and any Contributions deducted from him since that election under FS Rule 11 and, if he is an Office Holder, under FS Rule 12, shall be repaid to him.

## **6 Right to opt out for Office Holders**

6.1 An Office Holder who is an FS Participating Member or who is not a Member of the House of Commons may exercise an option in writing under this FS Rule 6 not to be an FS Participating Office Holder in the FS Section.

- 6.2 Subject to FS Rule 6.3 below, the effective opt-out date in respect of an Office Holder is whatever date the Trustees shall determine to be the earliest practicable date after that on which they receive from him written notice of the exercise of the option.
- 6.3 If the Trustees receive the written notice not more than twelve months after the date of commencement of a Period of Tenure of a Qualifying Office, the effective opt-out date is the date on which that period of tenure commenced and any Contributions deducted from an Office Holder under FS Rule 12 in respect of that period of tenure shall be repaid to him.
- 6.4 An Office Holder who has exercised an option under FS Rule 6.1 above not to be an FS Participating Office Holder or who has exercised the option under FS Rule 5 is referred to in the FS Rules as an **Opted-out Office Holder**.

**7 Members of the House of Commons and Office Holders reaching 75 before 6 April 2006**

- 7.1 This FS Rule 7 applies to any person whose 75th birthday falls on or before 5 April 2006 and who immediately before that date:
- (a) is an FS Participating Member or an FS Participating Office Holder; and
  - (b) would be entitled to receive a pension under FS Rule 16 or 18 if he had ceased to be an FS Participant, a Member of the House of Commons and an Office Holder.
- 7.2 The person may have opted not to remain an FS Participant in the FS Section on and after 6 April 2006.
- 7.3 The option must have been exercised by notice in writing given to the Trustees before 6 April 2006.
- 7.4 A person who had exercised the option under this FS Rule 7:
- (a) ceased to be an FS Participant on 5 April 2006;

- (b) is treated for the purposes of the Fund Rules (except for FS Rule 23) as if he ceased to be a Member of the House of Commons and an Office Holder on that date (and accordingly is entitled under FS Rules 16 and 18 to receive the pension to which he would be entitled if he had so ceased, but subject to FS Rule 23); and
- (c) is treated for the purposes of FS Rule 24 as having given notice under FS Rule 24.1 on that date of his desire to commute into a lump sum such part of the pension as is specified in the notice under this FS Rule 7.

**8 Members of the House of Commons and Office Holders reaching 75 after 5 April 2006**

8.1 This FS Rule 8 applies to any person whose 75th birthday falls after 5 April 2006 and who, at any time on or after the Relevant Date:

- (a) is a CARE Participant; and
- (b) would be entitled to receive a pension under FS Rule 16 or 18 if he had ceased to be a CARE Participant, a Member of the House of Commons and an Office Holder.

8.2 The person may opt under this FS Rule 8 for FS Rule 8.4 to apply to him on and after the Crystallisation Date.

8.3 The option must be exercised, specifying the Crystallisation Date, by notice in writing given to the Trustees.

8.4 A person who exercises the option under this FS Rule 8:

- (a) is treated for the purposes of the FS Section (except FS Rule 23) as if he ceased to be a CARE Participant, a Member of the House of Commons and an Office Holder on the Crystallisation Date (and accordingly is entitled under FS Rules 16 and 18 to receive the pension to which he would be entitled if he had so ceased, but subject to FS Rule 23); and

- (b) is treated for the purposes of FS Rule 24 as having given notice under FS Rule 24.1 of his desire to commute into a lump sum such part of the pension as is specified in the notice under this FS Rule 8.

8.5 In this FS Rule 8:

- (a) the **Relevant Date** in respect of a person is the day before that person's 75th birthday; and
- (b) the **Crystallisation Date** in respect of a person is the day on or after the Relevant Date which is specified in the notice under this FS Rule 8, provided that, unless the Trustees otherwise agree, the Crystallisation Date must be at least six months after the date on which such notice is given.

8.6 The rights under this FS Rule 8 are subject to the Transitional Provisions set out in Schedule 14 and Schedule 14A, and do not give an FS Participating Member or an FS Participating Office Holder a right to remain an FS Participant or accrue benefits in the FS Section for longer than would otherwise be the case under those Schedules.

## 9 **Right to opt in for Members of the House of Commons**

In the case of a Fully Protected Member or a Partially Protected Member, an Opted-out Member may apply to rejoin the FS Section as an FS Participating Member as from the date of any General Election or by-election at which he was elected to membership of the House of Commons (**effective opt-in date**) by giving notice in writing to the Trustees within a period of three months beginning with the effective opt-in date provided that:

- (a) he may only make such an application on or after the CARE Commencement Date if he is eligible to rejoin the FS Section under Schedule 14 at the date he makes that application;
- (b) he pays to the Trustees within twenty-eight days of their acceptance of his application, or within such longer period as the Trustees may in their



discretion determine, the sum certified by the Trustees as being the amount which would have been deducted from his salary under FS Rule 11 between the effective opt-in date and the first date thereafter when a deduction from his salary under FS Rule 11 is made; and

- (c) at the effective opt-in date, at least three months had elapsed since he was last elected to membership of the House of Commons.

## **10 Right to opt in for Office Holders**

10.1 In the case of a Fully Protected Member or a Partially Protected Member, an Opted-out Office Holder who is either an FS Participating Member or not a Member of the House of Commons may apply to rejoin the FS Section as an FS Participating Office Holder as from the date of commencement of a new Period of Tenure of a Qualifying Office (**effective opt-in date**) by giving notice in writing to the Trustees within a period of twelve months beginning with the effective opt-in date provided that:

- (a) he may only make such an application on or after the CARE Commencement Date if he is eligible to rejoin the FS Section under Schedule 14 at the date he makes that application; and
- (b) he pays to the Trustees within twenty-eight days of their acceptance of his application, or within such longer period as the Trustees may in their discretion determine, the sum certified by the Trustees as being the amount which would have been deducted from his salary under FS Rule 12 between the effective opt-in date and the first date thereafter when a deduction from his salary under FS Rule 12 is made.

## **11 Contributions by FS Participating Members**

11.1 Subject to FS Rules 11.16 and 12.17, there shall be deducted from each payment in respect of salary made to an FS Participating Member the appropriate percentage of that payment; and all sums so deducted shall be paid into the Fund.

11.2 In this FS Rule 11, **salary**

- (a) in the case of an FS Participating Member who prior to 25 April 2013 has been Prime Minister and First Lord of the Treasury or Speaker of the House of Commons means his salary as a Member of the House of Commons:
  - (i) pursuant to a determination by IPSA under section 4A of the Parliamentary Standards Act 2009; or
  - (ii) in respect of any period prior to the first such determination by IPSA, pursuant to an Effective Resolution; and
- (b) in the case of any other FS Participating Member, means a Member's Ordinary Salary.

11.3 For the purposes of FS Rule 11.1 the appropriate percentage:

- (a) in relation to a payment of salary made in respect of a period beginning on or after 1 April 1992 and ending before 5 July 2001, is 6 per cent; or
- (b) in relation to a period beginning on or after 5 July 2001 and ending before 1 April 2004:
  - (i) in respect of all or any part of such period as a Category 1 contributor is 9 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
- (c) in relation to a period beginning on or after 1 April 2004 and ending before 1 April 2008:
  - (i) in respect of all or an part of such period as a Category 1 contributor is 10 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
- (d) in relation to a period beginning on or after 1 April 2008 and ending before 1 April 2009:

- (i) in respect of all or any part of such period as a Category 1 contributor is 10 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.5 per cent; or
- (e) in relation to a period beginning on or after 1 April 2009 and ending before 1 April 2012:
  - (i) in respect of all or any part of such period as a Category 1 contributor is 11.9 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 7.9 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.9 per cent; or
- (f) in relation to a period beginning on or after 1 April 2012—
  - (i) in respect of all or any part of such period as a Category 1 contributor is 13.75 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 9.75 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 7.75 per cent.

11.4 An FS Participating Member who is a Member of the House of Commons on or after 1 January 2010 may exercise the option to select a membership category:

- (a) in the case of an FS Participating Member who is a Member of the House of Commons on 1 January 2010, by giving a qualifying notice to the Trustees no later than 1 April 2010; or

- (b) in the case of an FS Participating Member who is not a Member of that House on 1 January 2010, but who becomes a Member after 1 January 2010, by giving a qualifying notice to the Trustees not more than three months after the date of the General Election or by-election at which the Member is elected or re-elected to membership of the House of Commons.

11.5 In this FS Rule 11 a qualifying notice is a notice in a form acceptable to the Trustees which:

- (a) is in writing;
- (b) is signed by the Member to whom it relates (M), at a time when M is an FS Participating Member;
- (c) specifies whether M wishes to contribute to the Fund as a Category 1, Category 2 or Category 3 contributor; and
- (d) if M is a Member of the House of Commons on 1 January 2010, specifies whether M wishes to contribute to the Fund in the membership category selected in (c) above with effect on and from:
  - (i) the later of 1 April 2008 or the date of M's election or re-election to the House of Commons; or
  - (ii) 1 April 2009.

11.6 Where a Member (**M**) exercises the option in FS Rule 11.4(a), the effective date of the option is the date specified in M's qualifying notice in accordance with FS Rule 11.5(d).

11.7 Where a Member (**M**) exercises the option in FS Rule 11.4(b), the effective date of the option is the date on which M is elected or re-elected to the House of Commons.

11.8 Where a Member (**M**) does not exercise the option in FS Rule 11.4:

- (a) if M is a Member of the House of Commons on 1 April 2008 and was a Category 1 contributor immediately before that date, M continues as a Category 1 contributor on and after that date;
- (b) if M is a Member of the House of Commons on 1 April 2008 and was a Category 2 contributor immediately before that date, M continues as a Category 2 contributor on and after that date;
- (c) if M becomes a Member of the House of Commons on or after 1 April 2008 and before 1 January 2010 and does not opt, before 1 January 2010, to contribute to the Fund at a reduced rate, M is a Category 1 contributor on and from the date when M becomes a Member of the House of Commons;
- (d) if M becomes a Member of the House of Commons on or after 1 April 2008 and before 1 January 2010 and opts, before 1 January 2010, to contribute to the Fund at a reduced rate, M is a Category 2 contributor on and from the date when M becomes a Member of the House of Commons; and
- (e) if M becomes a Member of the House of Commons on or after 1 January 2010, M is a Category 1 contributor on and from the date when M becomes a Member of the House of Commons.

11.9 FS Rule 11.10 applies if, as a result of a Member (**M**) exercising the option in FS Rule 11.4 or FS Rule 11.15, the Contributions deducted from M's salary on and after the effective date of the option exceed the sums required to be deducted in respect of M under FS Rule 11.1 on and after the effective date of the option.

11.10 If this FS Rule 11.10 applies in respect of a Member (**M**), as soon as reasonably practicable after receiving M's qualifying notice, the Trustees must:

- (a) calculate the difference (**Excess**) between:
  - (i) the Contributions deducted from M's salary on and after the effective date of the option; and

- (ii) the Contributions required to be deducted in respect of M under FS Rule 11.1 on and after the effective date of the option; and
  - (b) cease deducting Contributions from M's salary under FS Rule 11.1.
- 11.11 Where the Trustees have ceased deducting Contributions under FS Rule 11.10, they must resume deducting Contributions when the amount of the Contributions not deducted as a result of FS Rule 11.10 is equal to the amount of the Excess.
- 11.12 If a Member ceases to be an FS Participating Member before the amounts referred to in FS Rule 11.11 are equal, the Trustees must repay the difference to the Member.
- 11.13 If, as a result of a Member (**M**) exercising the option in FS Rule 11.4 or FS Rule 11.15, the Contributions deducted from M's salary on and after the effective date of the option are less than the sums required to be deducted in respect of M under FS Rule 11.1 on and after the effective date of the option, M must pay to the Trustees the sum certified by the Trustees as being the additional amount due to make up M's Contributions to the sums required.
- 11.14 If FS Rule 11.13 applies, a Member (M) must make the payment referred to in that paragraph within twenty-eight days of the end of any period during which M may exercise the option in FS Rule 11.4 or FS Rule 11.15, or within such longer period as the Trustees may in their discretion determine.
- 11.15
- (a) Each FS Participating Member who is a Member of the House of Commons on 1 April 2012 (**M**) may exercise the option to change his membership category as at 1 April 2012 to a different membership category, by giving a qualifying notice that is received by the Trustees no later than 30 June 2012.
  - (b) In this FS Rule 11.15, a qualifying notice (unless agreed otherwise by the Trustees) is a notice in a form acceptable to the Trustees which:

- (i) is in writing;
    - (ii) is signed by M, at a time when M is an FS Participating Member;  
and
    - (iii) specifies whether M wishes to contribute to the Fund as a  
Category 1, Category 2 or Category 3 contributor.
  - (c) The effective date of the option is 1 April 2012.
  - (d) If M does not exercise the option in this FS Rule 11.15 he will continue to  
be in the same membership category as he was on 1 April 2012.
- 11.16 Where a person's Aggregate Period of Reckonable Service as an FS Participating Member exceeds that which would give rise to the maximum pension allowed in respect of that person as an FS Participating Member under FS Rule 20 or 21, no deduction shall be made under this FS Rule 11 from payments in respect of salary made to him.
- 11.17 If any salary from which a deduction is required to be made under this FS Rule 11 is not drawn, there shall be set aside, out of moneys available for the payment, a sum equal to the relevant deduction, and any sum so set aside shall be paid into the Fund.
- 12 Contributions by participating Office Holders**
- 12.1 Subject to FS Rule 12.17, there shall be deducted from each payment in respect of salary made to a participating Office Holder, the appropriate percentage of that payment; and all sums so deducted shall be paid into the Fund.
- 12.2 In this FS Rule 12, **salary** means:
- (a) in relation to an FS Participating Office Holder (other than the Chairman of a Select Committee or the Chairman of a Standing Committee), the annual amount payable to him as an Office Holder in respect of his tenure of that office; or

- (b) in relation to an FS Participating Office Holder who is a Chairman of a Select Committee or, as the case may be, a Chairman of a Standing Committee, the annual amount payable to him:
  - (i) pursuant to a determination by IPSA under section 4A of the Parliamentary Standards Act 2009; or
  - (ii) in respect of any period prior to the first such determination by IPSA, pursuant to an Effective Resolution for the time being in force,

which is in excess of a Member's Ordinary Salary and is attributable to his service as a Chairman of a Select Committee or, as the case may be, a Chairman of a Standing Committee.

12.3 For the purposes of FS Rule 12.1 the appropriate percentage:

- (a) in relation to a payment of salary made in respect of a period beginning on or after 1 April 1992 and ending before 5 July 2001, is 6 per cent; or
- (b) in relation to a period beginning on or after 5 July 2001 and ending before 1 April 2004:
  - (i) in respect of all or any part of such period as a Category 1 contributor is 9 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
- (c) in relation to a period beginning on or after 1 April 2004 and ending before 1 April 2008:
  - (i) in respect of all or any part of such period as a Category 1 contributor is 10 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or



- (d) in relation to a period beginning on or after 1 April 2008 and ending before 1 April 2009:
  - (i) in respect of all or any part of such period as a Category 1 contributor is 10 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 6 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.5 per cent; or
- (e) in relation to a period beginning on or after 1 April 2009 and ending before 1 April 2012:
  - (i) in respect of all or any part of such period as a Category 1 contributor is 11.9 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 7.9 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 5.9 per cent; or
- (f) in relation to a period beginning on or after 1 April 2012:
  - (i) in respect of all or any part of such period as a Category 1 contributor is 13.75 per cent; or
  - (ii) in respect of all or any part of such period as a Category 2 contributor is 9.75 per cent; or
  - (iii) in respect of all or any part of such period as a Category 3 contributor is 7.75 per cent.

12.4 A FS Participating Office Holder who is an Office Holder on or after 1 January 2010 may exercise the option to select a membership category:

- (a) in the case of an FS Participating Office Holder who is an Office Holder on 1 January 2010, by giving a qualifying notice to the Trustees no later than 1 April 2010; or
- (b) in the case of an FS Participating Office Holder who is not an Office Holder on 1 January 2010 but who becomes an Office Holder after 1 January 2010, by giving a qualifying notice to the Trustees not more than three months after the date on which the person is appointed or next appointed as an Office Holder.

12.5 In this FS Rule 12 a qualifying notice is a notice in a form acceptable to the Trustees which:

- (a) is in writing;
- (b) is signed by the Office Holder to whom it relates (H), at a time when H is a participating Office Holder;
- (c) specifies whether H wishes to contribute to the Fund as a Category 1, Category 2 or Category 3 contributor; and
- (d) if H is an Office Holder on 1 January 2010, specifies whether H wishes to contribute to the Fund in the membership category selected in (c) above with effect on and from:
  - (i) the later of 1 April 2008 or the date of H's current appointment as an Office Holder; or
  - (ii) 1 April 2009.

12.6 Where an Office Holder (**H**) exercises the option in FS Rule 12.4(a), the effective date of the option is the date specified in H's qualifying notice in accordance with FS Rule 12.5(d).

12.7 Where an Office Holder (**H**) exercises the option in FS Rule 12.4(b), the effective date of the option is the date of H's current appointment as an Office Holder.

12.8 Where an Office Holder (**H**) does not exercise the option in FS Rule 12.4:

- (a) if H is an Office Holder on 1 April 2008 and was a Category 1 contributor immediately before that date, H continues as a Category 1 contributor on and after that date;
- (b) if H is an Office Holder on 1 April 2008 and was a Category 2 contributor immediately before that date, H continues as a Category 2 contributor on and after that date;
- (c) if H becomes an Office Holder on or after 1 April 2008 and before 1 January 2010 and does not opt, before 1 January 2010, to contribute to the Fund at a reduced rate, H is a Category 1 contributor on and from the date when H becomes an Office Holder;
- (d) if H becomes an Office Holder on or after 1 April 2008 and before 1 January 2010 and opts, before 1 January 2010, to contribute to the Fund at a reduced rate, H is a Category 2 contributor on and from the date when H becomes an Office Holder; and
- (e) if H becomes an Office Holder on or after 1 January 2010, H is a Category 1 contributor on and from the date when H becomes an Office Holder.

12.9 For any period during which an FS Participating Office Holder (H) is also an FS Participating Member, H is deemed to have exercised the option under FS Rule 12.4 or FS Rule 12.16 at the same time and on the same basis as H exercises the equivalent option under FS Rule 11.

12.10 FS Rule 12.11 applies if, as a result of an Office Holder (H) exercising the option in FS Rule 12.4 or FS Rule 12.16, the Contributions deducted from H's salary on and after the effective date of the option exceed the sums required to be deducted in respect of H under FS Rule 12.1 on and after the effective date of the option.

12.11 If this paragraph applies in respect of an Office Holder (H), as soon as reasonably practicable after receiving H's qualifying notice, the Trustees must:

- (a) calculate the difference (**Excess**) between:

- (i) the Contributions deducted from H's salary on and after the effective date of the option; and
    - (ii) the Contributions required to be deducted in respect of H under FS Rule 12.1 on and after the effective date of the option; and
  - (b) cease deducting Contributions from H's salary under FS Rule 12.1.
- 12.12 Where the Trustees have ceased deducting Contributions under FS Rule 12.11(a), they must resume deducting Contributions when the amount of the Contributions not deducted as a result of FS Rule 12.11(a) is equal to the amount of the Excess.
- 12.13 If an Office Holder ceases to be an FS Participating Office Holder before the amounts referred to in FS Rule 12.12 are equal, the Trustees must repay the difference to the Office Holder.
- 12.14 If, as a result of an Office Holder (**H**) exercising the option in FS Rule 12.4 or FS Rule 12.16, the Contributions deducted from H's salary on and after the effective date of the option are less than the sums required to be deducted in respect of H under FS Rule 12.1 on and after the effective date of the option, H must pay to the Trustees the sum certified by the Trustees as being the additional amount due to make up H's Contributions to the sums required.
- 12.15 If FS Rule 12.14 applies, an Office Holder (**H**) must make the payment referred to within twenty-eight days of the end of any period during which H may exercise the option in FS Rule 12.4 or FS Rule 12.16, or within such longer period as the Trustees may in their discretion determine.
- 12.16
- (a) Each FS Participating Office Holder who is an Office Holder on 1 April 2012 (**H**) may exercise the option to change his membership category as at 1 April 2012 to a different membership category, by giving a qualifying notice that is received by the Trustees no later than 30 June 2012.

(b) In this FS Rule 12.16, a qualifying notice (unless agreed otherwise by the Trustees) is a notice in a form acceptable to the Trustees which:

- (i) is in writing;
- (ii) is signed by H, at a time when H is an FS Participating Member;  
and
- (iii) specifies whether H wishes to contribute to the Fund as a  
Category 1, Category 2 or Category 3 contributor.

(c) The effective date of the option is 1 April 2012.

(d) If H does not exercise the option in this FS Rule 12.16 he will continue to be in the same membership category as he was on 1 April 2012.

12.17 If any salary from which a deduction is required to be made under this FS Rule 12 is not drawn, there shall be set aside, out of moneys available for the payment, a sum equal to the relevant deduction, and any sum so set aside shall be paid into the Fund.

### 13 **Earnings Cap**

13.1 Where in respect of any person who became an FS Participant in the FS Section on or after 1 June 1989, his annual salary:

- (a) as a Member of the House of Commons; or
- (b) as an Office Holder; or
- (c) as both (a) and (b) cumulatively

exceeds the Permitted Maximum, the Contributions deducted from that annual salary shall be limited to the appropriate percentage (as defined in FS Rules 11 and 12) of that Permitted Maximum and where FS Rule 13.1(c) applies his Contributions under FS Rule 12 shall be reduced before his Contributions under FS Rule 11.

- 13.2 For the purpose of this FS Rule 13, a person's annual salary as a Member of the House of Commons is a Member's Ordinary Salary and a person's annual salary as an Office Holder is his salary as defined in FS Rule 12.2.

#### 14 **Actual Reckonable Service**

- 14.1 Subject to General Rule 8 and FS Rules 14.2, 14.3 and 53, for the purpose of these Fund Rules in respect of any person who has been a Member of the House of Commons after 19 July 1983:

- (a) any period before 16 October 1964 during which he was a Member of the House of Commons;
- (b) any period beginning on or after 16 October 1964 and ending before the CARE Commencement Date during which he:
  - (i) was a Member of the House of Commons; and
  - (ii) made Contributions to the Fund or was excused from making Contributions because FS Rule 11.10(b) applied; and
- (c) any period beginning on or after the CARE Commencement Date and concluding on or before the end of the FS Closure Date during which he:
  - (i) was or is a Member of the House of Commons;
  - (ii) was or is (or by virtue of Schedule 14A is deemed to be or have been) an FS Participant;
  - (iii) was not or is not (or by virtue of Schedule 14A is deemed not to be or not to have been) a CARE Participant; and
  - (iv) has made (or by virtue of Schedule 14A is deemed to have made) Contributions to the Fund under FS Rule 11 or was excused from making Contributions because FS Rule 11.10(b) applies,

is a period of reckonable service as an FS Participating Member; and in these FS Rules "**Actual Period of Reckonable Service as an FS Participating Member**", in

relation to a person, means the period, falling within any of the preceding sub-Rules, during which he is or was an FS Participating Member or (if more than one) the aggregate of such periods.

14.2 Subject to General Rule 8 and FS Rule 53, in respect of any person who held prior to 25 April 2013 the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons who not more than three months after the date of his appointment to that office has exercised an option under FS Rule 3, any period beginning on or after 28 February 1991 and concluding before the end of the FS Closure Date during which he:

- (a) was or is a Member of the House of Commons;
- (b) in respect of any period on or after the CARE Commencement Date, was or is an FS Participant;
- (c) was not or is not a CARE Participant; and
- (d) has made Contributions to the Fund as constituted prior to the CARE Commencement Date under section 3 of the 1972 Act, or under FS Rule 11 or 3.4 or is excused from making Contributions because FS Rule 11.10(b) applies,

is a period of reckonable service as an FS Participating Member; and in these FS Rules "**Actual Period of Reckonable Service as an FS Participating Member**" in relation to a person who holds or has held the aforesaid offices means the period referred to in this FS Rule 14.2 during which he is or was an FS Participating Member or (if more than one) the aggregate of such periods.

14.3 Subject to General Rule 8 and FS Rule 53, in respect of any person who held prior to 25 April 2013 the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons who more than three months after the date of his appointment to that office has exercised an option under FS Rule 3, any period beginning on the effective date of the option and concluding before the end of the FS Closure Date during which he:

- (a) was or is a Member of the House of Commons;
- (b) in respect of any period on or after the CARE Commencement Date, was or is an FS Participant;
- (c) was not or is not a CARE Participant; and
- (d) has made Contributions to the Fund as constituted prior to the CARE Commencement Date under FS Rule 11 or is excused from making Contributions because FS Rule 11.10(b) applies,

is a period of reckonable service as an FS Participating Member; and in these FS Rules "**Actual Period of Reckonable Service as an FS Participating Member**" in relation to a person who holds or has held the aforesaid offices means the period referred to in this FS Rule 14.3 during which he is or was an FS Participating Member or (if more than one) the aggregate of such periods.

14.4 In respect of a person who has been an FS Participating Office Holder on or after 20 July 1983, and subject to General Rule 8 and FS Rules 23.3 and 53, any period concluding before the end of the FS Closure Date during which a person:

- (a) in respect of any period on or after the CARE Commencement Date, was or is an FS Participant;
- (b) was not or is not a CARE Participant; and
- (c) was or is a participating Office Holder,

is a period of reckonable service as a participating Office Holder; and in these FS Rules "**Actual Period of Reckonable Service as an FS Participating Office Holder**", in respect of a person, means his period (or, if more than one, the aggregate of his periods) of reckonable service as a participating Office Holder.

14.5 Subject to General Rule 8 and FS Rule 53, in respect of any person who held prior to 25 April 2013 the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons who not more than three months after the date of his appointment to that office has exercised an option under FS Rule 3, any period or



periods beginning on a date on or after 28 February 1991 and ending on or before the date of his appointment or election to that office during which he:

- (a) in respect of any period on or after the CARE Commencement Date and concluding before the end of the FS Closure Date, was or is an FS Participant;
- (b) was not or is not a CARE Participant; and
- (c) was a participating Office Holder,

is a period of reckonable service as a participating Office Holder; and in these FS Rules "**Actual Period of Reckonable Service as an FS Participating Office Holder**" in relation to a person who holds or has held the aforesaid offices means the period referred to in this FS Rule 14 during which he was an FS Participating Office Holder or (if more than one) the aggregate of such periods.

14.6 In these Fund Rules "**Actual Period of Reckonable Service as an FS Participant**", in respect of a person, means the total of whichever of the following apply to him, namely:

- (a) his Actual Period of Reckonable Service as an FS Participating Member; or
- (b) his Actual Period of Reckonable Service as an FS Participating Office Holder; or
- (c) if (a) and (b) both apply, his Actual Period of Reckonable Service as an FS Participating Member together with such part, if any, of his Actual Period of Reckonable Service as an FS Participating Office Holder when he was not also an FS Participating Member.

## 15 **Aggregate Reckonable Service**

15.1 Subject to FS Rule 15.2 below, in respect of a person, his Aggregate Period of Reckonable Service as an FS Participating Member is his Actual Period of Reckonable Service as an FS Participating Member together with any increases in reckonable service attributable to sums received by way of transfer value into the

FS Section either pre or post the CARE Commencement Date or to the purchase of Added Years.

- 15.2 In the case of an FS Participant in service on or after 1 April 1995, the following adjustments shall where relevant be made to his Aggregate Period of Reckonable Service as an FS Participating Member:
- (a) where his Aggregate Period of Reckonable Service as an FS Participating Member includes service which is treated as ending before 20 July 1983 by virtue of article 10(1)(i) or (ii) of the Parliamentary Pensions (Added Years and Rates of Accrual) (Further Provisions) Order 1984, the period of such service shall be multiplied by five-sixths;
  - (b) where he applied to purchase Added Years pursuant to article 14 of the Parliamentary Pensions (Purchase of Added Years) Order 1978, the number purchased shall be multiplied by two-fifths.
- 15.3 Subject to FS Rule 15.4 below, in respect of a person, his Aggregate Period of Reckonable Service as an FS Participating Office Holder is his Actual Period of Reckonable Service as an FS Participating Office Holder together with any increase in reckonable service attributable to sums received by way of transfer value into the FS Section either pre or post the CARE Commencement Date.
- 15.4 In the case of an FS Participant in service on or after 1 July 1996, where his Aggregate Period of Reckonable Service as an FS Participating Office Holder includes service which is treated as ending before 20 July 1983 by virtue of article 10(1)(ii) of the Parliamentary Pensions (Added Years and Rates of Accrual) (Further Provisions) Order 1984, the period of such service shall be multiplied by five-sixths.
- 15.5 In respect of a person, his Aggregate Period of Reckonable Service as an FS Participant is his Actual Period of Reckonable Service as an FS Participant together with any increases in reckonable service attributable to sums received by way of transfer value into the FS Section (either pre or post the CARE Commencement Date) or to the purchase of Added Years, subject to any adjustment made by virtue of FS Rules 15.2 or 15.4 above.

15.6 This FS Rule 15 is subject to FS Rules 66 and 67.

## 16 **Entitlement of FS Pensioner Members**

16.1 Subject to the provisions of these FS Rules, a person who on or after 31 July 1984 has ceased to be an FS Participating Member and who has reckonable service as an FS Participating Member under FS Rule 14 or 15 or under section 6 of the 1972 Act shall be entitled to receive a pension under this FS Rule 16 as from the time when the following conditions are or were fulfilled in respect of him:

- (a) he is or was neither a Member of the House of Commons nor a candidate for election to it;
- (b) he is not or was not an Office Holder; and
- (c) he has or had attained the age of sixty-five years.

## 17 **Amount payable to FS Pensioner Members**

17.1 Subject to FS Rules 17.5, 17.6, 20, 21, 22, 24, 25, 28 and 30 below, the annual amount of the pension payable to a person under FS Rule 16 shall be a sum equal to the aggregate of the amounts produced, in relation to each year or Fraction of a Year comprised in his Aggregate Period of Reckonable Service as an FS Participating Member, by multiplying the relevant terminal salary by the appropriate fraction.

17.2 Subject to FS Rule 17.3 below, in this FS Rule 17 "**the relevant terminal salary**":

- (a) in relation to a person who has been an FS Participating Member for a period of twelve months or more, or for two or more periods amounting in the aggregate to more than twelve months, means the amount of a Member's Ordinary Salary for the last twelve months (whether continuous or discontinuous) during which that person was a Member of the House of Commons and either an FS Participating Member or a CARE Participant; and
- (b) in relation to a person who has been an FS Participating Member, but whose actual period of service as an FS Participating Member (together

with any period as both a CARE Participant and Member of the House of Commons) was less than twelve months, means an amount calculated by taking the aggregate amount of a Member's Ordinary Salary for the period (whether continuous or discontinuous) for which he was an FS Participating Member (and CARE Participant where applicable) and multiplying it by the appropriate figure;

and in FS Rule 17.2(b) "**the appropriate figure**" in relation to a person, means the figure (whether being a whole number or not) by which the number of days comprised in his period of service as a Member of the House of Commons must be multiplied in order to be equal to a year.

17.3 In the case of an FS Participating Member in service on or after 1 July 1996, if under FS Rule 17.2 the amount of a Member's Ordinary Salary for any period before that date is to be included in the relevant terminal salary, that amount shall be calculated as if a Member's Ordinary Salary during that period was payable at the yearly rate of £43,000.

17.4 In FS Rule 17.1 "**the appropriate fraction**", in relation to a year or part of a year comprised in a person's Aggregate Period of Reckonable Service as an FS Participating Member, means:

- (a) in the case of a year ending before 20 July 1983, one-sixtieth, or, if the period before that date includes a part of a year, a proportionate fraction of one-sixtieth;
- (b) in the case of a year or part of a year beginning on or after 20 July 1983 and ending before 5 July 2001, one-fiftieth;
- (c) in the case of a year or part of a year beginning on or after 5 July 2001 and ending before 1 April 2008:
  - (i) in respect of a Category 1 contributor, one-fortieth; and
  - (ii) in respect of a Category 2 contributor, one-fiftieth; and

- (d) in the case of a year or part of a year beginning on or after 1 April 2008:
  - (i) in respect of a Category 1 contributor, one-fortieth;
  - (ii) in respect of a Category 2 contributor, one-fiftieth; and
  - (iii) in respect of a Category 3 contributor, one-sixtieth.

17.5 The annual amount of the pension payable under FS Rule 16 to a person who prior to 25 April 2013 held the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons shall be calculated in accordance with the provisions of FS Rule 19, but where FS Rule 19 applies in relation to such a pension:

- (a) every reference to a "participating Office Holder" shall be construed as a reference to a "FS Participating Member"; and
- (b) the reference to FS Rule 12 in FS Rule 19.2(a) shall be construed as a reference to FS Rule 11.

17.6 If the pension payable to a person entitled to a pension under FS Rule 16 is subject to a Pension Debit, the amount of pension to which such person would be entitled under these FS Rules if no Pension Debit applied to that pension shall be reduced in accordance with section 31 of the 1999 Act.

## **18 Entitlement of FS Pensioner Office Holders**

18.1 Subject to the provisions of these FS Rules, a person who on or after 20 July 1983 has ceased to be an FS Participating Office Holder and who has reckonable service as an FS Participating Office Holder under FS Rule 14 or 15 or under section 6 of the 1972 Act shall be entitled to receive a pension under this FS Rule 18 as from the time when the conditions specified in FS Rule 16.1 are fulfilled in respect of him.

18.2 The same person may be entitled to a pension under FS Rule 16 and to a pension under this FS Rule 18; and the amounts of the two pensions shall be cumulative.

19      **Amount payable to FS Pensioner Office Holders**

19.1      Subject to FS Rules 20 to 25, the provisions of this FS Rule 19 shall have effect for the purpose of calculating the annual amount of a pension payable to a person under FS Rule 18.1.

19.2      For each year of which the whole or any part was comprised in the person's Aggregate Period of Reckonable Service as an FS Participating Office Holder the following amounts shall be calculated:

- (a)      an amount equal to the sums deducted under FS Rule 12 or section 4 of the 1972 Act in respect of that year from the person's salary (within the meaning of that FS Rule or section); and
- (b)      an amount equal to the appropriate percentage of a Member's Ordinary Salary in respect of that year, the appropriate percentage being that at which deductions were made from his salary as an FS Participating Office Holder by virtue of FS Rule 12.3 or section 3(2) of the 1972 Act,

and for each such year there shall be calculated the amount (referred to in these FS Rules, in relation to any such year, as "**the contribution factor**" for that year) which is equal to the amount calculated under FS Rule 19.2(a) divided by the amount calculated under FS Rule 19.2(b) of this Rule.

19.3      Subject to FS Rule 19.4, for each such year as is mentioned in FS Rule 19.2 a contribution credit shall be calculated by multiplying the appropriate fraction of the relevant terminal salary by the amount of the contribution factor for that year; and, subject to FS Rule 24 the annual amount of the pension payable to the person under FS Rule 18 shall be an amount equal to the aggregate of the contribution credits calculated under this FS Rule 19.

19.4

- (a)      Where a person who was an FS Participating Office Holder on 15 July 2002 changes from being a Category 2 contributor to a Category 1 contributor on that date, the calculation of his contribution credit for the year

beginning 1 April 2002 shall be made by calculating separately credits for the two parts of the year from 1 April 2002 to 14 July and from 15 July 2002 to 31 March 2003 applying respectively the appropriate percentages in FS Rule 12.3(b)(i) and 12.3(b)(ii) and the appropriate fractions in FS Rule 19.7(d)(i) and 19.7(d)(ii) and by adding the two credits together.

- (b) Where a person who was an FS Participating Office Holder on 15 July 2002 becomes a Category 1 contributor on 5 July 2001, the calculation of his contribution credit for the year beginning 1 April 2001 shall be made by calculating separately credits for the two parts of the year from 1 April 2001 to 4 July 2001 and from 5 July 2001 to 31 March 2002 applying respectively the appropriate percentages in FS Rule 12.3(a) and 12.3(b) and the appropriate fractions in FS Rule 19.7(c) and 19.7(d) and by adding the two credits together.

19.5 Subject to FS Rule 19.6 below, in this FS Rule 19 "**the relevant terminal salary**":

- (a) if the person's Actual Period of Reckonable Service as an FS Participating Office Holder was twelve months or more, means the amount of a Member's Ordinary Salary for the last twelve months (whether continuous or discontinuous) comprised in that actual period of reckonable service; and
- (b) if the person's Actual Period of Reckonable Service as an FS Participating Office Holder was less than twelve months, means an amount calculated by taking the amount of a Member's Ordinary Salary for the period (whether continuous or discontinuous) which constituted that actual period of reckonable service and multiplying it by the appropriate figure;

and in FS Rule 19.5(b) "**the appropriate figure**" means the figure (whether being a whole number or not) by which the number of days comprised in the person's Actual Period of Reckonable Service as an FS Participating Office Holder must be multiplied in order to be equal to twelve months.

For the purposes of calculating relevant terminal salary under this FS Rule 19.5, if a person has been a member of the Ministers' Scheme, he shall be treated as being an FS Participating Office Holder during that period of participation.

19.6 In the case of an FS Participating Office Holder in service on or after 1 July 1996, if under FS Rule 19.5 the amount of a Member's Ordinary Salary for any period before that date is to be included in the relevant terminal salary, that amount shall be calculated as if a Member's Ordinary Salary during that period was payable at the yearly rate of £43,000.

19.7 In FS Rule 19.3 "**the appropriate fraction**" means:

- (a) in relation to the year beginning with 1 April 1982 and previous years, one-sixtieth;
- (b) in relation to the year beginning with 1 April 1983:
  - (i) in the case of a person who held a Qualifying Office at some time in the period beginning with 1 April 1983 and ending with 19 July 1983 but did not hold such an office at any time in the period beginning with 20 July 1983 and ending with 31 March 1984, one-sixtieth;
  - (ii) in the case of a person who did not hold such an office at any time in the first of those periods but did hold such an office at some time in the second of those periods, one-fiftieth; and
  - (iii) in the case of a person who held such an office at some time in each of those periods, nineteen-thousandths;
- (c) in relation to the year beginning with 1 April 1984 and subsequent years up to and including the year beginning with 1 April 2000, and in relation to the part of a year beginning with 1 April 2001 and ending with 4 July 2001, one-fiftieth;



(d) in relation to a year or part of a year beginning on or after 5 July 2001 and ending before 1 April 2008:

(i) in respect of a Category 1 contributor, one-fortieth; and

(ii) in respect of a Category 2 contributor, one-fiftieth; and

(e) in relation to a year or part of a year beginning on or after 1 April 2008:

(i) in respect of a Category 1 contributor, one-fortieth;

(ii) in respect of a Category 2 contributor, one-fiftieth; and

(iii) in respect of a Category 3 contributor, one-sixtieth.

19.8 In FS Rules 19.2, 19.3 and 19.7 "**year**" (except in the expression "sixty-five years") means a period of twelve months beginning with 1 April.

19.9 If the pension payable to a person entitled to a pension under FS Rule 18 is subject to a Pension Debit, the amount of pension to which such person would be entitled under these FS Rules if no Pension Debit applied to that pension shall be reduced in accordance with section 31 of the 1999 Act.

## 20 **Permitted Maximum pensions: FS Pensioners who joined before 1st June 1989**

20.1 The annual amount of the pension payable under FS Rule 16 or FS Rule 18 to a person who became an FS Participant before 1 June 1989 shall not exceed whichever is the less of:

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

(b) such maximum pension as is calculated in respect of that person in accordance with the provisions of Schedule 2,

except to the extent that it is calculated by reference to so much (if any) of that person's actual period of reckonable service as an FS Participant as fell after he attained the age of sixty-five years and before 1 April 2009.

21 **Permitted Maximum pensions: FS Pensioners who joined after 1 June 1989**

21.1 The annual amount of the pension payable under FS Rule 16 or FS Rule 18 to a person who became an FS Participant on or after 1 June 1989 shall not exceed whichever is the less of:

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

21.2 In the case of a person who became an FS Participant on or after 1 June 1989 and who is entitled to a pension both under FS Rule 16 and under FS Rule 18, the amount of the two pensions together shall not exceed two-thirds of the Permitted Maximum and, if they do, the pension payable under FS Rule 18 shall be reduced before the pension payable under FS Rule 16.

22 **Guaranteed Minimum Pensions**

22.1 This FS Rule 22 applies where a qualifying person's service in the Fund as constituted prior to the CARE Commencement Date was Contracted-out Employment and he has a guaranteed minimum in relation to benefits under the FS Section in respect of service before 6 April 1997.

22.2 Except to the extent that FS Rule 17.6 or FS Rule 19.9 applies, a qualifying person is entitled to receive a pension payable for the rest of his life at a rate equivalent to a weekly rate of not less than the Guaranteed Minimum Pension unless his rights thereto have been extinguished by payment of a Contributions Equivalent Premium pursuant to section 60 of the 1993 Act.

22.3 In this FS Rule 22, "**qualifying person**" means:

- (a) any person who is entitled to receive a pension under FS Rule 16 or FS Rule 18 (including an early retirement pension or an ill-health pension by virtue of any of FS Rules 25 to 31);

- (b) any woman who has attained pensionable age and who would be entitled to receive a pension under FS Rule 16 or FS Rule 18 but for the fact only that she has not attained the age of sixty-five years;
- (c) subject to FS Rule 22.4 below, any person who would be entitled to receive a pension under FS Rule 16 or FS Rule 18 but for the fact that the person is:
  - (i) a Member of the House of Commons or an Office Holder; and
  - (ii) an FS Participating Member or Office Holder; and
  - (iii) in the case of a woman, of pensionable age but not having attained the age of sixty-five years; or
- (d) subject to FS Rule 22.5 below, any person who would be entitled to receive a pension under FS Rule 16 or FS Rule 18 but for the fact that the person is:
  - (i) a candidate for election to the House of Commons; and
  - (ii) in the case of a woman, of pensionable age but not having attained the age of sixty-five years.

22.4 In the case of a person within FS Rule 22.3(c) above, the commencement of the payment of a Guaranteed Minimum Pension shall be postponed:

- (a) for the period, not exceeding five years, during which the person continues to be a Member of the House of Commons or an Office Holder after attaining pensionable age; and
- (b) with his consent, for any further period during which he continues to be a Member of the House of Commons or an Office Holder after attaining pensionable age.

22.5 If a person within FS Rule 22.3(d) above is elected to the House of Commons, the payment of his Guaranteed Minimum Pension shall be postponed:

- (a) for the period, not exceeding five years, during which the person serves as a Member of the House of Commons or an Office Holder after attaining pensionable age; and
- (b) with his consent, for any further period during which he continues as a Member of the House of Commons or an Office Holder after attaining pensionable age.

22.6 Where the payment of a Guaranteed Minimum Pension is postponed in accordance with this FS Rule 22, the Guaranteed Minimum Pension shall be increased in accordance with section 15 of the 1993 Act.

22.7 In this FS Rule 22, "pensionable age" has the same meaning as in section 181 of the 1993 Act as it relates to Guaranteed Minimum Pensions.

## **23 Duration of pensions**

23.1 Subject to the following provisions of this FS Rule 23 and FS Rule 34, a pension under FS Rule 16 or FS Rule 18 (including an early retirement pension or an ill-health pension by virtue of any of FS Rules 25 to 31) shall continue for the life of the person to whom it is payable.

23.2 Subject to FS Rule 22 and FS Rule 23.3 below such a pension shall be reduced to nil if it is payable to a person in respect of any period during which he is a Member of the House of Commons, or in respect of any part of a Period of Tenure of a Qualifying Office other than a part in respect of which no salary is payable or in respect of which no salary is drawn.

23.3 Where, in the case of any person, a pension under FS Rule 16 and/or FS Rule 18 would, but for FS Rule 23.2 above, be payable to him in full in respect of a Period of Tenure of a Qualifying Office during which he is not a Member of the House of Commons:

- (a) that FS Rule shall not apply to that pension or either of those pensions in respect of any part of that period; but

- (b) the amount payable to him in right of a pension under FS Rule 18 for any part of that period shall not exceed the amount, if any, by which the total salary payable to him for that period falls short of the amount of a Member's Ordinary Salary for that period;
- (c) if he is an FS Participating Office Holder in respect of that period then, for the purpose of calculating the amount, if any, which would, apart from FS Rule 23.3(b), be payable to him in right of a pension under FS Rule 18 for any part of that period (but not for any other purpose, and in particular not for the purpose of recalculating at the end of that period the annual amount of the pension, if any, to which apart from FS Rule 23.3(b) he is entitled under FS Rule 18), that period shall be deemed not to be a period of reckonable service as An FS Participating Office Holder.

In this FS Rule 23 "**salary**" (except in the expression "a Member's Ordinary Salary") means salary payable to the Office Holder in respect of his tenure of that office.

- 23.4 The provisions of this Rule 23 shall not apply for the purposes of calculating the amounts payable under FS Rules 46 to 52.

## 24 **Commutation into lump sum**

- 24.1 Any person who is entitled to receive a pension under any of FS Rules 16 to 23 (including an ill-health pension payable by virtue of any of FS Rules 28 to 31) or who applies to receive a pension under FS Rule 25 or 26 may, before the first instalment of the pension is paid, give notice to the Trustees that he desires to commute into a lump sum such part of the pension as is specified in the notice.
- 24.2 [Not used]
- 24.3 Where a person has given notice under this FS Rule 24, the Trustees shall determine:
  - (a) what lump sum would be actuarially equivalent to the part of the pension specified in the notice; and

- (b) what reduction of the annual amount of his pension would be appropriate in consideration of the payment of that lump sum; and

subject to the following provisions of this FS Rule 24, a lump sum of the amount so determined shall be paid to that person and the annual amount of his pension shall be reduced accordingly.

- 24.4 Any lump sum or reduction to be determined under FS Rule 24.3 above shall be a sum or reduction either certified by the Government Actuary, or calculated in accordance with tables to be prepared from time to time by the Government Actuary, as fulfilling the conditions specified in FS Rule 24.3(a) or 24.3(b), as the case may be.
- 24.5 If, in the case of any person who has given notice under this FS Rule 24, the amount of the lump sum determined in accordance with FS Rules 24.3 and 24.4 above, would exceed the maximum commutable sum:
  - (a) the amount of the lump sum so determined shall be diminished by such proportion as is necessary to make it equal to the maximum commutable sum; and
  - (b) the reduction of the annual amount of his pension under that FS Rule shall be diminished by the like proportion.
- 24.6 For the purposes of FS Rule 24.5 above, subject to FS Rule 24.11, the maximum commutable lump sum is:
  - (a) in the case of a person who becomes an FS Participant after 5 April 2006, the permitted maximum, as defined in paragraph 2 of schedule 29 to the Finance Act 2004, (which is usually the applicable amount, as defined in paragraph 3(6) of that schedule);
  - (b) in the case of a person who was an FS Participant before 6 April 2006 and has pension commencement lump sum protection (see FS Rule 24.7), the higher of:

- (i) the permitted maximum referred to in FS Rule 24.6(a); and
- (ii) the sum of the appropriate amount in respect of the person's service before 6 April 2006 (see FS Rules 24.8 and 24.9) and the permitted maximum referred to in FS Rule 24.6(a) in respect of the person's service on and after that date; and
- (c) in the case of a person who was an FS Participant before 6 April 2006 and does not have pension commencement lump sum protection, the permitted maximum referred to in FS Rule 24.6(a).

24.7 A person has pension commencement lump sum protection for the purposes of FS Rule 24.6 if he is a person in relation to whom the provisions of schedule 29 to the Finance Act 2004 relating to pension commencement lump sums apply with the modifications specified in paragraph 34 of schedule 36 to that Act by virtue of paragraph 31 of schedule 36 to that Act (entitlement to lumps sums exceeding 25% of uncrystallised rights).

24.8 In the case of a person who became an FS Participant before 1 June 1989, the appropriate amount in respect of the person's service before 6 April 2006 is the higher of:

- (a) the permitted maximum referred to in FS Rule 24.6(a) in respect of that service; and
- (b) so much of the maximum commutable sum calculated in accordance with Schedule 3 as may be paid to the person in respect of that service as a pension commencement lump sum (see FS Rule 24.10).

24.9 In the case of a person who became an FS Participant on or after 1 June 1989, the appropriate amount in respect of the person's service before 6 April 2006 is the higher of:

- (a) the permitted maximum referred to in FS Rule 24.6(a) in respect of that service, and

- (b) the lower of:
  - (i) so much of the maximum commutable sum calculated in accordance with Schedule 3 as may be paid to the person in respect of that service as a pension commencement lump sum, and
  - (ii) one and a half times the Permitted Maximum in respect of that service, as defined in General Rule 2.

24.10 In this FS Rule 24 "**pension commencement lump sum**" has the meaning given in paragraph 1 of schedule 29 to the Finance Act 2004; and in determining for the purposes of FS Rules 24.8(b) and 24.9(b) the maximum sum that may be paid to a person in respect of his service before 6 April 2006 as a pension commencement lump sum, it is to be assumed that the whole of the permitted maximum referred to in FS Rule 24.6(a) in respect of his service on and after that date qualifies as a pension commencement lump sum.

24.11 In determining the amount of the lump sum under this FS Rule 24, the maximum commutable sum shall if necessary be diminished so that the annual amount of pension shall not be reduced under FS Rule 24.5 above below the rate of the Guaranteed Minimum Pension.

24.12 Where FS Rule 17.6 or 19.9 applies to a pension, "**pension**" in this FS Rule 24 shall mean the reduced pension in accordance with section 31 of the 1999 Act.

## 25 **Early retirement for Members**

25.1 Where a person who was an FS Participant at any time before 4 November 2004 and who:

- (a) has ceased to be a Member of the House of Commons; and
- (b) is not the holder of a Qualifying Office; and
- (c) has attained the Minimum Pension Age; and



(d) has an Actual Period of Reckonable Service as an FS Participating Member which, excluding service on or after the cut-off date:

(i) includes service on or after 2 April 1991; and

(ii) amounts to not less than fifteen years (hereinafter referred to in respect of a person as his "**qualifying period**"),

applies in writing to the Trustees for an immediate pension under this FS Rule 25 then, if the Trustees are satisfied that he does not intend to stand for re-election to that House, he shall be entitled to receive a pension under FS Rule 16 as if he had attained the age of 65 years on the date of his application or, if later, such other date as may be there specified; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of sixty-five years, shall (subject to FS Rule 24) be an amount calculated in accordance with FS Rule 17 and abated in accordance with Schedule 4 except that the part of the pension accrued in respect of service on and after the cut-off date shall be abated as if the FS Participant had a qualifying period of 15 years.

25.2 For the purposes of this FS Rule 25, service before the cut-off date of a person as a member of another Parliament or Assembly, whether rendered before, on or after 2 April 1991, may count towards his qualifying period, provided that any period during which he serves concurrently in more than one Parliament or Assembly shall count only once.

25.3 In FS Rule 25.2, "Parliament" or "Assembly" means the House of Commons, the European Parliament, the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly.

25.4 Where a person who is an FS Participant at any time on or after 2 April 1991 and:

(a) has ceased to be a Member of the House of Commons;

(b) is not the holder of a Qualifying Office;

(c) has attained the Minimum Pension Age; and

(d) in the case of a person who was an FS Participant at any time before 4 November 2004, does not meet condition (d) of FS Rule 25.1 above,

applies in writing to the Trustees for an immediate pension under this FS Rule 25 then, if the Trustees are satisfied that he does not intend to stand for re-election to that House, he shall be entitled to receive a pension under FS Rule 16 as if he had attained the age of sixty-five years on the date of his application or, if later, such other date as may be there specified; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of sixty-five years, shall (subject to FS Rule 24) be an amount calculated in accordance with FS Rule 17 and abated by the relevant percentage under Schedule 4 that would have applied if the FS Participant had a qualifying period of 15 years.

## 26 **Early retirement for Office Holders who have been Members**

26.1 A person who is entitled to receive a pension under FS Rule 25.1 who is or has been an FS Participating Office Holder shall (subject to FS Rule 24) be entitled also to receive a pension under FS Rule 18 calculated in accordance with FS Rule 19 and abated in accordance with Schedule 4 except that the part of the pension accrued in respect of service on and after the cut-off date shall be abated as if the FS Participant had a qualifying period of 15 years and payable from the same date as the pension payable under FS Rule 25.

26.2 A person who is entitled to receive a pension under FS Rule 25.4 who is or has been an FS Participating Office Holder shall (subject to FS Rule 24) be entitled also to receive a pension under FS Rule 18 calculated in accordance with FS Rule 19 and abated by the relevant percentage under Schedule 4 that would have applied if the FS Participant had a qualifying period of 15 years and payable from the same date as the pension payable under FS Rule 25.

## 27 **Cut-off date and Minimum Pension Age**

27.1 In FS Rules 25 and 26, **cut-off date** means the later of 1 April 2009 and the day after the second General Election to occur after the General Election held on 7 June 2001.

28      **Ill-health pensions based on service as an FS Participating Member**

28.1    An FS Participant who because of ill-health:

- (a)      ceases to be an FS Participating Member before attaining the age of sixty-five years; or
- (b)      while not a Member of the House of Commons but while having a period of reckonable service as an FS Participating Member ceases to be an FS Participating Office Holder before attaining that age,

may apply to the Trustees for an early pension under FS Rule 16 if at the time when he so ceases (the **material time**) he would have become entitled to receive a pension under FS Rule 16 but for his not having attained the age of sixty-five years.

28.2    If on an application under this FS Rule 28:

- (a)      the applicant (**A**) satisfies FS Rule 28.1(a);
- (b)      A has certified to the Trustees in such form as the Trustees require that A does not intend:
  - (i)      to seek re-election to the House of Commons;
  - (ii)      to accept any future offer of a Qualifying Office; or
  - (iii)      to accept membership of the House of Lords; and
- (c)      the Trustees are satisfied that:
  - (i)      A's ceasing to be an FS Participating Member as mentioned in FS Rule 28.1(a) is a direct consequence of A's ill-health;
  - (ii)      A's ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons; and
  - (iii)      A's ill-health is such as would permanently prevent A from performing any Gainful Work,

A shall, subject to FS Rule 34, be entitled to receive an upper-tier ill-health pension as from the material time, payable under FS Rule 16 and calculated in accordance with FS Rule 28.6.

28.3 If on an application under this FS Rule 28:

- (a) the applicant (**A**):
  - (i) satisfies the requirements of FS Rule 28.1(b) but not FS Rule 28.1(a); or
  - (ii) satisfies the requirements of FS Rule 28.1(a) but not FS Rule 28.2;
- (b) A has certified to the Trustees in such form as the Trustees require that A does not intend:
  - (i) to seek re-election to the House of Commons; or
  - (ii) to accept any future offer of a Qualifying Office; and
- (c) the Trustees are satisfied that:
  - (i) A's ceasing to be an FS Participating Member as mentioned in FS Rule 28.1(a) or ceasing to be an FS Participating Office Holder as mentioned in FS Rule 28.1(b) is a direct consequence of A's ill-health; and
  - (ii) A's ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons,

A shall, subject to FS Rule 34, be entitled to receive a lower-tier ill-health pension as from the material time, payable under FS Rule 16 and calculated in accordance with FS Rule 28.7.

28.4 Where an FS Participant (**P**) would become entitled to make an application under FS Rule 28.1 if, because of ill-health, P were to cease as mentioned in FS Rule 28.1(a) or 28.1(b) at a particular time in the future, P may make an application

under FS Rule 28.1 before so ceasing, specifying in the application the time when P proposes so to cease.

28.5 Where:

- (a) an FS Participant (P) makes an application in accordance with FS Rule 28.4; and
- (b) the Trustees are satisfied that if, because of ill-health, P ceases as mentioned in FS Rule 28.1(a) or 28.1(b) at the time specified in the application, P will be entitled under FS Rules 28.2 or 28.3 to receive a pension under FS Rule 16 as from that time,

the Trustees must give P notice in writing to that effect, specifying under which of FS Rules 28.2 or 28.3 entitlement will arise.

28.6 The annual amount of an upper tier ill-health pension payable under FS Rule 16 to a person (**P**) by virtue of FS Rule 28.2 shall (subject to FS Rule 24) be calculated in accordance with FS Rule 17; but for the purposes of that calculation P's Actual Period of Reckonable Service as an FS Participating Member shall be increased by a period equal to the period between P's ceasing as mentioned in FS Rule 28.1(a) and the time when P would attain the age of sixty-five years.

28.7 The annual amount of a lower tier ill-health pension payable under FS Rule 16 to a person by virtue of FS Rule 28.3 shall (subject to FS Rule 24) be calculated in accordance with FS Rule 17.

28.8 FS Rule 28.6 above shall apply to the calculation of a pension payable under this Rule 28 to an FS Participating Member who held prior to 25 April 2013 the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons; save that:

- (a) the amount of the pension shall be calculated in accordance with FS Rule 17.5; and

- (b) for the purpose of calculating an upper tier ill-health pension payable by virtue of FS Rule 28.2, it shall be assumed that the contribution factor in respect of each year of reckonable service added to the person's actual period of reckonable service by virtue of FS Rule 28.6 above:
  - (i) shall equal the contribution factor in respect of his final year of reckonable service; or
  - (ii) if at the material time it is less than a year since he was first appointed to that office, shall equal a contribution factor calculated in accordance with FS Rule 19.2 in respect of the Fraction of a Year since the date of that appointment.

28.9 For the purposes of this FS Rule 28:

- (a) a person who has ceased to be an FS Participating Member in consequence of the dissolution of Parliament shall be treated as having so ceased because of ill-health if, but only if, he makes an application under this FS Rule 28 and satisfies the Trustees that as a direct consequence of his ill-health he did not seek re-election to the House of Commons after the dissolution; and
- (b) a person who has, while not a Member of the House of Commons, ceased to be an FS Participating Office Holder because of the result of a general election consequent upon the dissolution of Parliament shall be treated as having so ceased as a direct consequence of his ill-health if, but only, if he makes an application under this FS Rule 28 and satisfies the Trustees that on the day of the poll in that election his ill-health was such as would prevent him from performing adequately the duties of a Member of the House of Commons.

## 29 **Ill-health pensions based on service as an Office Holder**

29.1 An FS Participant who because of ill-health:

- (a) ceases to be an FS Participating Member and an FS Participating Office Holder before attaining the age of sixty-five years; or
- (b) while not a Member of the House of Commons ceases to be an FS Participating Office Holder before attaining that age,

may apply to the Trustees for an early pension under FS Rule 18 if at the time when he so ceased ("the material time") he would have become entitled to receive a pension under that FS Rule 18 but for his not having attained the age of sixty-five years.

29.2 If on an application under this FS Rule 29:

- (a) the applicant (**A**) has certified to the Trustees in such form as the Trustees require that A does not intend:
  - (i) to seek election or re-election to the House of Commons; or
  - (ii) to accept any future offer of a Qualifying Office; and
- (b) the Trustees are satisfied that:
  - (i) A's ceasing to be an FS Participating Member as mentioned in FS Rule 29.1(a) or ceasing to be an FS Participating Office Holder as mentioned in FS Rule 29.1(b) is a direct consequence of A's ill-health; and
  - (ii) A's ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons,

A shall, subject to FS Rule 34, be entitled to receive a lower tier ill-health pension as from the material time, payable under FS Rule 18 and calculated in accordance with FS Rule 29.5.

29.3 Where an FS Participant (**P**) would become entitled to make an application under FS Rule 29.1 if, because of ill-health, P were to cease as mentioned in FS Rule 29.1(a) or 29.1(b) at a particular time in the future, P may make an application

under FS Rule 29.1 before so ceasing, specifying in the application the time when P proposes so to cease.

29.4 Where:

- (a) an FS Participant (**P**) makes an application in accordance with FS Rule 29.3; and
- (b) the Trustees are satisfied that if, because of ill-health, P ceases as mentioned in FS Rule 29.1(a) or 29.1(b) at the time specified in the application, P will be entitled under FS Rule 29.2 to receive a pension under FS Rule 18 as from that time,

the Trustees must give P notice in writing to that effect.

29.5 The annual amount of a lower tier ill-health pension payable under FS Rule 18 by virtue of this FS Rule 29 shall (subject to FS Rule 24) be calculated in accordance with FS Rule 19.

29.6 FS Rule 28.9 shall apply for the purposes of this FS Rule 29.

**29A Ill-health pensions for FS Deferred Pensioners who are CARE Participants**

29A.1 An FS Deferred Pensioner who is a CARE Participant and who is entitled to receive a pension under CARE Rule 8.3 or CARE Rule 8.4 may apply to the Trustees for early payment of his pension under FS Rule 16 and / or FS Rule 18 (as applicable).

29A.2 On application under FS Rule 29A.1 an FS Deferred Pensioner who is a CARE Participant:

- (a) who has a period of reckonable service as an FS Participating Member shall, subject to FS Rule 34, be entitled to receive a pension under FS Rule 16 if at the time of application he would have become entitled to receive a pension under that FS Rule 16 but for his not having attained the age of sixty-five years;
- (b) who has a period of reckonable service as an FS Participating Office Holder shall, subject to FS Rule 34, be entitled to receive a pension under FS Rule



18 if at the time of application he would have become entitled to receive a pension under FS Rule 18 but for his not having attained the age of sixty-five years.

29A.3 The annual amount of pension payable under FS Rule 29A.2(a) shall (subject to FS Rule 24) be calculated in accordance with FS Rule 17.

29A.4 The annual amount of pension payable under FS Rule 29A.2(b) shall (subject to FS Rule 24) be calculated in accordance with FS Rule 19.

29A.5 Where an application is made under this FS Rule 29A, the Trustees shall by notice in writing inform the applicant of the date as from which the pension payable to him by virtue of this FS Rule 29A is payable.

29A.6 FS Rule 28.9 shall apply for the purposes of this FS Rule 29A.

### **30 Ill-health pensions for former Members**

30.1 A person who because of ill-health has, while neither a Member of the House of Commons nor a candidate for election to it nor an Office Holder, permanently ceased to perform Gainful Work before attaining the age of sixty-five years may apply to the Trustees for early payment of his pension under FS Rule 16 if at the time when he so ceased to perform Gainful Work he would have become entitled to receive a pension under FS Rule 16 but for his not having attained the age of sixty-five years.

30.2 If on an application under this FS Rule 30:

(a) the applicant (**A**) has certified to the Trustees in such form as the Trustees require that A does not intend:

(i) to seek election to the House of Commons; or

(ii) to accept any future offer of a Qualifying Office; and

(b) the Trustees are satisfied that:

- (i) A has permanently ceased to perform Gainful Work as a direct consequence of A's ill-health; and
- (ii) A's ill-health is such as would permanently prevent A from performing adequately the duties of a Member of the House of Commons,

A shall, subject to FS Rule 34, be entitled to receive a pension under FS Rule 16 as from the date on which the Trustees are satisfied that A meets the conditions in FS Rule 30.1 and 30.2.

- 30.3 Where an application is made under this FS Rule 30, the Trustees shall by notice in writing inform the applicant whether they are satisfied as mentioned in FS Rule 30.2 above and, if they are so satisfied, shall state the date as from which the pension payable to him by virtue of this FS Rule 30 is payable in accordance with that FS Rule.

### 31 **Ill-health pensions for former Office Holders**

FS Rule 30 shall apply in relation to a person who because of ill-health has while neither a Member of the House of Commons nor a candidate for election to it nor an Office Holder, permanently ceased to perform Gainful Work before the age of sixty-five years and who applies to the Trustees for an early pension under FS Rule 18; and where FS Rule 30 applies to such a person any reference to FS Rule 16 shall be construed as a reference to FS Rule 18.

### 32 **Additional provisions relating to ill-health pensions**

- 32.1 In connection with an application made by a person (**A**) under FS Rules 28 to 34, the Trustees must consider:

- (a) evidence from a registered medical practitioner that, because of physical or mental impairment:
  - (i) A is incapable of carrying on A's occupation; or
  - (ii) A is incapable of performing any Gainful Work,

and that A's incapacity is likely to be permanent; and

(b) such other evidence as the Trustees consider appropriate.

32.2 The Trustees may require A to undergo a medical examination by a registered medical practitioner nominated by them.

32.3 Where the Trustees require A to undergo a medical examination, the Trustees may:

(a) determine whether the fees for that examination must be paid by A or by the Trustees; and

(b) refuse an application if the applicant refuses to undergo the medical examination.

32.4 For the purposes of an application under FS Rules 28 to 34, the Trustees and the registered medical practitioner, when considering A's degree of incapacity, may take into account:

(a) the duties of a Member of Parliament as specified by the Trustees; and

(b) where A is an FS Participating Member, the location of A's constituency.

32.5 In considering whether A is incapable of carrying on A's occupation or of performing any Gainful Work, the Trustees may take account of the views of any registered medical practitioner nominated by them as to the impact of any medical treatment that A could undergo.

### 33 **Ill-health definitions**

33.1 In FS Rules 28 to 34, **permanent** in relation to a situation or condition means that the situation or condition will continue until the applicant attains the age of sixty-five years.

### 34 **Review of ill-health pensions**

34.1 The Trustees may, at such intervals as the Trustees determine, review the continued payment of an ill-health pension in payment to a person (**P**) by virtue of

FS Rules 28 to 34 and may reduce that pension to the extent they consider appropriate or terminate that pension if:

- (a) in the case of a pension payable by virtue of FS Rule 28.2, 30.2 or 31 the Trustees are no longer satisfied that P's ill-health is such as would permanently prevent P from:
  - (i) performing adequately the duties of a Member of the House of Commons; or
  - (ii) performing any Gainful Work; or
- (b) in the case of a pension payable by virtue of FS Rule 28.3 or 29.2, the Trustees are no longer satisfied that P's ill-health is such as would permanently prevent P from performing adequately the duties of a Member of the House of Commons.

34.2 A review may not be carried out under this FS Rule 34 on or after the date on which P attains the age of sixty-five years.

34.3 Where a pension is reduced or terminated under this FS Rule 34, the pension payable to P with effect from the date when the reduction or termination applies shall, subject to FS Rules 34.5 and 34.7 and FS Rule 22, be the reduced pension (if any) that the Trustees determine should continue to be payable under FS Rule 34.1.

34.4 FS Rule 34.5 applies where:

- (a) a pension has been reduced or terminated under this FS Rule 34; and
- (b) P subsequently fulfils the conditions for payment of a pension by virtue of FS Rule 25 or 26, including the requirement to apply in writing to the Trustees.

34.5 Where this paragraph applies, the amount of pension payable to P from the date of P's application under FS Rule 25 or 26 or, if later, such other date as may be specified in the application must be no less than an amount:

- (a) calculated in accordance with FS Rule 25 or 26, instead of in accordance with FS Rules 28 to 34; and
- (b) reduced, in such manner as the Government Actuary determines, to take account of any lump sum received by P under FS Rule 24 at the time of P's retirement under FS Rules 28 to 34.

34.6 FS Rule 34.7 applies where:

- (a) a pension has been reduced or terminated under this FS Rule 34;
- (b) FS Rule 34.5 does not apply; and
- (c) P subsequently fulfils the conditions for payment of a pension under FS Rule 16 or 18.

34.7 Where this FS Rule 34.7 applies, the amount of pension payable to P from the date on which P fulfils the conditions in FS Rule 16 or 18 must be no less than an amount:

- (a) calculated in accordance with FS Rule 17 or 19, instead of in accordance with FS Rules 28 to 34; and
- (b) reduced, in such manner as the Government Actuary determines, to take account of any lump sum received by P under FS Rule 24 at the time of P's retirement under FS Rules 28 to 34.

## 35 **Equal Treatment**

35.1 FS Rules 36, 38, 39 and 40 shall apply in relation to a woman who was an FS Participant on or after 31 July 1984 who has died and her widower as they apply in relation to a man who has so died and his widow, except in so far as they relate to the Guaranteed Minimum Pension and to pensions payable to widows under section 17(5) of the 1993 Act (FS Rules 36.7, 36.8, 36.9 and 36.10).

35.2 Subject to FS Rules 35.3 and 35.4, where a person who was an FS Participant dies leaving a surviving civil partner or Surviving Same Sex Spouse, these FS Rules shall apply in relation to the surviving civil partner or Surviving Same Sex Spouse as they

would have applied in relation to a widow or widower of the person, except in so far as they relate to pensions payable to widows in accordance with FS Rule 36.8.

35.3 Subject to FS Rule 35.4, where a pension is paid to a surviving civil partner or a Surviving Same Sex Spouse of a person who is not a man or a woman in a Relevant Gender Change Case and who ceased to be an FS Participant before 3 November 2004, that pension shall be calculated by reference only to service on and after 6 April 1988.

35.4 These FS Rules in so far as they relate to Guaranteed Minimum Pensions shall apply to a surviving civil partner and a Surviving Same Sex Spouse as they would have applied to a widower.

35.5 Except where specifically provided to the contrary in these FS Rules:

- (a) "husband" shall not include a man who is married to another man;
- (b) "marriage" and "married" shall not include a same sex marriage;
- (c) "wife" shall not include a woman who is married to another woman;
- (d) "widower" shall not include a man whose marriage to another man ended with the other man's death; and
- (e) "widow" shall not include a woman whose marriage to another woman ended with the other woman's death.

**36 Pensions for widows, widowers, surviving civil partners and Surviving Same Sex Spouses**

36.1 Subject to the provisions of this FS Rule 36 and FS Rule 46.2(a), the widow of a man who:

- (a) was an FS Participant at any time on or after 31 July 1984; and
- (b) was at the time of his death either:
  - (i) an FS Participant; or

- (ii) an FS Pensioner; or
- (iii) an FS Deferred Pensioner;

shall be entitled to receive a pension under this FS Rule 36.

- 36.2 Subject to FS Rule 43 (restriction on the amount of dependants' scheme pensions under Finance Act 2004) the annual amount of a pension payable under this FS Rule 36 to a widow whose husband died on or after 6 April 1988 shall be five-eighths of the Basic or Prospective Pension or Pensions of her late husband.
- 36.3 Subject to FS rules 36.4, 36.5 and 36.8, a pension payable under this FS Rule 36 shall continue for life.
- 36.4 Subject to FS Rules 36.5 and 36.8, a pension payable under this FS Rule 36 to a widow or widower or surviving civil partner or Surviving Same Sex Spouse of a person who ceased to be an FS Participant before 3 November 2004 shall cease on the date the widow or widower or surviving civil partner or Surviving Same Sex Spouse marries or forms a civil partnership or same sex marriage, provided that the Trustees may, if they think fit, at any time direct that the pension shall be restored if satisfied that the subsequent marriage or civil partnership or same sex marriage has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding the subsistence of that marriage or civil partnership or same sex marriage.
- 36.5 Subject to FS Rule 36.8, no pension shall be payable under this FS Rule 36 in respect of a person who ceased to be an FS Participant before 3 November 2004 to a widow who, at her husband's death, was cohabiting with another person; and if a widow entitled to such a pension cohabits with another person, the pension shall cease to be payable:
- 36.6 Provided that the Trustees may, if they think fit, direct that the pension shall be paid or restored, as the case may be, if satisfied that the cohabitation has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding that the cohabitation continues.

36.7 Notwithstanding anything in these FS Rules and in particular notwithstanding the provisions of FS Rules 36.4 and 36.5:

- (a) the widow of a man, or in the case of a woman in a Relevant Gender Change Case, the widow of a woman, who had a Guaranteed Minimum Pension under these FS Rules or under Part I of the 1972 Act shall, upon their death, be entitled to a pension for the remainder of her life at a rate equivalent to a weekly rate of not less than half the guaranteed minimum of that person;
- (b) the widower of a woman who had such a Guaranteed Minimum Pension, shall, upon her death, be entitled to a pension for the remainder of his life at a rate equivalent to not less than half of that part of the woman's Guaranteed Minimum Pension which is attributable to earnings factors for the Tax Year 1988-89 and subsequent Tax Years;
- (c) a surviving civil partner whose civil partner had such a Guaranteed Minimum Pension, shall, upon their death, be entitled to a pension for the remainder of the survivor's life at a rate equivalent to not less than half of that part of the civil partner's Guaranteed Minimum Pension which is attributable to earnings factors for the Tax Year 1988-89 and subsequent Tax Years; and
- (d) a Surviving Same Sex Spouse whose Same Sex Spouse is not a woman in a Relevant Gender Change Case and who had such a Guaranteed Minimum Pension, shall, upon their death, be entitled to a pension for the remainder of the survivor's life at a rate equivalent to not less than half of that part of the Same Sex Spouse's Guaranteed Minimum Pension which is attributable to earnings factors for the Tax Year 1988-89 and subsequent Tax Years.

36.8 During any period specified in section 17(5) of the 1993 Act as being a period during which a Category B retirement pension, widowed mother's allowance or widow's pension is payable to her under that sub-section, the widow of a person who ceased to be an FS Participant before 3 November 2004 shall, notwithstanding



the provisions of FS Rule 36.4 and 36.5 above, be entitled to a pension under FS Rule 36.1 and 36.2 above, but if after she has attained the age of sixty years she remarries or cohabits with another person the Trustees may direct that the pension be restricted to the Guaranteed Minimum Pension to which she is entitled.

36.9 Where a man dies in circumstances in which, apart from FS Rule 36, a widow's pension calculated in accordance with FS Rule 36.2 would be payable to a woman married by him within the period of six months ending with his death and it appears to the Trustees that his death within six months was to be foreseen by him at the date of the marriage, then if:

- (a) there are no children of that marriage; and
- (b) the man was married to the woman after the termination of his service in Contracted-out Employment in respect of which the widow's pension is payable; and
- (c) the rate of the widow's pension payable to her would be in excess of the widow's Guaranteed Minimum Pension,

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

36.10 FS Rule 36.9 shall apply in relation to a woman who has died on or after 6 April 1988 and her widower as it applies in relation to a man who has so died and his widow, save that the widower's Guaranteed Minimum Pension payable shall be the amount specified in FS Rule 36.7(b).

### 37 **Pensions for Surviving Adult Dependants**

37.1 Subject to FS Rule 46.2(a), a Surviving Adult Dependant of a person who:

- (a) was an FS Member;
- (b) was at the person's death either:
  - (i) an FS Participant; or

- (ii) an FS Pensioner; or
- (iii) an FS Deferred Pensioner; and
- (c) did not leave a widow or widower or surviving civil partner or Surviving Same Sex Spouse,

shall be entitled to receive a pension for life under this FS Rule 37.

- 37.2 Subject to FS Rule 43 (restriction on the amount of dependants' scheme pensions under Finance Act 2004) the annual amount of a pension payable under this FS Rule 37 to a Surviving Adult Dependant shall be five-eighths of the Basic or Prospective Pension or Pensions of the deceased person.

### **38 Pensions for Children**

- 38.1 Subject to the provisions of this FS Rule 38 and FS Rules 46.3(a) and 47.2(a), a children's pension shall be payable for the benefit of any Relevant Child or Children of a person who has died on or after 6 April 1988 and before 1 April 2001 and who is or has been married, if at the time of his death the conditions specified in FS Rule 36.1(b) are fulfilled in his case.
- 38.2 Subject to the provisions of this FS Rule 38 and FS Rules 46.3(a) and 47.2(a), a pension shall be payable for the benefit of any Relevant Child or Children of a person who has died on or after 1 April 2001, if at the time of his death the conditions specified in FS Rule 36.1(b) are fulfilled in his case.
- 38.3 Subject to FS Rule 43 (restriction on the amount of dependants' scheme pensions under Finance Act 2004) the annual amount of a children's pension payable under this FS Rule 38 for the benefit of any Relevant Child or Children of a person who has died in the circumstances mentioned in FS Rule 38.2 shall be:
- (a) a sum equal to one-quarter of the Basic or Prospective Pension or Pensions of the deceased if there is one Child or, if there is more than one, a sum equal to three-sixteenths of the Basic or Prospective Pension or Pensions of the deceased for each Relevant Child not exceeding two; or

- (b) if the Adult Survivor is dead and subject to FS Rule 38.5 below, a sum equal to five-sixteenths of the Basic or Prospective Pension or Pensions of the deceased for each Relevant Child not exceeding two.
- 38.4 Where the deceased died before 1 April 2001 leaving a widow or widower who was (or, apart from the provision as to cohabitation, would have been) entitled to a pension under FS Rule 36 and that pension:
  - (a) has ceased to be payable in consequence of the remarriage of the widow or widower; or
  - (b) was not payable, or has ceased to be payable, by reason of the provision as to cohabitation, any children's pension under this FS Rule 38 shall cease to be payable or, as the case may be, shall not be payable, unless and until the Trustees for exceptional reasons direct that the children's pension shall be payable.
- 38.5 A children's pension under this FS Rule 38 shall be paid to or distributed between such person or persons as the Trustees may from time to time direct, and shall be applied by that person or those persons, without distinction, for the benefit of the Relevant Child or Relevant Children of the deceased or such of them as the Trustees may from time to time direct.
- 38.6 In this FS Rule 38 "**the provision as to cohabitation**" means FS Rule 36.5.
- 39 **Death in service of FS Participating Member**
  - 39.1 Where a person who was an FS Participant at any time on or after 3 November 2004 has died and, at the time of his death, he was an FS Participating Member, FS Rule 39.2 and FS Rule 40 (so far as applicable) shall apply if his Adult Survivor is entitled to receive a pension under FS Rule 36 or 37, or if a children's pension is payable under FS Rule 38 for the benefit of any Relevant Child or Children of his.
  - 39.2 Subject to FS Rule 43 (restriction on the amount of dependants' scheme pensions under Finance Act 2004) if the deceased died before attaining the age of sixty-five years, the annual amount of any pension payable to his Adult Survivor under FS

Rule 36 or 37, or for the benefit of any Relevant Child or Children of his under FS Rule 38, shall be calculated as if he had immediately before his death ceased because of ill-health to be a Member of the House of Commons and had by virtue of FS Rule 28.2 been entitled to receive an upper tier ill-health pension under FS Rule 16 as from the time when he so ceased.

**40      Enhancement of initial Adult Survivors' pensions**

40.1      In this FS Rule 40 "**the three month period**", in relation to a person who has died, means the period of three months beginning with the day following the date of his death.

40.2      Where the Adult Survivor of a person who:

(a)      has been an FS Participating Member at any time on or after 2 August 1978; and

(b)      was at the time of his death an FS Pensioner Member,

is entitled to receive a pension under FS Rule 36 or 37, FS Rules 40.3 and 40.4 shall apply.

40.3      If, for any part of the three month period, the aggregate of the following amounts, namely:

(a)      the amount payable to her by way of pension under FS Rule 36 or 37 apart from this FS Rule 40.3; and

(b)      any amount which (by direction of the Trustees under FS Rule 38.5) is payable to her by way of pension under FS Rule 38 for the benefit of any Relevant Child or Children of the deceased,

is less than the amount mentioned in FS Rule 40.4 below, then for that part of that period the amount payable to her by way of pension under FS Rule 36 or 37 shall be increased by the difference.

40.4      The said amount is the amount which, if the deceased had lived, would have been payable to him for the part of the three month period in question by way of

pension under one or both of FS Rule 16 and 18 or under section 7 or section 9 of the 1972 Act.

40.5 Where a man has died and, at the time of his death, he was an FS Participating Member, FS Rules 40.6 and 40.7 of this FS Rule (so far as applicable) shall apply if his Adult Survivor is entitled to receive a pension under FS Rule 36 or 37 or if a children's pension under FS Rule 38 is payable for the benefit of any Relevant Child or Children of his.

40.6 If, for any part of the three month period, the aggregate of the following amounts, namely:

(a) the amount payable to the deceased's Adult Survivor by way of pension under FS Rule 36 or 37 apart from this FS Rule 40.6; and

(b) any amount which (by direction of the Trustees under FS Rule 38.5) is payable to her by way of pension under FS Rule 38 for the benefit of any Relevant Child or Children of the deceased,

is less than the amount mentioned in FS Rule 40.7, then for that part of that period the amount payable to her by way of pension under FS Rule 36 or 37 shall be increased by the difference.

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

(a) the deceased had lived and had at the material time become entitled to a pension under FS Rule 16; and

(b) the annual amount of that pension had been:

(i) in the case of a person who held prior to 25 April 2013 the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons, a sum equal to his salary as a Member of the House of Commons:

- (A) pursuant to a determination by IPSA under section 4A of the Parliamentary Standards Act 2009; or
- (B) in respect of any period prior to the first such determination by IPSA, pursuant to an Effective Resolution at the rate in force at the material time; or
- (ii) in the case of any other person, a sum equal to the Member's Ordinary Salary at the rate in force at the material time.

In this FS Rule 40.7 "**the material time**" means the time when the deceased in fact died.

40.8 The preceding provisions of this FS Rule 40 are without prejudice to FS Rules 36.3, 36.4, 36.5, 36.9 and 36.10 or FS Rule 37.1 or FS Rule 43.

#### 41 **Meaning of "Basic or Prospective Pension or Pensions"**

41.1 The definition in FS Rule 41.2 below applies in respect of a person whose actual period of reckonable service as an FS Participant includes service at any time on or after 31 July 1984.

41.2 In these FS Rules "**Basic or Prospective Pension or Pensions**":

- (a) in relation to a person who has died and who at the time of his death was an FS Participant, means the annual amount of the pension or pensions specified in whichever of the following paragraphs apply to him:
  - (i) where the deceased was or had been an FS Participating Member, the annual amount of the pension calculated in respect of him in accordance with FS Rule 17 or, if he died while an FS Participating Member before attaining the age of sixty five years, the annual amount of the pension calculated in respect of him by virtue of FS Rule 39; and
  - (ii) where the deceased was or had been a participating Office Holder, the annual amount of the pension, calculated in

accordance with FS Rule 19, which he would have been entitled to receive under FS Rule 18, if immediately before his death he had fulfilled the conditions specified in sub-paragraphs (a) to (c) of FS Rule 16.1; and

- (b) in relation to a person who has died and who at the time of his death was an FS Pensioner, means the annual amount of the pension or pensions of which he was in receipt or which he was entitled to receive calculated in accordance with FS Rules 16 to 23, including an ill health pension calculated in accordance with FS Rules 28 to 34; provided that where the annual amount of which he was in receipt resulted from one or more reductions or abatements made under FS Rules 24 to 26, no such reduction or abatement shall be made in calculating the annual amount of that pension or pensions for the purposes of this FS Rule 41;
- (c) in relation to a person who has died and who at the time of his death was an FS Deferred Pensioner, means the annual amount of the pension or pensions specified in whichever of the following sub-paragraphs apply to him:
  - (i) where the deceased was a former FS Participating Member, the annual amount of the pension, calculated in accordance with FS Rule 17, which he would have been entitled to receive under FS Rule 16 if he had ceased to be a Member of the House of Commons immediately before his death and he had then fulfilled the conditions specified in sub-paragraphs (a) to (c) of FS Rule 16.1; and
  - (ii) where the deceased was a participating Office Holder, the annual amount of the pension, calculated in accordance with FS Rule 19, which he would have been entitled to receive under FS Rule 18 if immediately before his death he had fulfilled the conditions specified in sub-paragraphs (a) to (c) of FS Rule 16.1.

- 41.3 In no case shall a person's "Basic or Prospective Pension or Pensions" include any pension or other benefit payable under the CARE Section in respect of CARE Service.
- 42 **Reductions in Adult Survivors' pensions**
- 42.1 Subject to FS Rule 42.3, where on the death of an FS Participant a pension is payable under FS Rule 36 or 37 to a person (the beneficiary) who is more than 12 years younger than the FS Participant, the amount of the pension calculated in accordance with FS Rule 36.2 or FS Rule 37.2 (before account is taken of FS Rule 43) shall be reduced by the appropriate amount.
- 42.2 The appropriate amount is the lesser of:
- (a) 50 per cent of the pension so calculated; and
  - (b) 2.5 per cent of the pension so calculated multiplied by N,
- where N is the number of whole years or part years in excess of 12 by which the beneficiary is younger than the FS Participant.
- 42.3 This FS Rule 42 shall not apply to the pension of an Adult Survivor of a person if:
- (a) the person was an FS Participant at any time before 3 November 2004; and
  - (b) before 1 May 2006 the person and the Adult Survivor married or formed a civil partnership or made a declaration in accordance with sub-paragraph (a) in the definition of Surviving Adult Dependant.
- 43 **Restriction on the amount of dependants' scheme pensions under Finance Act 2004**
- 43.1 This FS Rule 43 applies if, apart from this FS Rule, any part of a pension to which any person becomes entitled under FS Rules 35 to 42 or Schedule 11 on the death of a former FS Participant after reaching the age of 75 would not qualify as a dependants' scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules) (see paragraphs 16 to 16C of schedule 28 to that Act).



- 43.2 Only so much of the pension as is a dependants' scheme pension for those purposes is payable.
- 44 **Gratuity on death in service**
- 44.1 Where a person has died at a time when he was an FS Participant the Trustees may, if they think fit in their discretion to do so, grant a gratuity under this FS Rule 44 in respect of him.
- 44.2 [Not used]
- 44.3 A gratuity granted under this FS Rule 44 in respect of an FS Participant shall be granted in accordance with General Rule 10.
- 44.4 Subject to FS Rule 44.5 below, the amount of a gratuity granted under this FS Rule 44 in respect of an FS Participant shall be whichever of the two following amounts is the greater:
- (a) the amount equal to four times his salary at the time of his death;
  - (b) the aggregate of the Contributions paid by that FS Participant, and not refunded to him (whether during the aggregate period of reckonable service in which he died or, in the case of a Part U Optant, any earlier period of reckonable service), together with Interest on each such Contribution from the date on which it was paid.
- 44.5 In the case of a person who became an FS Participant on or after 1 June 1989 the amount of the gratuity in FS Rule 44.4 above shall be subject to an overall maximum of four times the Permitted Maximum.
- 44.6 In FS Rule 44.4 above "**salary**" means:
- (a) where the FS Participant is an FS Participating Member, a Member's Ordinary Salary at the time of his death; and
  - (b) where the FS Participant is a participating Office Holder, his salary as an Office Holder at the time of his death as defined by FS Rule 12.2;

and, where the FS Participant is both an FS Participating Member and a participating Office Holder, the aggregate of those two amounts.

**45 Entitlement to five year guarantee**

45.1 FS Rules 46 to 51 shall apply in respect of a deceased FS Pensioner Member whose Actual Period of Reckonable Service as an FS Participating Member includes service at any time on or after 1 April 1992.

45.2 FS Rule 52 shall apply in respect of:

- (a) a deceased FS Pensioner Office Holder whose Actual Period of Reckonable Service as an FS Participating Office Holder includes service at any time on or after 1 April 1992; and
- (b) a deceased FS Pensioner to whom FS Rule 45.1 applies whose Actual Period of Reckonable Service as an FS Participant includes service as an FS Participating Office Holder at any time.

**46 Guarantees for Adult Survivors**

46.1 This FS Rule 46 applies if an FS Pensioner Member dies during the FS Pensioner Member's five year period (see FS Rule 46.5) leaving an Adult Survivor.

46.2 Until the end of the FS Pensioner Member's five year period:

- (a) no pension is payable to the Adult Survivor under FS Rule 36 or 37 (including any enhancement payable under FS Rule 40); but
- (b) so much of the FS Pensioner Member's unpaid pension (see FS Rule 46.5) as is not payable to any person under FS Rule 46.3 is payable as a pension under this FS Rule 46:
  - (i) to the Adult Survivor; or
  - (ii) if the Adult Survivor dies within that period, to the Adult Survivor's personal representatives.

46.3 If the member leaves any person for whose benefit any amount would (apart from this FS Rule 46) be payable as a pension under FS Rule 38 (by virtue of a direction of the Trustees under FS Rule 38.5), until the end of the FS Pensioner Member's five year period:

- (a) no pension is payable to the person under FS Rule 38; but
- (b) so much of the FS Pensioner Member's unpaid pension (see FS Rule 46.5) as does not exceed the amount that would from time to time be payable to the person apart from sub-paragraph (a) of this FS Rule 46.3 is payable to the person as a pension under this FS Rule 46.

46.3A If for any part of the FS Pensioner Member's five year period:

- (a) the amount which would be payable to the Adult Survivor under FS Rule 36 or 37 (including any enhancement payable under FS Rule 40) apart from FS Rule 46.2 is greater than the amount payable to the Adult Survivor under FS Rule 46.2, then for that part of that period the difference shall be payable to the Adult Survivor; and
- (b) the amount which would be payable to any person as a pension under FS Rule 38 (by virtue of a direction of the Trustees under FS Rule 38.5) apart from FS Rule 46.3 is greater than the amount payable to that person under FS Rule 46.3, then for that part of that period the difference shall be payable to that person.

46.4 FS Rules 46.2, 46.3 and 46.3A do not apply if a pension is payable under FS Rule 50.

46.5 In FS Rules 45 to 52:

- (a) subject to FS Rule 46.5(b), "**the FS Pensioner Member's five year period**", in relation to an FS Pensioner Member, means the period of five years beginning with the day on which he became entitled to the pension under FS Rule 16 (including an early retirement pension or an ill-health pension payable by virtue of FS Rule 25, 28 or 30);

(b) in the case of an FS Pensioner Member who has exercised the option under FS Rule 7 or 8, references to the FS Pensioner Member's five year period are references to that period (as defined in FS Rule 46.5(a)) extended by:

(i) a period of the same length as the period beginning with the FS Pensioner Member's 75th birthday and ending with the day on which he ceased to be a Member of the House of Commons; or

(ii) the period of five years,

whichever is the shorter,

(c) **"the FS Pensioner Member's unpaid pension"** means any amount which, if the FS Pensioner Member had lived, would have been payable to him by way of pension under FS Rule 16 (including an early retirement pension or an ill-health pension payable by virtue of FS Rule 25, 28 or 30); and

(d) references to a person becoming entitled to a pension have the same meaning as in Part 4 of the Finance Act 2004 (see section 165(3) of that Act).

#### 47 **Guarantees where children but no Adult Survivor**

47.1 This FS Rule 47 applies if an FS Pensioner Member dies during the FS Pensioner Member's five year period (see FS Rule 46.5) leaving any person for whose benefit any amount would (apart from this FS Rule 47) be payable as a pension under FS Rule 38 (by virtue of a direction of the Trustees under FS Rule 38.5), but not leaving any Adult Survivor.

47.2 Until the end of the FS Pensioner Member's five year period:

(a) no pension is payable to the person under FS Rule 38;

(b) so much of the FS Pensioner Member's unpaid pension (see FS Rule 46.5) as does not exceed the amount that would from time to time be payable

to the person apart from FS Rule 47.2(a) is payable to the person as a pension under this FS Rule 47, and

- (c) so much of the FS Pensioner Member's unpaid pension as is not payable to any person under FS Rule 47.2(b) is payable as a pension under this FS Rule 47 to the FS Pensioner Member's personal representatives.

47.3 FS Rule 47.2 does not apply if a pension is payable under FS Rule 50.

#### 48 **Guarantees where no survivors: death before 75**

48.1 This FS Rule 48 applies if an FS Pensioner Member dies before reaching the age of 75 leaving no person for whose benefit any amount is payable as a pension under FS Rule 38 (by virtue of a direction of the Trustees under FS Rule 38.5), nor any Adult Survivor.

48.2 If the FS Pensioner Member dies during the FS Pensioner Member's five year period (see FS Rule 46.5), then, unless a payment is made under FS Rule 48.3, a lump sum is payable to the FS Pensioner Member's personal representatives that is equal to the aggregate of the amounts of the FS Pensioner Member's unpaid pension (see FS Rule 46.5) that, apart from his death, would have been payable to him in the period from his death until the end of the FS Pensioner Member's five year period.

48.3 If:

- (a) the FS Pensioner Member was an FS Participant at any time on or after 6 April 1988;
- (b) there is a guarantee shortfall; and
- (c) in a case where FS Rule 48.2 applies, the guarantee shortfall exceeds the lump sum payable to the personal representatives under FS Rule 48.2,

the Trustees may pay a lump sum equal to the guarantee shortfall to the personal representatives.

48.4 FS Rule 48.2 and 48.3 do not apply if a pension is payable under FS Rule 50.

48.5 For the purposes of this FS Rule 48:

- (a) there is a guarantee shortfall if the FS Rule 44 gratuity exceeds the paid pension amount; and
- (b) the guarantee shortfall is equal to the amount of the excess.

48.6 In FS Rule 48.5:

**the FS Rule 44 gratuity** means the gratuity that the Trustees could have granted the FS Pensioner Member's personal representatives under FS Rule 44 if the FS Pensioner Member had died immediately before he last ceased to be an FS Participant; and

**the paid pension amount** means the aggregate amount of the payments made to the FS Pensioner Member by way of pension under CARE Rules 6, 7, 8 or 11 and under FS Rules 16 to 23 and 25 to 34, together with any lump sum paid to him under CARE Rule 9 and FS Rule 24.

49 **Guarantees where no survivors: death after reaching 75**

49.1 This FS Rule 49 applies if an FS Pensioner Member dies after reaching the age of 75 leaving no person for whose benefit any amount is payable as a pension under FS Rule 38 (by virtue of a direction of the Trustees under FS Rule 38.5), nor any Adult Survivor.

49.2 If the FS Pensioner Member:

- (a) was an FS Pensioner Member on 5 April 2006; and
- (b) dies during the FS Pensioner Member's five year period (see FS Rule 46.5),

then, unless a lump sum is granted under FS Rule 49.4, a lump sum is payable to the FS Pensioner Member's personal representatives that is equal to the aggregate of the amounts of the FS Pensioner Member's unpaid pension (see FS Rule 46.5) that, apart from his death, would have been payable to him in the period from his death until the end of the FS Pensioner Member's five year period.

49.3 If the FS Pensioner Member:

- (a) was not an FS Pensioner Member on 5 April 2006; and
  - (b) dies during the FS Pensioner Member's five year period (see FS Rule 46.5),
- then, unless a lump sum is granted under FS Rule 49.4, a lump sum is payable to the FS Pensioner Member's personal representatives that is equal to the aggregate of the amounts of the FS Pensioner Member's unpaid pension (see Rule 46.5) that, apart from his death, would have been payable to him in the period from his death until the end of the FS Pensioner Member's five year period.

49.4 If:

- (a) the FS Pensioner Member was an FS Participant at any time on or after 6 April 1988;
- (b) he dies during the FS Pensioner Member's ten year period (see FS Rule 49.8),
- (c) there is a guarantee shortfall (see FS Rule 49.7); and
- (d) the guarantee shortfall exceeds the lump sum payable to the personal representatives under FS Rule 49.2 or FS Rule 49.3,

the Trustees may grant the FS Pensioner Member's personal representatives a lump sum of an amount not less than the guarantee shortfall.

49.5 A pension payable under this FS Rule 49 is payable for:

- (a) the pension shortfall period (see FS Rule 49.8); or
- (b) the FS Pensioner Member's ten year period,

whichever is the shorter.

49.6 FS Rules 49.2 and 49.4 do not apply if a pension is payable under FS Rule 50.

49.7 For the purposes of this FS Rule 49:

- (a) there is a guarantee shortfall if the assumed FS Rule 44 gratuity exceeds the paid pension amount; and
- (b) the guarantee shortfall is equal to the amount of the excess.

49.8 In this FS Rule 49:

**the assumed FS Rule 44 gratuity** means the gratuity that the Trustees could have granted the FS Pensioner Member's personal representatives under FS Rule 44 if the FS Pensioner Member had died immediately before he last ceased to be an FS Participant and had not reached the age of 75;

**the paid pension amount** means the aggregate amount of the payments made to the FS Pensioner Member by way of pension under CARE Rules 6, 7, 8 or 11 and under FS Rules 16 to 23 and 25 to 34, together with any lump sum paid to him under CARE Rule 9 and FS Rule 24;

**the pension shortfall period** means the shortest period in which an amount at least equal to the guarantee shortfall will be paid if:

- (a) payments of amounts equal to the pension payments payable to the FS Pensioner Member under these FS Rules immediately before his death are made at the same intervals as those at which those pension payments were payable to him; and
- (b) the first payment is made on the date on which the first payment of a pension granted to the personal representatives under paragraph (4) would be made; and

**the FS Pensioner Member's ten year period** means a maximum period of ten years beginning with the day on which the FS Pensioner Member became entitled to the pension under FS Rule 16 (including an early retirement pension or an ill-health pension payable by virtue of FS Rule 25, 28 or 30) and ending no later than five years from the FS Pensioner Member's date of death.



50      **Members exercising option under FS Rule 7 or 8**

50.1      This FS Rule 50 applies if:

- (a)      an FS Pensioner Member who has ceased to be an FS Participant by virtue of exercising the option under FS Rule 7 or 8 dies whilst a Member of the House of Commons;
- (b)      he dies during the FS Pensioner Member's ten year period;
- (c)      there is a guarantee shortfall (see FS Rule 50.5); and
- (d)      the guarantee shortfall exceeds the aggregate amount that would be payable under FS Rules 45 to 52 by way of pension or lump sum, apart from this FS Rule 50.

50.2      The Trustees may grant a lump sum under this FS Rule 50.2 of an amount not less than the guarantee shortfall in accordance with General Rule 10.

50.3      Not used.

50.4      A nomination made for the purposes of General Rule 10 or FS Rule 44 and in force at the time when the option under FS Rule 7 or 8 was exercised is treated as having been made for the purposes of this FS Rule 50, taking any reference to the gratuity under FS Rule 44 as a reference to the lump sum payable under this FS Rule 50.

50.5      For the purposes of this FS Rule 50:

- (a)      there is a guarantee shortfall if the assumed FS Rule 44 gratuity exceeds the paid pension amount, and
- (b)      the guarantee shortfall is equal to the amount of the excess.

50.6      In this FS Rule 50:

**the assumed FS Rule 44 gratuity** means the gratuity that the Trustees could have granted the FS Pensioner Member's personal representatives under FS Rule 44 if he had died immediately before:

- (a) in the case of an FS Pensioner Member who exercised the option under FS Rule 7, 5 April 2006; and
- (b) in the case of an FS Pensioner Member who exercised the option under FS Rule 8, the relevant date (as defined in FS Rule 8.5);

**the paid pension amount** has the meaning given in FS Rule 49.8,

**the pension shortfall period** means the shortest period in which an amount at least equal to the guarantee shortfall will be paid if:

- (a) payments of amounts equal to the pension payments payable to the FS Pensioner Member under these FS Rules immediately before his death are made at the same intervals as those at which those pension payments were payable to him, and
- (b) the first payment is made on the date on which the first payment of a pension granted under this FS Rule 50 would be made; and

**the FS Pensioner Member's ten year period** has the meaning given in FS Rule 49.8.

## **51 Power to remove Adult Survivor's pension on change of status**

**51.1** This FS Rule 51 applies if:

- (a) an FS Pensioner Member who ceased to be an FS Participant before 3 November 2004 dies during the FS Pensioner Member's five year period (see FS Rule 46.5) leaving an Adult Survivor; and
- (b) the Adult Survivor marries, forms a civil partnership, forms a same sex marriage or cohabits with another person.

**51.2** The Trustees may direct that any pension payable to the Adult Survivor under FS Rules 45 to 52 is payable instead to the FS Pensioner Member's personal representatives.

- 51.3 If the Adult Survivor is entitled to a Guaranteed Minimum Pension in respect of the FS Pensioner Member, FS Rule 51.2 only applies to so much of the pension payable to the Adult Survivor under FS Rules 45 to 52 as exceeds the guaranteed minimum.

## 52 **Deceased FS Pensioner Office Holders**

- 52.1 FS Rules 46 to 51 shall apply in relation to a deceased FS Pensioner Office Holder and his Adult Survivor and any Relevant Child or Children as they apply in relation to a deceased FS Pensioner Member and his Adult Survivor and Relevant Child or Children but where those FS Rules apply in relation to a deceased FS Pensioner Office Holder:

- (a) any reference to "FS Pensioner Member" shall be construed as a reference to "FS Pensioner Office Holder"; and
- (b) any reference to "Member of the House of Commons" shall be construed as a reference to "Office Holder"; and
- (c) any reference to "the FS Pensioner Member's five year period" shall be construed as a reference to "the FS Pensioner Office Holder's five year period"; and
- (d) any reference to FS Rule 16 shall be construed as a reference to FS Rule 18; and
- (e) any reference to FS Rule 25 shall be construed as a reference to FS Rule 26; and
- (f) any reference to FS Rule 28 shall be construed as a reference to FS Rule 29; and
- (g) any reference to FS Rule 30 shall be construed as a reference to FS Rule 31.

- 52.2 In FS Rules 45 to 52:

**the FS Pensioner Office Holder's five year period** means, subject to FS Rule 52.3, the period of five years beginning with the day on which he became entitled the

pension under FS Rule 18 (including an early retirement pension or an ill health pension payable by virtue of FS Rule 26, 29 or 31);

**the FS Pensioner Office Holder's ten year period** means the period of ten years beginning with the day on which he became entitled to the pension under FS Rule 18 (including an early retirement pension or an ill health pension payable by virtue of FS Rule 26, 29 or 31).

52.3 In the case of an FS Pensioner Office Holder who has exercised the option under FS Rule 7 or 8, references in FS Rules 45 to 52 to the FS Pensioner Office Holder's five year period are references to that period (as defined in FS Rule 52.3) extended by:

(a) a period of the same length as the period beginning with the FS Pensioner Office Holder's 75th birthday and ending with the day on which he ceased to be an office holder, or

(b) the period of five years,

whichever is the shorter.

### 53 **Refund to contributor**

53.1 Subject to FS Rules 53.3, 53.5, 53.7 and 58 below Contributions paid by a person and not previously refunded to him, shall be refunded to him by the Trustees, with Interest from the dates on which the Contributions were paid respectively, if he requests the Trustees to refund the Contributions to him and, on the date of that request, the conditions specified in FS Rule 53.2 are fulfilled in relation to him.

53.2 The conditions referred to in FS Rule 53.1 of this FS Rule 53 are that:

(a) the person has ceased to be an FS Participant on or after 1 January 1972 and has never been, or has ceased to be, a CARE Participant;

(b) his Aggregate Period of Reckonable Service as an FS Participant and CARE Service as a CARE Participant is less than two years and he is not entitled to short service benefit by virtue of section 71 of the 1993 Act (basic principles as to short service benefit);

- (c) there has been no previous benefit crystallisation event (within the meaning given by section 216(1) of the Finance Act 2004) in relation to the person and the Scheme;
- (d) he has not become Lord Chancellor before 4 September 2012;
- (e) he has not prior to 25 April 2013 held the office of Prime Minister and First Lord of the Treasury, Speaker of the House of Commons or Lord Chancellor; and
- (f) he has not become entitled to a pension under the Scheme.

53.3 If, after the refund of Contributions to him under this FS Rule 53, the person becomes entitled to pay and pays Contributions under CARE Rule 5 or FS Rule 11 or 12, he may:

- (a) if he so desires, and makes the repayment before the end of the period of three months beginning with the date on which he becomes so entitled; or
- (b) after the end of that period, if the Trustees so allow,

repay to the Trustees the sum so paid to him, with Interest from the date on which it was paid to him.

53.4 Any amount (whether of principal or Interest) paid by the FS Participant to the Trustees under FS Rule 53.3 shall be treated for the purposes of this FS Rule 53.4 as if it were a Contribution paid by him to the FS Section at the time when he makes that payment.

53.5 The Trustees shall deduct from the amount of any Contributions which may be repaid to a person in accordance with the provisions of this FS Rule 53 the amount of any Contributions Equivalent Premium paid in respect of the person.

53.6 For the purpose of calculating a person's Actual Period of Reckonable Service as an FS Participant, no account shall be taken of any period in respect of which Contributions paid by that person have been:

- (a) refunded to him under this FS Rule 53; and

(b) not subsequently repaid by him to the Trustees.

53.7 In the case of a person who was appointed to the office of Lord Chancellor for a term of service beginning on or after 4 September 2012 but before 25 April 2013, this FS Rule 53 only applies to Contributions paid after the day on which that term of service as Lord Chancellor ceases.

#### 54 **Refund after death**

54.1 Subject to FS Rule 58, where a person has died on or after 1 January 1972:

- (a) without leaving an Adult Survivor or Relevant Child who is, or may become, entitled in respect of that person to receive a pension under FS Rule 36, 37 or 38; and
- (b) in circumstances where the conditions specified in FS Rules 53.2(a), (d) and (f) were fulfilled in relation to him, but where he had not made a request for a refund of Contributions under that FS Rule,

the Trustees shall refund to his personal representatives the Contributions paid by the FS Participant and not previously refunded to him, with Interest from the dates on which the Contributions were paid respectively.

#### 55 **Refund of Prime Ministers' and Speakers' Contributions**

55.1 Subject to FS Rule 58, in respect of any person who has paid Contributions and who at any time after the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993 came into force and prior to 25 April 2013 was appointed or elected Prime Minister and First Lord of the Treasury or Speaker of the House of Commons, the Trustees shall pay into the Consolidated Fund not less than three months after the date of his appointment or election to that office the sum specified in FS Rule 55.2 below.

55.2 The sum referred to in FS Rule 55.1 above:

- (a) in the case of a person who has exercised the option in FS Rule 3, shall be such sum as represents the value, as at the effective date of the option, of

his pension rights (if any) accrued under Part I of the 1972 Act in respect of his participation in the Parliamentary pension scheme on or before 27 February 1991; or

- (b) in the case of a person who has not exercised the option in FS Rule 3, shall be such sum as represents the value of his Accrued Pension Rights under Part I of the 1972 Act or under these FS Rules.

55.3 For the purposes of FS Rule 55.2 above, the value of a person's Accrued Pension Rights under Part I of the 1972 Act or under these FS Rules shall be taken to be such sum as for those purposes may be certified by, or calculated in accordance with tables prepared by, the Government Actuary.

55.4 In the case of a person who, after the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993 came into force, and prior to 25 April 2013, was appointed or elected to the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons, there shall be refunded to him out of the Consolidated Fund (or, if he has died, to his personal representative), not less than three months after the date of his appointment or election to that office:

- (a) if he has exercised the option in FS Rule 3, that part (if any) of the sum paid into the Consolidated Fund under FS Rule 55.1 which represents the aggregate of the Contributions paid by him into the Fund before 28 February 1991; or
- (b) if he has not exercised the option in FS Rule 3, the aggregate of the Contributions paid by him into the Fund at any time and not previously refunded.

55.5 Within three months of the date the Parliamentary Pensions (Consolidation and Amendment) Regulations 1993 came into force, there shall be refunded from the Consolidated Fund to each of the persons who on 1 December 1993 held the offices of Prime Minister and First Lord of the Treasury and Speaker of the House of Commons (or, if either of them has died, to his personal representative) the sum which represents the aggregate of the Contributions paid by him into the Fund.

55.6 Any refund under FS Rule 55.4 or 55.5 shall be paid with Interest from the dates on which the Contributions were paid respectively.

**56 Refund of Lord Chancellors' Contributions**

56.1 Subject to FS Rules 56.4 and 58, in respect of any person who has paid Contributions and who at any time prior to 25 April 2013 held the office of Lord Chancellor, the Trustees shall pay into the Consolidated Fund such sum as represents the value of his pension rights accrued under these FS Rules or under Part I of the 1972 Act.

56.2 For the purposes of FS Rule 56.1 above the value of a person's Accrued Pension Rights shall be taken to be such sum as for those purposes may be certified by, or calculated in accordance with tables prepared by, the Government Actuary.

56.3 Subject to FS Rule 56.4, in the case of a person who was appointed to the office of Lord Chancellor before 25 April 2013 and has ceased to hold office as Lord Chancellor or has died while holding that office, there shall be refunded to him, or (as the case may be) to his personal representative, out of the Consolidated Fund the aggregate of the Contributions paid by him and not previously refunded, with Interest from the dates on which the Contributions were paid respectively.

56.4 In the case of a person who was appointed to the office of Lord Chancellor for a term of service beginning on or after 4th September 2012 but before 25th April 2013, this FS Rule 56 only applies in relation to Contributions paid and pension rights accrued before the day after that on which that term of service as Lord Chancellor ceases.

**57 Deemed Contributions**

57.1 For the purposes of FS Rules 55.4 and 56.3 any payments made by a person for the purchase of Added Years shall be treated as Contributions.



**58 Pension debits**

- 58.1 Where the person who has paid Contributions is a Pension Debit Member, FS Rules 53 to 56 shall apply after taking into account, as appropriate, any order or provision specified in section 28 of the 1999 Act to which that person is subject.

**59 Purchase of Added Years by FS Members**

- 59.1 Schedule 5 shall have effect with respect to the purchase of Added Years by an FS Member, and subject to the provisions of that Schedule and this FS Rule 59, his Aggregate Period of Reckonable Service as an FS Participating Member shall be treated as increased by the period of Added Years so purchased.

- 59.2 A person who:

- (a) has an application to purchase Added Years by periodical Contributions accepted at a time when he is an FS Participating Member; and
- (b) subsequently ceases to be an FS Participating Member and immediately becomes a CARE Participant,

may, subject to FS Rule 59.3 and FS Rule 59.4, continue to pay periodical Contributions to purchase Added Years in the FS Section whilst he is a CARE Participant.

- 59.3 No person may make any application or further application to purchase Added Years by periodical Contributions or lump sum payments on or after the CARE Commencement Date.

- 59.4 No further Added Years may accrue or be purchased by any person after the FS Closure Date but FS Members can make contributions after the FS Closure Date in respect of Added Years which relate to periods prior to the FS Closure Date.

**60 Revocations, savings and transitional provisions**

- 60.1 Under previous governing provisions of the Scheme, the enactments and regulations specified in column (1) of Part 1 and Part 2 of Schedule 6 were revoked to the extent mentioned in column (3), subject as hereinafter provided.

60.2 The enactments and regulations so specified continued to have effect in relation to any pension or other benefit which has come into payment thereunder before their revocation under previous governing provisions of the Scheme.

60.3 The revocations have effect subject to the savings in Part 3 of Schedule 6.

60.4 The provisions of Part 3 of Schedule 6 do not affect the general operation of section 16 of the Interpretation Act 1978 (general savings to be implied on a revocation).

60.5 Part 4 of Schedule 6 has effect with respect to transitional matters in connection with the coming into force of previous governing provisions of the Scheme, and continues to apply.

## 61 **Enhanced protection**

61.1 FS Rules 61 to 65 relate to individuals in the case of whom paragraph 12 of schedule 36 to the Finance Act 2004 applies (enhanced protection).

61.2 In these FS Rules such individuals are referred to as "**Protected Individuals**".

## 62 **Option to cease Contributions prior to the CARE Commencement Date**

62.1 A Protected Individual may, prior to the CARE Commencement Date, opt for FS Rules 11 to 12.17 not to apply in respect of the individual's salary.

62.2 The option under FS Rule 62.1 may only be exercised by notice in writing to the Trustees.

62.3 An individual who has exercised such an option may revoke it by such a notice if:

- (a) the individual has ceased to be a Protected Individual; and
- (b) the Trustees consent.

62.4 A notice exercising or revoking such an option must specify the date on which the option is to take effect or, as the case may be, cease to have effect.

62.5 In the case of a notice exercising such an option, that date may not be earlier than:

- (a) 6 April 2006; or

(b) the beginning of the month in which the notice is given,

whichever is the later.

62.6 In the case of a notice revoking such an option, the date specified as the date on which the option is to take effect may not be earlier than the beginning of the month in which the notice is given.

62.7 Where such an option is revoked, any option as to the rate at which deductions are made under FS Rules 11 to 12.17 that was effective immediately before the option under this FS Rule 62 took effect is treated as continuing in force from the date on which the revocation takes effect, subject to any further exercise of any option as to that rate.

### 63 **Effect of option to cease Contributions**

63.1 An individual shall not be regarded as an FS Participating Member or an FS Participating Office Holder for the purposes of FS Rules 11 to 12.17 at any time when an option exercised by the individual under FS Rule 62 has effect.

63.2 But, except as provided by FS Rule 63.3, the fact that the individual is not making Contributions to the Fund deducted from his salary under those FS Rules shall be disregarded for the purposes of determining whether the individual falls within the definition of "FS Participant", "FS Participating Member" or "FS Participating Office Holder" in General Rule 2.

63.3 Notwithstanding anything in FS Rule 63.2:

(a) no period during which the individual's option has effect shall be regarded as a period of reckonable service (or actual reckonable service) as an FS Participant, FS Participating Member or FS Participating Office Holder, except for the purpose of determining the relevant terminal salary of the individual under FS Rule 17 or 19; and

(b) if a pension becomes payable to the individual under FS Rule 16 by virtue of FS Rule 28, the pension will be calculated as if it were a lower tier ill-

health pension under FS Rule 28.3 and no enhancement will apply to the individual's reckonable service.

**64 Surrender of excess rights for the purpose of obtaining enhanced protection**

64.1 An individual who proposes to give notice under paragraph 12 of schedule 36 to the Finance Act 2004 (enhanced protection) may, prior to the CARE Commencement Date, surrender the whole or part of such rights as in accordance with regulations made under paragraph 12(5) of that schedule are to be treated as representing the relevant excess (as defined in paragraph 12(6) of that schedule) in the case of the individual.

64.2 Such a surrender may only be made by notice in writing to the Trustees and is irrevocable.

64.3 A surrender under this FS Rule 64 is ineffective so far as it purports to affect:

- (a) any rights in respect of an excluded pension (as defined in section 172A(10) of the Finance Act 2004) that is payable under FS Rules 45 to 52 or paragraph 3 of Schedule 12; or
- (b) any rights entitlement to which is required for the employment of the individual to be in Contracted-out Employment in relation to the Fund as constituted either pre or post the CARE Commencement Date.

**65 Surrender to avoid relevant benefit accrual**

65.1 Subject to FS Rules 65.2 and 65.3, a Protected Individual may, prior to the CARE Commencement Date, surrender the whole or part of any rights to any benefit to which he (or any dependant of his) has a prospective entitlement under these FS Rules.

65.2 Such a surrender may only be made by notice in writing to the Trustees and is irrevocable.

65.3 A surrender under this FS Rule 65 is ineffective so far as it purports to affect:

- (a) any rights in respect of an excluded pension (as defined in section 172A(10) of the Finance Act 2004) that is payable under FS Rules 45 to 52 or paragraph 3 of Schedule 12; or
- (b) any rights entitlement to which is required for the employment of the individual to be in Contracted-out Employment in relation to the Fund as constituted either pre or post the CARE Commencement Date.

**66 Election for separate treatment on becoming an FS Participant again**

- 66.1 This FS Rule 66 and FS Rule 67 apply if a person who has ceased to be an FS Participant becomes an FS Participant again on or after 6 April 2006 and makes an election for these FS Rules to apply.
- 66.2 An election under this FS Rule 66 is made by giving notice in writing to the Trustees within the period of 6 months or such longer period as the Trustees' may determine beginning with the day on which the person becomes an FS Participant.
- 66.3 A person who makes such an election is referred to in these FS Rules as a "Part U Optant".
- 66.4 More than one election may be made under this FS Rule 66.
- 66.5 Where the Applicable Option in relation to a Schedule 14A Member is the option under paragraph 2(a) of Schedule 14A:
- (a) no election under this FS Rule 66 may be made in relation to any periods of accrual in the FS Section which, as a result of the application of Schedule 14A, are treated as if they were continuous;
  - (b) an election may be made under this FS Rule 66 in relation to any periods of accrual in the FS Section which, as a result of the application of Schedule 14A, are treated as if they were not continuous.
- 66.6 For the avoidance of doubt, where the Applicable Option in relation to a Schedule 14A Member is (or is the same as) the Relevant Default Option the application of Schedule 14A to or in respect of such person:

- (a) shall not give rise to any right to make a new election under this FS Rule 66, or to change any election previously made under this FS Rule 66, and
- (b) shall not prejudice any previous election validly made under this FS Rule 66.

**67 Effect of election**

67.1 Where a person makes an election under FS Rule 66, the general rule is that these FS Rules apply as if the person becoming an FS Participant again were a different person from the person who ceased to be an FS Participant earlier.

67.2 Accordingly, in particular, for the purposes of these FS Rules:

- (a) the reckonable service (the **earlier service**) that the person was entitled to count immediately before becoming an FS Participant again (including reckonable service that is attributable to the purchase of Added Years or any transfer payment accepted by the Trustees during the course of that service) is disregarded in determining rights in respect of his service after becoming an FS Participant again;
- (b) he is regarded as an FS Deferred Pensioner in respect of the earlier service; and
- (c) in determining rights in respect of the earlier service:
  - (i) the reckonable service that the person is entitled to count as a result of becoming an FS Participant again (including reckonable service that is attributable to the purchase of Added Years or any transfer payment accepted by the Trustees during the course of that service); and
  - (ii) the fact that he has again become an FS Participant and a Member of the House of Commons or, as the case may be, the holder of a Qualifying Office,

are disregarded.

- 67.3 FS Rules 67.1 and 67.2 are subject to FS Rules 67.4, 67.5 and 67.6.
- 67.4 The fact that a person who has made an election under this FS Rule 67 is a Member of the House of Commons or, as the case may be, the holder of a Qualifying Office is not disregarded for the purposes of FS Rules 25 to 27.
- 67.5 For the purpose of General Rules 7 and 8, FS Rules 67.1 and 67.2 apply only so far as they affect the value of the rights of the person who has made the election.
- 67.6 Where a person makes one or more elections under FS Rule 66, that person's total reckonable service as an FS Participating Member (including reckonable service that is attributable to the purchase of Added Years or any transfer payment accepted by the Trustees during the course of that service) is aggregated for the purposes of calculating the maximum pension payable to that person under the FS Section at the Relevant Date in accordance with FS Rule 20, FS Rule 21 and Schedule 2.
- 68 **Maximum benefits from FS Section for FS Pensioners with subsequent period of FS service**
- 68.1 This Rule 68 applies to a person with a period of service in the FS Section after the date on which they first became an FS Pensioner. For the purposes of this Rule 68, **"period of service in the FS Section"** means any period of service:
- (a) prior to the CARE Commencement Date as a "participating Member" and/or a "participating office holder"; and/or
  - (b) as an FS Participant.
- 68.2 Where Rule 68.1 applies to a person, the maximum pension payable in respect of the period of service in the FS Section after that person first became an FS Pensioner (the **second pension**) shall be an amount equal to A minus B where:
- (a) A is the maximum amount of pension which would be payable to that person at the Relevant Date in accordance with FS Rule 20, FS Rule 21 and Schedule 2, calculated by aggregating all of that person's periods of service in the FS Section (including reckonable service that is attributable to the

first pension (as defined below) or to the purchase of Added Years or to any transfer payment accepted by the Trustees during any period of service in the FS Section); and

- (b) B is the amount of the pension that was put into payment when the member first became an FS Pensioner as at the date the first pension came into payment but disregarding any commutation under FS Rule 24 (the **first pension**)

and the maximum amount of pension payable in respect of any subsequent periods of service in the FS Section shall be calculated accordingly.

- 68.3 This Rule 68 is without prejudice to the operation of FS Rule 23, and for the avoidance of doubt the coming into payment of the second pension shall be without prejudice to the amount which shall be payable in respect of the first pension when FS Rule 23.2 or 23.3 (as applicable) ceases to apply.



## **Schedules**

### **Schedule 1: Cost Cap Valuations**

#### **Valuation**

- 1        The Government Actuary must calculate the Employer Cost Cap and carry out subsequent Cost Cap Valuations of the Scheme in order to calculate the Cost Cap Future Service Cost of the Scheme, in accordance with this Schedule 1.

#### **Cost Cap Valuation Date**

- 2        The Employer Cost Cap was set as at 1 April 2014.
- 3        The Cost Cap Valuation Date is the effective date of the Cost Cap Valuation.
- 4        The Cost Cap Valuation Date of the first Cost Cap Valuation was 1 April 2017.
- 5        The second, and each subsequent, Cost Cap Valuation of the Scheme must have a Cost Cap Valuation Date which is three years later than the Cost Cap Valuation Date of the previous Cost Cap Valuation.

#### **Projected unit methodology**

- 6        The Government Actuary must use the projected unit methodology to calculate the Cost Cap Future Service Cost.

#### **Other methodology and assumptions**

- 7        When calculating the Core Cost Cap Cost or Economic Cost Cap Cost the Government Actuary must, except where stated otherwise:
  - (a)        use those financial assumptions set out in the Employer Cost Cap Directions 2023 which are used for the purpose of calculating the "cost cap future service cost" in Direction 44 of the Employer Cost Cap Directions 2023 as at the date of signing the relevant Cost Cap Valuation Report, or such other date specified in a written notice from IPSA to the Government

Actuary and received by the Government Actuary before the date of signing the relevant Cost Cap Valuation Report, and which relate to:

- (i) the rate of increase of pensions in payment, pensions in deferment and revaluation of CARE benefits whilst active; and
  - (ii) the SCAPE Discount Rate;
- (b) assume that the post retirement mortality rates of scheme members will change in accordance with the changes in mortality rates published by the Office for National Statistics as part of the latest principal population projections for the United Kingdom as at the valuation date; and
- (c) assume that the state pension age will be the State Pension Age as at the valuation date.

8 All other assumptions used by the Government Actuary, must:-

- (a) be determined by IPSA, having obtained advice from the Government Actuary;
- (b) be determined following such consultation of such person (or representatives of persons) as IPSA considers appropriate;
- (c) be IPSA's best estimates and not include margins for prudence or optimism;
- (d) be determined with regard to:-
  - (i) previous valuation assumptions;
  - (ii) analysis of demographic experience;
  - (iii) relevant data from any other source (including relevant data that becomes available after the effective date);
  - (iv) any emerging evidence about historic long term trends;

- (v) any emerging evidence that may illustrate long term trends expected in the future;
- (e) include assumptions about:-
  - (i) mortality rates;
  - (ii) rates of exit from the House of Commons;
  - (iii) take up of commutation options;
  - (iv) members' dependants.

9 In performing the calculations in accordance with paragraphs 10, 12, 17 and 18, the Government Actuary must use membership data as at the relevant Cost Cap Valuation Date.

#### **Cost Cap Future Service Cost**

10 The Government Actuary must calculate the Cost Cap Future Service Cost as at each Cost Cap Valuation Date, using the methodology and assumptions as set out in paragraphs 6 to 9, as the contribution rate required to cover the expected cost of benefits accruing in respect of future service by members of the Scheme as at the relevant Cost Cap Valuation Date during the period of three years following the Valuation Implementation Date, and where the average age of the membership is adjusted to reflect the average age of the membership during the parliamentary term.

#### **Setting the Employer Cost Cap as at 1 April 2014**

11 The Employer Cost Cap as at 1 April 2014 was set at 13.4% of Pensionable Salary in accordance with the rules of the MPs' Pension Scheme made on 8 December 2014.

#### **Future Service Technical Immunity Adjustment**

- 12 For a Cost Cap Valuation with a Cost Cap Valuation Date of 1 April 2023 or later, the Government Actuary must calculate the Future Service Technical Immunity Adjustment as:-

$A - B$

where:-

A is the Cost Cap Future Service Cost calculated, subject to sub-paragraphs (a), (b) and (c) below, in accordance with paragraph 10:-

- (a) except as directed by sub-paragraph 12(c), for the Cost Cap Valuation with a Cost Cap Valuation Date of 1 April 2023, the Government Actuary must calculate A using the same assumptions the Government Actuary used in the Cost Cap Valuation of the Scheme with a Cost Cap Valuation Date of 1 April 2020 to calculate the Cost Cap Cost in accordance with paragraph 10 of Schedule 1 to the rules of the MPs' Pension Scheme made on 30 March 2023;
- (b) except as directed by sub-paragraph 12(c), for each Cost Cap Valuation with a Cost Cap Valuation Date of 1 April 2026 or later the Government Actuary must calculate A using the same assumptions as were used in the previous valuation of the Scheme to calculate the Cost Cap Future Service Cost; and
- (c) the Government Actuary must calculate A using the SCAPE Discount Rate as at the Cost Cap Valuation Date in accordance with paragraph 7(a)(ii); and

B is the Cost Cap Future Service Cost calculated, subject to sub-paragraphs 13 and 14 below, in accordance with paragraph 10.

- 13 For the Cost Cap Valuation with a Cost Cap Valuation Date of 1 April 2023, the Government Actuary must calculate B using the same assumptions as the Government Actuary used in the Cost Cap Valuation of the Scheme with a Cost Cap Valuation Date of 1 April 2020 to calculate the Cost Cap Cost in accordance with

paragraph 10 of Schedule 1 to the rules of the MPs' Pension Scheme made on 30 March 2023.

- 14 For a Cost Cap Valuation with a Cost Cap Valuation Date of 1 April 2026 or later, the Government Actuary must calculate B using the same assumptions as were used in the previous valuation of the Scheme to calculate the Cost Cap Future Service Cost.

#### **Cumulative Future Service Technical Immunity Adjustment**

- 15 For a Cost Cap Valuation with a Cost Cap Valuation Date of 1 April 2023 or later, subject to paragraph 16, the Government Actuary must calculate the Cumulative Future Service Technical Immunity Adjustment as—

$C + D$

where:-

C is the Cumulative Future Service Technical Immunity Adjustment from the previous Cost Cap Valuation of the Scheme; and

D is the Future Service Technical Immunity Adjustment calculated in accordance with paragraph 12.

- 16 For the Cost Cap Valuation with a Cost Cap Valuation Date of 1 April 2023, the Government Actuary must calculate the Cumulative Future Service Technical Immunity Adjustment as:-

$E + F$

where:-

E is 3.6% of the Pensionable Salary of members of the Scheme; and

F is the Future Service Technical Immunity Adjustment calculated in accordance with paragraph 12.

## **Core Cost Cap Cost**

17 The Government Actuary must calculate the Core Cost Cap Cost as:-

$$G - H - I$$

where:-

G is the Cost Cap Future Service Cost, calculated in accordance with paragraph 10

H is the member contribution rate pursuant to CARE Rule 5 as at the relevant Cost Cap Valuation Date or as set out in any Cost Cap Valuation Report in respect of the previous Cost Cap Valuation that is signed after the Cost Cap Valuation Date of the relevant previous Cost Cap Valuation;

I is the Cumulative Future Service Technical Immunity Adjustment calculated in accordance with paragraph 15.

## **Economic Cost Cap Cost**

18 The Government Actuary must calculate the Economic Cost Cap Cost as:-

$$J - K$$

where:-

J is the Cost Cap Future Service Cost, calculated in accordance with paragraph 10;

and

K is the member contribution rate pursuant to CARE Rule 5 as at the relevant Cost Cap Valuation Date or as set out in any Cost Cap Valuation Report in respect of the previous Cost Cap Valuation that is signed after the Cost Cap Valuation Date of the relevant Cost Cap Valuation.

## **Comparison with the Employer Cost Cap**

19 At each Cost Cap Valuation, the Government Actuary must:

- (a) compare the Core Cost Cap Cost to the Employer Cost Cap; and

- (b) compare the Economic Cost Cap Cost with the Employer Cost Cap.
- 20 Subject to paragraph 21 where both the Core Cost Cap Cost and the Economic Cost Cap Cost have breached either:-
  - (a) the Upper Margin; or
  - (b) the Lower Margin

of the Employer Cost Cap, the member contribution rate in the CARE Section shall be adjusted so that either the Core Cost Cap Cost or the Economic Cost Cap Cost equals the Employer Cost Cap, in accordance with paragraphs 26 and 27.
- 21 Where the Core Cost Cap Cost and the Economic Cost Cap Cost breach different margins (that is, where one breaches the Upper Margin and the other breaches the Lower Margin), the cost of the Scheme is deemed to be between the Upper Margin and the Lower Margin, and no adjustment shall be made to member contribution rate in the CARE Section.
- 22 For the purposes of determining whether there has been a breach of the Upper Margin and/or the Lower Margin under paragraph 20, the percentage of Pensionable Salary specified in this paragraph 22 shall be:
  - (a) 2% in relation to any Cost Cap Valuation with an effective date before 1 April 2020; and
  - (b) 3% in relation to any Cost Cap Valuation with an effective date of or after 1 April 2020.

#### **Certification and rectification**

- 23 Where the member contribution rate in the CARE Section shall be adjusted pursuant to paragraph 20, the Cost Cap Valuation Report issued to IPSA by the Government Actuary shall include a certificate issued by the Government Actuary specifying:-

- (a) the adjustment in member contribution rate ('the step') to be taken to achieve the Target Cost for the Scheme including the time at which such adjustment will take effect;
  - (b) the Core Cost Cap Cost that would result from implementation of the adjustment to the member contribution rate to achieve the Target Cost for the Scheme;
  - (c) the Economic Cost Cap Cost that would result from implementation of the adjustment to the member contribution rate to achieve the Target Cost for the Scheme.
- 24 The Government Actuary must calculate the Core Cost Cap Cost (calculated for the purpose of paragraph 23(b)) in accordance with paragraph 17, except that the calculation should assume that the step to be taken to achieve the Target Cost for the Scheme, as set out in accordance with paragraph 23(a), is in force.
- 25 The Government Actuary must calculate the Economic Cost Cap Cost (calculated for the purpose of paragraph 23(c)) in accordance with paragraph 18, except that the calculation should assume that the step to be taken to achieve the Target Cost for the Scheme as set out in accordance with paragraph 23(a), is in force.
- 26 Where paragraph 20 applies and the Core Cost Cap Cost is closer to the breached margin than, or is the same as, the Economic Cost Cap Cost, the Government Actuary must determine, for the purposes of a certificate issued under paragraph 23, that the Target Cost for the Scheme is achieved if the Core Cost Cap Cost that would result from the adjustment to the member contribution rate, as calculated in accordance with paragraph 23(b), is equal to the Employer Cost Cap.
- 27 Where paragraph 20 applies and the Economic Cost Cap Cost is closer to the breached margin than the Core Cost Cap Cost, the Government Actuary must determine, for the purposes of a certificate issued under paragraph 23, that the Target Cost for the Scheme is achieved if the Economic Cost Cap Cost that would result from implementation of the adjustment to the member contribution rate, as calculated in accordance with paragraph 23(c), is equal to the Employer Cost Cap.



## Schedule 2: Maximum Pensions under the FS Section

If and to the extent that the application of this Schedule would result in the maximum pension payable to a person under the FS Section at the Relevant Date being less than the amount of pension that could be taken by that person if the pre-6 April 2006 requirements for HMRC approval of exempt approved pension schemes, as set out in the publication IR12 (2001) (the “**Occupational Pension Scheme Practice Note**”) applied instead of this Schedule the maximum pension payable to that person may be increased so that it is equal to the greater amount which could be taken if the Occupational Pension Scheme Practice Note applied.

If and to the extent that the application of this Schedule would result in the benefits payable to or in respect of a person under the FS Section at the Relevant Date being less than the minimum amount of benefits payable to or in respect of that person in accordance with any applicable requirements of the 1993 Act, the Occupational Pension Schemes (Preservation of Benefits) Regulations 1991 and any other applicable legislation relating to the preservation of deferred pensions (the “**Preservation Requirements**”), the benefits payable to or in respect of that person may be increased to the extent necessary to ensure that the Preservation Requirements are satisfied.

### Definitions

1 In this Schedule, unless the context otherwise requires:

**Class A participant** means any FS Member who joined the FS Section on or after 1 June 1989 or any other participant who has elected to become a Class A participant (however termed) under the rules of the FS Section;

**Class B participant** means any FS Member who joined the FS Section on or after 17 March 1987 and before 1 June 1989 and has not elected to become a Class A participant;

**Class C participant** means any FS Member who joined the FS Section before 17 March 1987 and has not elected to become a Class A participant;

**FS Section** in this Schedule means the FS Section or the Fund as constituted prior to the CARE Commencement Date (or both) as the context requires;

**pension value**, in relation to a person's retained benefits, means:

- (a) in the case of a pension to which the person is actually entitled, the annual amount of the pension, adjusted in accordance with guidance issued from time to time by the Government Actuary in any case specified in the guidance where the amount of the pension may fluctuate;
- (b) in the case of a lump sum to which the person has become entitled, the annual amount, as calculated in accordance with such guidance, of a pension payable from the Fund to someone of the person's description that has a value equal to that sum; and
- (c) in the case of a benefit to which the person is prospectively entitled, the annual amount, as calculated in accordance with such guidance, of a pension payable from the Fund to someone of the person's description that has a value equal to the value of that benefit;

**pensionable service** means actual service as an FS Participant, including service as a participant in the Fund prior to the CARE Commencement Date as then constituted.

**retained benefits**, in relation to an FS Member, means benefits for the FS Member that:

- (a) are derived from a Registered Pension Scheme, excluding benefits in respect of service or which relate to earnings in respect of service; or
- (b) were retained benefits in relation to the FS Member for the purposes of this Schedule immediately before 6 April 2006; or
- (c) are paid or payable, under section 3 of the Lord Chancellor's Pension Act 1832 or under section 17 of the Judicial Pensions Act 1981, in respect of a period during which the FS Member was appointed to the office of Lord

Chancellor (unless payment is waived by an agreement between the FS Member and the Cabinet Office),

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

provided that:

- (i) if the total of the retained benefits is less than a pension of £260 those retained benefits may be disregarded; and
- (ii) if the FS Member's earnings in the 12 months after entry to the FS Section do not exceed one quarter of the Permitted Maximum, benefits from those sources, other than those transferred into the FS Section, shall not be classed as retained benefits;

**service** means service:

- (a) prior to the CARE Commencement Date; or
- (b) on or after the CARE Commencement Date as an FS Participant

as a Member of the House of Commons or as an Office Holder, and includes, where appropriate, any increase in reckonable service attributable to sums received by way of transfer value or to the purchase of Added Years, provided that for the purposes of determining whether an individual is “in service” (but not for the purposes of calculating the amount of that individual’s service) the requirement that the individual must be an FS Participant in (b) above shall not apply.

- 2 This Schedule sets out the maximum pension payable to a person under the FS Section at the Relevant Date (including, for the avoidance of doubt, pension referable to a period during which the relevant person was treated as having been an FS Participant by virtue of having exercised an option under Schedule 14A, or by virtue of the Relevant Default Option under Schedule 14A having been applied). Pensions and other benefits payable under the CARE Section shall not be subject to

the limits in this Schedule, and no service or accrual under the CARE Section shall be taken into account in assessing the application of this Schedule. Any provision of the Fund Rules to the contrary shall be limited accordingly unless otherwise specified in this Schedule.

### **Class A Participant**

3

- (a) On retirement at any time after age 50, except before Normal Retirement Date on grounds of incapacity, a pension of  $\frac{1}{60}$  of the Multiple for each year of service (not exceeding 40 years) or, if greater,  
  
the lesser of:
  - (i)  $\frac{1}{30}$  of the Multiple for each year of service (not exceeding 20 years); and
  - (ii)  $\frac{2}{3}$  of the Multiple minus the pension value of all retained benefits.
- (b) On retirement before the Normal Retirement Date on grounds of incapacity an immediate pension in accordance with sub-paragraph (a) above on the basis of the number of years which would have counted as service had the FS Member remained in service to the Normal Retirement Date.
- (c) On leaving pensionable service before the Normal Retirement Date a deferred pension:
  - (i) for FS Members who remain in service, of that proportion of the amount calculated in accordance with sub-paragraph (b) above that the number (not exceeding 40) of years of service completed before leaving pensionable service bears to the potential number (not exceeding 40) of years of service had the FS Member remained in service to the Normal Retirement Date;

- (ii) for other FS Members the amount calculated in accordance with sub-paragraph (a) above;

increased by the greatest of:

- (A) 3 per cent for each complete year of deferment;
  - (B) any increase in the Index which has occurred during the period of deferment; and
  - (C) the increase in the member's relevant terminal salary (as defined in FS Rule 17.2) during the period of deferment (and for the avoidance of doubt, an assessment of the member's relevant terminal salary does not exclude any period during which they were a CARE Participant).
- (d) Benefits for a Class A participant are further restricted as necessary to ensure that the FS Member's retirement benefit under the FS Rules does not exceed 1/30 of the Permitted Maximum for each year of service. For the purpose of this limit service is the aggregate of service provided that the total shall not exceed 20 years. The Permitted Maximum in this context is that for the year of assessment in which the benefits commence to be paid or, if earlier, are transferred out under General Rule 7. For the purpose of calculating the retirement benefit the pension equivalent of benefits in any form other than pension is one twelfth of its cash value.
- (e) For the purposes of this paragraph, references to "pension" in sub-paragraphs (a), (b) and (c) and to "retirement benefit" in sub-paragraph (d) shall be calculated without taking account of any reduction which must be applied to those benefits in accordance with section 31 of the 1999 Act.

## Class B and Class C Participants

4

- (a) On retirement at the Normal Retirement Date a pension of  $\frac{1}{60}$  of the Multiple for each year of service (not exceeding 40 years) or, if greater, the lesser of:

(i)

- (A) for Class C participants the fraction of the Multiple ascertained from the following table:

| Years of service | Appropriate fraction |
|------------------|----------------------|
| 6                | $\frac{8}{60}$       |
| 7                | $\frac{16}{60}$      |
| 8                | $\frac{24}{60}$      |
| 9                | $\frac{32}{60}$      |
| 10 or more       | $\frac{40}{60}$      |

- (B) for Class B participants  $\frac{1}{30}$  of the Multiple for each year of service (not exceeding 20 years); and

- (ii)  $\frac{2}{3}$  of the Multiple minus the pension value of all retained benefits.

- (b) On retirement before Normal Retirement Date:

- (i) on grounds of incapacity, the amount calculated in accordance with sub-paragraph (a) above on the basis that service is taken as the potential number of years of service had the FS Member remained in service to the Normal Retirement Date;

- (ii) other than on grounds of incapacity the greater of:
  - (A)  $\frac{1}{60}$  of the Multiple for each year of service (not exceeding 40 years); and
  - (B) that proportion of the amount calculated in accordance with paragraph (a) above that the number (not exceeding 40) of years of service completed before leaving service bears to the potential number (not exceeding 40) of years of service had the FS Member remained in service to Normal Retirement Date.
- (c) On retirement after Normal Retirement Date a pension of the greatest of:
  - (i) the amount calculated in accordance with sub-paragraph (a) above at the actual date of retirement; or
  - (ii) the amount which could have been provided at Normal Retirement Date in accordance with sub-paragraph (a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.
- (d) On leaving pensionable service before Normal Retirement Date a deferred pension calculated in accordance with paragraph (b)(ii) above but increased by the greatest of:
  - (i) 3 per cent for each complete year of deferment;
  - (ii) any increase in the Index which has accrued during the period of deferment; and
  - (iii) the increase in the member's relevant terminal salary (as defined in FS Rule 17.2) during the period of deferment (and for the avoidance of doubt, an assessment of the member's relevant terminal salary does not exclude any period during which they were a CARE Participant).

- (e) For the purposes of this paragraph "pension" shall be calculated without taking into account any reduction which must be applied to that pension in accordance with section 31 of the 1999 Act.



## Schedule 3: Maximum lump sums under the FS Section

This Schedule 3 is subject to the provisions of General Rule 11.4.

### Part 1 - Commutation of Pensions

#### Definitions

1

(a) In this Schedule, unless the context otherwise requires:

**Class A participant, Class B participant and Class C participant** have the meanings assigned to them in Schedule 2;

**N** means in respect of the pension of a person, the period in years and any Fraction of a Year of his actual reckonable service before the Relevant Date or (if earlier) his sixty-fifth birthday;

**NS** means in respect of the pension of a person, the lesser of 40 years and the period in years and any Fraction of a Year of his prospective actual reckonable service at the Relevant Date;

**pension** means a pension, expressed as an annual amount, under FS Rules 16 to 23 or 25 to 34; and "maximum pension" shall be construed accordingly;

**prospective actual reckonable service** means in respect of a person:

- (i) at a date falling before his sixty-fifth birthday, his actual reckonable service before and after that date, assuming continuous actual reckonable service by him from that date until his sixty-fifth birthday;
- (ii) at a date falling on or after his sixty-fifth birthday, his actual reckonable service at his sixty-fifth birthday;

**retained benefits** has the meaning assigned to it in Schedule 2;

**retained lump sum benefits** means retained benefits which are payable as single payments whether by way of commutation of Accrued Pension Rights, refund of Contributions or otherwise;

- (b) Any reference in this Schedule to the beginning of a period of actual reckonable service of a person means any such beginning on his becoming an FS Participant other than after an interval in his actual reckonable service occurring on a dissolution of Parliament.
- (c) Any reference in this Schedule to a person being or no longer being an FS Participant shall be construed as a reference to whichever of those circumstances is applicable to the calculation of his pension.

### **Class A Participant**

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

- 2 For the purposes of FS Rules 24.8(b) and 24.9(b), in the case of a Class A participant entitled to a pension under FS Rule 16:
  - (a) who has no retained lump sum benefits and who either was a Member of the House of Commons on his sixty-fifth birthday or is so entitled by virtue of FS Rule 28 or 30, the maximum commutable sum shall be the amount of:
    - (i) the number of eightieths of the Multiple, either specified in the table in Part 2 of this Schedule in relation to the number of complete years of his actual reckonable service or (if the period of that service includes a Fraction of a Year) calculated proportionately by reference to the numbers specified in that table; and
    - (ii) the product of three-eightieths of the Multiple and any period, expressed in years and any Fraction of a Year, determined in respect of him under General Rule 8,

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

- (b) who has retained lump sum benefits, but would otherwise be within subparagraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of:
  - (i) the amount of  $120/80$  of the Multiple, less the amount of his retained lump sum benefits; and
  - (ii) the amount of the product of three-eightieths of the Multiple and the aggregate, expressed in years and any Fraction of a Year subject to a maximum of forty years, of his actual reckonable service and of any period determined in respect of him by virtue of General Rule 8.

#### **Maximum commutation for Members on early retirement**

3 For the purposes of FS Rules 24.8(b) and 24.9(b), in the case of a Class A participant entitled to a pension under FS Rule 25:

- (a) who has no retained lump sum benefits, was no longer a Member of the House of Commons on his sixty-fifth birthday and is not entitled to a pension by virtue of FS Rule 28 or 30.1, the amount of the maximum commutable sum, subject to a maximum of  $120/80$  of the Multiple, shall be whichever is the greater of:
  - (i) the amount of the product of  $N/NS$  and the number of eightieths of the Multiple, either specified in the table in Part 2 of this Schedule in relation to the number of complete years of his prospective actual reckonable service or (if the period of that service includes a Fraction of a Year) calculated proportionately by reference to the numbers specified in that table; and
  - (ii) the amount of the product of three-eightieths of the Multiple and the period, expressed in years and any Fraction of a Year, of his actual reckonable service,

aggregated with the amount referred to in paragraph 2(a)(ii);

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

- (i) the aggregate of:

- (A) the amount referred to in sub-paragraph (a)(i) above, subject to a maximum of the product of  $N/NS$  and the amount referred to in paragraph 2(b)(i); and
- (B) the amount referred to in paragraph 2(a)(ii), subject to a maximum of the amount of  $120/80$  of the Multiple, less his retained lump sum benefits; and

- (ii) the amount referred to in paragraph 2(b)(ii).

**Maximum commutation for Office Holders (including those retiring on grounds of ill-health)**

- 4 For the purposes of FS Rules 24.8(b) and 24.9(b), in the case of a Class A participant entitled to a pension under FS Rule 18:

- (a) who has no retained lump sum benefits and who either was an Office Holder on his sixty-fifth birthday or is so entitled by virtue of FS Rule 29 or 31, the amount of the maximum commutable sum shall be the amount of:

- (i) the number of eightieths of the Multiple, specified in the table in Part 2 of this Schedule in relation to the number of years, each beginning on 1 April, during which he had any actual reckonable service; and
- (ii) the product of three-eightieths of the Multiple and any period, expressed in years and any Fraction of a Year, determined in respect of him by virtue of General Rule 8,

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

- (b) who has retained lump sum benefits, but would otherwise be within sub-paragraph (a) above, the amount of the maximum commutable sum shall be whichever is the greater of:
  - (i) the amount of  $120/80$  of the Multiple, less his retained lump sum benefits; and
  - (ii) the amount of the product of three-eightieths of the Multiple and, subject to a maximum of forty years, the aggregate of:
    - (A) the number of years, each beginning on 1 April, during which he has any actual reckonable service; and
    - (B) the number of years (if any) determined in respect of him by virtue of General Rule 8.

**Maximum commutation for Office Holders on early retirement**

5 For the purposes of FS Rules 24.8(b) and 24.9(b), in the case of a Class A participant entitled to a pension under FS Rule 26:

- (a) who has no retained lump sum benefits, was no longer an Office Holder on his sixty-fifth birthday and is not entitled to a pension by virtue of FS Rule 29 or 31, the amount of the maximum commutable sum, subject to a maximum of  $120/80$  of the Multiple, shall be whichever is the greater of:
  - (i) the amount of the product of  $N/NS$  and the number of eightieths of the Multiple, specified in the table in Part 2 of this Schedule in relation to the number of years, each beginning on 1 April, during which any part of his prospective actual reckonable service falls; and
  - (ii) the amount of the product of three-eightieths of the Multiple and the number of years, each beginning on 1 April, during which he has any actual reckonable service,

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

- (b) who has retained lump sum benefits but would otherwise be within sub-paragraph (a) of this paragraph, paragraph 3(b) above shall apply in respect of him, as if set out in this paragraph.

### **Earnings cap**

- 6 For a Class A participant, the maximum commutable sum for the purposes of FS Rules 24.8(b) and 24.9(b) shall be further limited to an overall maximum of 120/80 of the Permitted Maximum.

### **Class B and Class C Participants**

- 7 Paragraphs 2, 3, 4 and 5 of this Schedule shall apply to Class B and Class C participants save that:
  - (a) in the case of a Class B or Class C participant who satisfies the conditions set out in paragraph 2 above there may be added to the maximum commutable sum calculated by virtue of that paragraph the amount of the product of three-eighths of the Multiple and the period, expressed in years and any Fraction of a Year and subject to a maximum of five years, being his actual reckonable service in excess of forty years and occurring after his sixty-fifth birthday; and
  - (b) in the case of a Class B or Class C participant who satisfies the conditions set out in paragraph 4 above there may be added to the Permitted Maximum sum calculated by virtue of that paragraph the amount of the product of:
    - (i) subject to a maximum of five, the number of years, each beginning on 1 April, during which he had any actual reckonable service, being years in excess of the first 40 such years and beginning after his sixty-fifth birthday; and
    - (ii) three-eighths of the relevant terminal salary under FS Rule 19.5; and

- (iii) the average of all the contribution factors under FS Rule 19.2 in relation to him for the years under (a) above or (where the maximum under (a) applies) the first five of those years.

### **CARE Section accrual**

- 8 Lump sums and other benefits payable under the CARE Section shall not be subject to the limits in this Schedule, and no service or accrual under the CARE Section shall be taken into account in assessing the application of this Schedule (but for the avoidance of doubt this paragraph 8 shall not apply to lump sums or other benefits referable to a period during which the relevant person was treated as having been an FS Participant by virtue of having exercised an option under Schedule 14A, or by virtue of the Relevant Default Option under Schedule 14A having been applied). Any provision of these Fund Rules to the contrary shall be limited accordingly.

### **Part 2 - Maximum Commutation of Pensions**

Number of years    Number of eightieths

| <b>Number of years</b> | <b>Number of eightieths</b> |
|------------------------|-----------------------------|
| 1                      | 3                           |
| 2                      | 6                           |
| 3                      | 9                           |
| 4                      | 12                          |
| 5                      | 15                          |
| 6                      | 18                          |
| 7                      | 21                          |
| 8                      | 24                          |
| 9                      | 30                          |

| Number of years | Number of eightieths |
|-----------------|----------------------|
| 10              | 36                   |
| 11              | 42                   |
| 12              | 48                   |
| 13              | 54                   |
| 14              | 63                   |
| 15              | 72                   |
| 16              | 81                   |
| 17              | 90                   |
| 18              | 99                   |
| 19              | 108                  |
| 20 or more      | 120                  |



## Schedule 4: Percentage Abatement of Pension Entitlement

For the avoidance of doubt, this Schedule 4 applies only to pension accrued prior to 7 May 2010.

- 1 The pension to which a person is entitled by virtue of FS Rule 25 shall be abated, having regard to the person's age and the length of his qualifying period at the date of his application or, if later, such other date as may be there specified, from the date from which that pension is payable by the percentage specified in the table below.
- 2 The pension to which a person is entitled by virtue of FS Rule 25 shall not be reduced below the rate of the Guaranteed Minimum Pension, as provided for by FS Rule 22.

Abatement by Single Percentage from Date Pension Payable

| Qualifying period (years)        |            |      |      |      |      |      |
|----------------------------------|------------|------|------|------|------|------|
| Age pension brought into payment | 20 or more | 19   | 18   | 17   | 16   | 15   |
| 65                               | 0.0        | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| 64                               | 0.0        | 0.0  | 0.0  | 0.0  | 0.0  | 6.0  |
| 63                               | 0.0        | 0.0  | 0.0  | 0.0  | 6.0  | 11.5 |
| 62                               | 0.0        | 0.0  | 0.0  | 6.5  | 11.5 | 16.4 |
| 61                               | 0.0        | 0.0  | 6.0  | 11.5 | 16.4 | 21.0 |
| 60                               | 0.0        | 6.0  | 11.5 | 16.4 | 21.0 | 25.2 |
| 59                               | 6.0        | 11.5 | 16.4 | 21.0 | 25.2 | 29.1 |
| 58                               | 11.5       | 16.4 | 21.0 | 25.2 | 29.1 | 32.7 |

| Qualifying period (years)        |            |      |      |      |      |      |
|----------------------------------|------------|------|------|------|------|------|
| Age pension brought into payment | 20 or more | 19   | 18   | 17   | 16   | 15   |
| 57                               | 16.4       | 21.0 | 25.2 | 29.1 | 32.7 | 36.1 |
| 56                               | 21.0       | 25.2 | 29.1 | 32.7 | 36.1 | 39.2 |
| 55                               | 25.2       | 29.1 | 32.7 | 36.1 | 39.2 | 42.1 |
| 54                               | 29.1       | 32.7 | 36.1 | 39.2 | 42.1 | 44.8 |
| 53                               | 32.7       | 36.1 | 39.2 | 42.1 | 44.8 | 47.2 |
| 52                               | 36.1       | 39.2 | 42.1 | 44.8 | 47.2 | 49.4 |
| 51                               | 39.2       | 42.1 | 44.8 | 47.2 | 49.4 | 51.4 |
| 50                               | 42.1       | 44.8 | 47.2 | 49.4 | 51.4 | 53.3 |

Where the age or the qualifying period is not an exact number of years the percentage abatement shall be obtained by interpolating first for the required age and secondly for the required qualifying period.

## Schedule 5: Purchase of Added Years

- a) For the avoidance of doubt, this Schedule 5 applies only to and in respect of FS Members who had already put in place an arrangement to make a payment for the purchase of Added Years prior to the CARE Commencement Date under FS Rule 59.
- b) For the avoidance of doubt, Added Years may only be purchased in respect of periods up to and including the FS Closure Date (notwithstanding that FS Members can make contributions after the FS Closure Date in respect of Added Years which relate to periods prior to the FS Closure Date).

### Definitions

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

**payment for the purchase of Added Years** means such a payment whether payable periodically or by way of a single lump sum;

**periodical contributions** means the sums payable by an FS Member whose application to purchase Added Years other than by a single payment has been accepted by the Trustees; and

**relevant terminal salary** has the same meaning as "the relevant terminal salary" in FS Rule 17.2.

### Purchase of Added Years by periodical contributions

- 2

- (a) An FS Participating Member may apply in writing to the Trustees to purchase Added Years by periodical contributions payable until he attains the age of 65 years and the Trustees shall accept his application if all the following conditions in respect of that application are satisfied:
  - (i) the FS Participating Member will not at his next birthday after the date of the application have attained the age of sixty-five;

- (ii) the FS Participating Member has satisfied the Trustees, in whatever manner the Trustees shall require, that he is in good health;
  - (iii) the number of Added Years which the FS Participating Member has applied to purchase does not exceed the maximum permitted by virtue of the Contributions that are permitted to be made by paragraph 8 of this Schedule; and
  - (iv) the FS Participating Member has supplied to the Trustees such information and evidence as they may require and has indicated whether his application is made under the provisions of this sub-paragraph or under the provisions of sub-paragraph (b) below.
- (b) An FS Participating Member may, within the period of twelve months immediately following the date when he commenced a period of service as a Member, or within such longer period as the Trustees may in special circumstances and at their discretion allow, apply in writing to the Trustees to purchase Added Years by the payment of periodical contributions for a period of four or five years and the Trustees shall accept his application if, at the date when the Trustees receive the application, the FS Participating Member has not reached the age of 65 years and if the conditions of sub-paragraphs (ii), (iii) and (iv) of sub-paragraph (a) above are satisfied in respect of that application.

3

- (a) Subject to paragraph (b) below, an application by an FS Participating Member to purchase Added Years shall be irrevocable on and from the date when the Trustees accept his application.
- (b) An FS Member whose application to purchase Added Years has been accepted and who is paying periodical contributions for those Added Years may elect to terminate his periodical contributions by giving written notice of such election to the Trustees. Where a Member makes such an election,

no further periodical contributions will be payable by him and his reckonable service as an FS Participating Member will in respect of each application be increased by:

$$(A \times B) / C$$

where—

A is the number of Added Years he applied to purchase by periodical contributions;

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

C is the total period during which periodical contributions would have been payable in accordance with paragraph 4(a) below.

- (c) An FS Member who has ceased to pay periodical contributions under subparagraph (b) of this paragraph may, subject to sub-paragraphs (d) and (f) of this paragraph, give notice to the Trustees in writing that he intends to resume payment of his periodical contributions in respect of the Added Years for which he was previously making periodical contributions provided that he has not yet attained the age of 65 years and he has not made an election under FS Rule 66 in respect of his current period of service . Such periodical contributions shall then be payable from a date determined by the Trustees and shall continue until he attains the age of 65 years at the rate or rates applicable at the date he ceased to pay periodical contributions under sub-paragraph (b) of this paragraph.
- (d) Where an FS Member has resumed payment of periodical contributions in accordance with sub-paragraph (c) of this paragraph and thereafter becomes entitled to a pension under FS Rule 16, his reckonable service as an FS Member shall be increased in accordance with subparagraph (b) of this paragraph except that C shall be read as the total period during which

he would have paid periodical contributions for those Added Years if his payment of periodical contributions had been continuous.

- (e) If an FS Member has resumed payment of periodical contributions in accordance with sub-paragraph (c) of this paragraph he may, if, in consequence of his break in the payment of periodical contributions, there has been a reduction in the number of Added Years which he is able to purchase in full, with the agreement of the Trustees and, subject to the provisions of paragraphs 2(a)(ii) and 8 of this Schedule, apply to purchase by periodical contributions payable until he attains the age of 65 years some or all of the number of Added Years comprised in that reduction at the rate applicable to the FS Member's birthday next following the receipt by the Trustees of his application.
- (f) Sub-paragraphs (c), (d) and (e) of this paragraph shall not apply where the application to purchase Added Years before the FS Member ceased to pay periodical contributions was made under paragraph 2(b) above.

4 Where an application by an FS Member to purchase Added Years by periodical contributions is accepted by the Trustees:

- (a) those periodical contributions shall, subject to the provisions of paragraph 5 of this Schedule, be payable:
  - (i) in the case of an application under paragraph 2(a) of this Schedule, from the date of the FS Member's birthday next following the receipt by the Trustees of his application and until the FS Member attains the age of 65 years; and
  - (ii) in the case of an application under paragraph 2(b) of this Schedule, for whichever of the periods of four or five years the FS Member has chosen for the payment of periodical contributions beginning on such date not later than two months from the date of acceptance of the application as the Trustees shall specify by notice in writing to the FS Member;

- (b) periodical contributions by an FS Member shall be payable by deductions from his salary or, in the case of arrears, in such manner as the Trustees shall require; and
- (c) the periodical contributions payable by an FS Member for the Added Years shall be calculated in accordance with tables prepared from time to time by the Government Actuary.

### **Interrupted Service**

5

- (a) If an FS Participating Member dies or ceases to be a Member of the House of Commons because of ill-health in circumstances to which FS Rule 28.2 applies and he:

- (i) has applied to purchase Added Years by periodical contributions; and
- (ii) has been notified in writing by the Trustees that his application has been accepted;

no further periodical contributions will be payable from the day following the date of his death or from the day following the date he ceases to be a Member of the House of Commons, as the case may be, and any Added Years that he has applied to purchase by periodical contributions shall be credited in full as reckonable service as an FS Participating Member.

- (b) If an FS Member who has applied to purchase Added Years by periodical contributions and whose application has been accepted by the Trustees ceases to be a Member of the House of Commons in circumstances to which FS Rule 28.2 does not apply, no such periodical contributions will be payable by him from the day following the date when he ceases to be a Member of the House of Commons but his reckonable service as an FS Participating Member will in respect of each application be increased by

$$(A \times B) / C$$

where:

A is the number of Added Years he applied to purchase by periodical contributions;

B is the period (expressed to the nearest day) during which periodical contributions have been paid; and

C is the total period during which periodical contributions would have been payable in accordance with paragraph 4(a) above.

- (c) If an FS Member to whom sub-paragraph (b) of this paragraph has applied subsequently commences a further period of service before he has attained the age of 65 years, in circumstances where he has not made an election under FS Rule 66 in respect of his current period of service, then subject to subparagraphs (d) and (f) of this paragraph, he may give notice to the Trustees in writing within the period of three months beginning with the date upon which he commenced the further period of service that he intends to resume payment of his periodical contributions in respect of the Added Years for which he was making periodical contributions in his immediately preceding period of service and such periodical contributions shall then be payable from the date when he commenced the further period of service and shall continue until he attains the age of 65 years at the rate or rates applicable during that immediately preceding period.
- (d) Where an FS Member who ceased to pay periodical contributions by reason only of his ceasing to serve as a Member of the House of Commons for a period but subsequently became a Member of the House of Commons again and resumed the purchase of Added Years by periodical contributions in accordance with sub-paragraph (c) of this paragraph thereafter becomes entitled to a pension under FS Rule 16, his reckonable service as an FS Participating Member shall be increased in accordance with sub-paragraph (b) of this paragraph except that C shall be read as the



total period during which he would have paid periodical contributions for those Added Years if his service had been continuous.

- (e) If an FS Member to whom sub-paragraph (b) of this paragraph has applied, subsequently commences a further period of service before he has attained the age of 65 years, in circumstances where he has not made an election under FS Rule 66 in respect of his current period of service, then subject to sub-paragraphs (d) and (f) of this paragraph, he may, if, in consequence of his break in service, there has been a reduction in the number of Added Years which he is able to purchase in full, with the agreement of the Trustees and, subject to the provisions of paragraphs 2(a)(ii) and 8 of this Schedule, apply to purchase by periodical contributions payable until he attains the age of 65 years some or all of the number of Added Years comprised in that reduction at the rate applicable to the FS Member's birthday next following the receipt by the Trustees of his application.
- (f) Sub-paragraphs (c), (d) and (e) of this paragraph shall not apply where the application to purchase Added Years before the FS Member ceased to be a Member of the House of Commons was made under paragraph 2(b) above.
- (g) Subject to sub-paragraph (h) below, in respect of an FS Member who:
  - (i) has applied to purchase Added Years by periodical contributions; and
  - (ii) has been notified in writing by the Trustees that his appointment has been accepted; and
  - (iii) who was appointed or elected Prime Minister and First Lord of the Treasury or Speaker of the House of Commons prior to 25 April 2013,

sub-paragraph (b) of this paragraph shall apply from the day after the date of his appointment or election as such as if he were a person who ceases to be a Member of the House of Commons in circumstances to which FS Rule 28.2 does not apply, but the other provisions of this paragraph and paragraph 6(c) shall not apply to him.

(h) If a person to whom sub-paragraph (g) applies, during the period of three months after his appointment or election as Prime Minister and First Lord of the Treasury or Speaker of the House of Commons, exercises the option in FS Rule 3:

(i) any sum paid by the Trustees to the Consolidated Fund under FS Rule 55.1 shall include the value of any Added Years purchased by him by way of periodical contributions paid before 28 February 1991; and the number of Added Years so purchased shall in respect of each application to purchase Added Years be:

$$(A \times B) / C$$

where A and C have the meanings set out in paragraph (b) above, and B is the period (expressed to the nearest day) during which periodical contributions were paid before 28 February 1991; and

(ii) any sum refunded to him under FS Rule 55.4(a) shall include the periodical contributions paid by him before 28 February 1991; and

(iii) he shall resume the making of periodical contributions, (including any periodical contributions due between the date of his appointment or election and the date of his exercise of the option); and

(iv) if (i) and (ii) apply, his reckonable service as an FS Participating Member shall in respect of each application to purchase Added Years be increased by:

$$(A \times B) / C$$

where A and C have the meanings set out in paragraph (b) above, and B is the period (expressed to the nearest day) during which periodical contributions are paid and not refunded, including any period during which Contributions are credited in full under sub-paragraph (a) above.

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

6

- (a) Subject to the provisions of sub-paragraph (b) of this paragraph, an FS Participating Member may apply in writing to the Trustees to purchase Added Years by a lump sum payment.
- (b) The Trustees shall accept an application to purchase Added Years under this paragraph if all the following conditions in respect of that application are satisfied:
  - (i) the FS Participating Member has not reached the age of 65;
  - (ii) the FS Participating Member applies to the Trustees within the period of twelve months immediately following the date when he commenced a period of service as an FS Participating Member or within such longer period as the Trustees may in special circumstances and at their discretion allow;
  - (iii) the FS Participating Member has not applied to the Trustees under the provisions of FS Rule 28.2 for an early pension because of ill-health;
  - (iv) the number of Added Years which the Member applies to purchase does not exceed the maximum permitted by virtue of the Contributions that are permitted to be made by paragraph 8 of this Schedule; and

- (v) the FS Participating Member has supplied to the Trustees such information and evidence as they may require.
- (c) An FS Member who has applied to purchase Added Years under the provisions of paragraph 2(b) and to whom paragraph 5(b) applies may, in respect of any such application if:
- (i) in consequence of his ceasing to be a Member of the House of Commons, there has been a reduction in the number of Added Years which he is able to purchase in full;
  - (ii) the conditions of paragraphs (iii), (iv) and (v) of sub-paragraph (b) of this paragraph are satisfied in respect of the application made under this sub-paragraph; and
  - (iii) the application under this sub-paragraph is made within three months of his ceasing to be a Member of the House of Commons,

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

### **Lump sum payments**

7

- (a) Any FS Member who has applied to the Trustees to purchase Added Years by a lump sum payment shall, within the period of six months commencing on the date when his application is accepted by the Trustees, make the lump sum payment which shall be calculated by reference to a Member's Ordinary Salary at the time when his application was received by the Trustees and in accordance with tables to be prepared from time to time by the Government Actuary and the amount of his reckonable service as an FS Participating Member shall be increased accordingly with effect from the date that the lump sum payment is received by the Trustees.

- (b) If, after an application to purchase Added Years by lump sum payment has been made by an FS Member and accepted by the Trustees, the payment is not received by the Trustees within the period of six months commencing on the date when his application is accepted by the Trustees, the application to purchase shall cease to be valid.

#### **Limits on Contributions for purchase of Added Years**

- 8 The total amount of an FS Member's Contributions for the purchase of Added Years (whether made as periodical contributions or by way of lump sum) shall not in any Tax Year exceed:
  - (a) in the case of an FS Member who held prior to 25 April 2013 the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons, 10% of his salary as a Member of the House of Commons, and
  - (b) in the case of any other FS Member, 10% of a Member's Ordinary Salary.

#### **Further applications to purchase Added Years**

- 9 Subject to the provisions of this Schedule, the Trustees may accept more than one application from an FS Participating Member to purchase Added Years by the payment of periodical contributions or lump sum payments.

#### **General**

- 10 The provisions of this Schedule are without prejudice to any maximum pension imposed in relation to an FS Member by FS Rules 20 and 21 and Schedule 2.

## Schedule 6: Revocations

### Part 1 - Enactments having effect as regulations under section 2 of the Parliamentary and other Pensions Act 1987

| (1)                                           | (2)        | (3)                                                                                                                   |
|-----------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------|
| Enactments revoked                            | References | Extent of revocation                                                                                                  |
| The Parliamentary and other Pensions Act 1972 | 1972 c 48  | Part 1 (including schedules 1 and 2) other than sections 1(1) to (4) and (7), 5, 23 and 24(4); sections 30, 33 and 35 |
| The Parliamentary Pensions Act 1978           | 1978 c 56  | Sections 2 to 5, 6(2), 7, 11, 12(8) and 18(2) and (3)                                                                 |
| The Parliamentary Pensions etc Act 1984       | 1984 c 52  | Sections 3(4) to (6), 4(3) to (6), 5(1) and (2) and 6                                                                 |

### Part 2 - Other Instruments

| (1)                                                                         | (2)          | (3)                  |
|-----------------------------------------------------------------------------|--------------|----------------------|
| Instruments revoked                                                         | References   | Extent of revocation |
| The Parliamentary and other Pensions (Contracted Out Provisions) Order 1978 | SI 1978/891  | The whole instrument |
| The Parliamentary Pensions (Purchase of Added Years) Order 1978             | SI 1978/1837 | The whole instrument |

|                                                                                               |              |                           |
|-----------------------------------------------------------------------------------------------|--------------|---------------------------|
| The Parliamentary Pensions (Purchase of Added Years) (Amendment) Order 1984                   | SI 1984/1907 | The whole instrument      |
| The Parliamentary Pensions (Added Years and Rates of Accrual) (Further Provisions) Order 1984 | SI 1984/1908 | The whole instrument      |
| The Parliamentary Pensions (Maximum and Abated Pensions and Pension Commutation) Order 1984   | SI 1984/1909 | The whole instrument      |
| The Parliamentary Pensions (Amendment) Regulations 1991                                       | SI 1991/609  | The whole instrument      |
| The Parliamentary Pensions (Amendment) Regulations 1992                                       | SI 1992/599  | Regulations 3, 4, 5 and 7 |

### Part 3 - Savings

- 1 The revocation by these Fund Rules of a transitional provision relating to the coming into force of a provision re-enacted in these Fund Rules does not affect the operation of that transitional provision, so far as it remains capable of having effect, in relation to the provision as re-enacted.
- 2
  - (a) The revocation by these Fund Rules of a provision previously repealed or revoked subject to savings does not affect the previous operation of those savings.

- (b) The revocation by these Fund Rules of a saving made on the previous repeal or revocation of a provision does not affect the operation of the saving in so far as it remains capable of having effect.

#### **Part 4 - Transitional Provisions**

3

- (a) The re-enactment of provisions in these Fund Rules, and the consequent revocation of those provisions by these Fund Rules, does not affect the continuity of the law.
- (b) The general rule is that the provisions of these Fund Rules apply, in accordance with sub-paragraph (a) of this paragraph to matters arising before the CARE Commencement Date as to matters arising after the CARE Commencement Date.
- (c) The general rule has effect subject to any express provision to the contrary, and to FS Rule 1.
- (d) The general rule does not mean that the provisions of these Fund Rules apply to cases to which the corresponding revoked provisions did not apply by virtue of transitional provisions made in connection with the commencement of the revoked provisions (such transitional provisions are saved by part 2 of this Schedule 6).

4 Where a period of time specified in a provision of any regulations revoked and re-enacted by these Fund Rules is current at the CARE Commencement Date, these Fund Rules have effect as if the corresponding provision of these Fund Rules had been in force when that period began to run.



## Schedule 7: Reckonable Service

FS Participants with service between 1 January 1972 and 1 August 1978

1

- (a) This paragraph applies to:
  - (i) any person who served as an FS Participating Member at any time on or after 1 January 1972 and who has not served as an FS Participating Member at any time after 1 August 1978; or
  - (ii) any person who served as an FS Participating Office Holder at any time on or after 1 April 1972 and who had not served as an FS Participating Office Holder at any time after 1 August 1978; or
  - (iii) any person to whom both (i) or (ii) above apply.
- (b) Subject to the next following sub-paragraph and to FS Rule 54 and General Rules 7 and 8, for the purposes of the FS Rules:
  - (i) any period or periods not exceeding 10 years before 16 October 1964 during which a person was a Member of the House of Commons; and
  - (ii) any period beginning on or after 16 October 1964 during which a person was such an FS Participating Member,

is a period of reckonable service as an FS Participating Member; and in the FS Rules "**Aggregate Period of Reckonable Service as an FS Participating Member**", in relation to a person, means the period, falling within either of the preceding paragraphs, during which he was such an FS Participating Member or (if more than one) the aggregate of such periods.
- (c) Subject to FS Rule 53 and General Rules 7 and 8, for the purposes of the FS Rules any period during which a person has been an FS Participating Office Holder is a period of reckonable service as a participating Office Holder;

and in the FS Rules "**Aggregate Period of Reckonable Service as an FS Participating Office Holder**", in relation to a person, means his period (or, if more than one, the aggregate of his periods) of reckonable service as a participating Office Holder.

- (d) In the FS Rules "**Aggregate Period of Reckonable Service as an FS Participant**", in relation to a person, means the total of whichever of the following apply to him, namely:
- (i) his Aggregate Period of Reckonable Service as an FS Participating Member; or
  - (ii) his Aggregate Period of Reckonable Service as an FS Participating Office Holder; or
  - (iii) if (i) and (ii) both apply, his Aggregate Period of Reckonable Service as an FS Participating Member together with such part if any of his Aggregate Period of Reckonable Service as an FS Participating Office Holder when he was not also an FS Participating Member.

#### **FS Participants with service between 2 August 1978 and 19 July 1983**

2

- (a) This paragraph applies to:
- (i) any person who was an FS Participating Member at any time on or after 2 August 1978 and who has not been an FS Participating Member at any time after 19 July 1983; or
  - (ii) any person who was an FS Participating Office Holder at any time on or after 2 August 1978 and who has not been an FS Participating Office Holder at any time after 19 July 1983; or
  - (iii) any person to whom (i) and (ii) above both apply.

(b) In relation to a person who satisfies one or more of the conditions in sub-paragraph (a) above, paragraph 1 of this Schedule shall have effect with the following modifications:

- (i) In paragraph 1(b)(i) after the words "10 years" there shall be inserted the words "or, in the case of a person who was an FS Participating Member on or after 2 August 1978, 15 years".
- (ii) In paragraph 1(b) after the word "means" there shall be inserted the words "(subject to sub-paragraph (ba) of this paragraph)".
- (iii) After paragraph 1(b) there shall be inserted as sub-paragraph (ba):

"(ba) In calculating for the purposes of these FS Rules a person's Aggregate Period of Reckonable Service as an FS Participating Member, a period during which he was an FS Participating Member shall be disregarded:

- (i) in so far as it fell after the time when his Aggregate Period of Reckonable Service as an FS Participating Member reached forty years and before the time when he attains or attained the age of sixty-five years; and
  - (ii) in so far as it fell after the time when he attained that age and would, apart from this paragraph, cause his Aggregate Period of Reckonable Service as an FS Participating Member to exceed forty-five years."
- (iv) In paragraph 1(c) after the word "means" there shall be inserted the words "(subject to sub-paragraph (ca) of this paragraph)".
- (v) After paragraph 1(c), there shall be inserted as sub-paragraph (ca):

"(ca) In calculating for the purposes of the FS Rules a person's Aggregate Period of Reckonable Service as an FS Participating Office Holder, his period or periods of reckonable service as an FS Participating Office Holder shall be disregarded:

- (i) in so far as may be necessary to prevent his Aggregate Period of Reckonable Service as an FS Participating Office Holder from exceeding forty years at or before the time when he attains or attained the age of sixty-five years; and
- (ii) so far as may be necessary to prevent his Aggregate Period of Reckonable Service as an FS Participating Office Holder from exceeding forty-five years at any time;

and, in the case of any person, the particular part or parts of his period of reckonable service as an Office Holder to be disregarded in pursuance of this sub-paragraph or, if there are two or more such periods, the particular periods or parts of periods (or both) to be so disregarded shall be that or those which, being disregarded, will make the aggregate of the contribution credits calculated in his case under paragraph 4 of Schedule 8 (as modified by paragraph 6 of that Schedule) as large as possible consistently with this sub-paragraph."

## Schedule 8: Pension Entitlement

### Members with service between 1 January 1972 and 19 July 1983

1

- (a) A person who was an FS Participating Member on or after 1 January 1972 but has not been an FS Participating Member at any time after 19 July 1983 shall be entitled to receive a pension under this paragraph as from the time when the following conditions are or were fulfilled in respect of him:
  - (i) he is or was neither a Member of that House nor a candidate for election to it;
  - (ii) he is not or was not the holder of a Qualifying Office;
  - (iii) his Aggregate Period of Reckonable Service as an FS Participant is not or was not less than four years; and
  - (iv) he has or had attained the age of sixty-five years.
- (b) No pension shall be payable under this paragraph to a person who, prior to 25 April 2013, held the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons or Lord Chancellor.
- (c) Subject to paragraph 1 of Schedule 10, to FS Rule 24 and, in the case of a person who has a Guaranteed Minimum Pension, to FS Rule 22, the annual amount of the pension payable to a person under this paragraph shall be a sum equal to the aggregate of the following amounts:
  - (i) an amount equal to one-sixtieth of the relevant terminal salary multiplied by the number of complete years comprised in his Aggregate Period of Reckonable Service as an FS Participating Member; and

- (ii) an amount bearing the same proportion to one-sixtieth of the relevant terminal salary as the number of days comprised in that period after the end of the last complete year comprised in it bears to three hundred and sixty-five.
- (d) In this paragraph "the relevant terminal salary":
  - (i) in relation to a person who has been a Member of the House of Commons for a period of more than twelve months, or for two or more periods amounting in the aggregate to more than twelve months, means the amount of a Member's pensionable salary for the last twelve months (whether continuous or discontinuous) during which that person was a Member of that House; and
  - (ii) in relation to a person who has been a Member of that House, but whose actual period of service as such a Member was less than twelve months, means an amount calculated by taking the aggregate amount of a Member's pensionable salary for the period (whether continuous or discontinuous) for which he was such a Member and multiplying it by the appropriate figure;

and in paragraph (ii) of this sub-paragraph "**the appropriate figure**" in relation to a person, means the figure (whether being a whole number or not) by which the number of days comprised in his period of service as a Member of the House of Commons must be multiplied in order to be equal to twelve months.
- (e) In this Schedule "**a Member's pensionable salary**" in relation to a resolution of the House of Commons relating to the remuneration of Members, means a Member's Ordinary Salary, or, if the resolution provides for a Member's Ordinary Salary to be regarded for pension purposes as being at a higher rate, a notional yearly salary at that higher rate.

## **Members whose service ended between 20 July 1983 and 31 July 1984**

2

- (a) This paragraph applies to a person who:
  - (i) was an FS Participating Member on or after 20 July 1983; and
  - (ii) has not been an FS Participating Member at any time after 30 July 1984; and
  - (iii) fulfils conditions (i) to (iv) in sub-paragraph 1(a) of this Schedule.
- (b) In relation to a person to whom this paragraph applies paragraph 1 of this Schedule shall have effect with the following modifications, that is to say:
  - (i) For sub-paragraph (c) of paragraph 1 there shall be substituted the following sub-paragraphs:
    - "(c) Subject to sub-paragraph (ca) of this paragraph, to paragraph 2 of Schedule 9, to FS Rule 24 and, in the case of a person who has a Guaranteed Minimum Pension, to FS Rule 22, the annual amount of the pension payable to a person under this paragraph shall be a sum equal to the aggregate of the amounts produced, in relation to each year or part of a year comprised in his Aggregate Period of Reckonable Service as an FS Participating Member, by multiplying the relevant terminal salary by the appropriate fraction.
  - (ca) The annual amount of the pension payable to a person under this paragraph shall not exceed the amount equal to two-thirds of the relevant terminal salary except to the extent that it is calculated by reference to so much (if any) of that person's Aggregate Period of Reckonable Service as an FS Participating Member as fell after he attained the age of sixty-five years; and the said annual amount shall not, in any event, exceed such maximum pension as

may for the time being be imposed in relation to that person by FS Rule 20 and Schedule 2."

(ii) After sub-paragraph (d) of paragraph 1 there shall be inserted the following sub-paragraphs:

"(da) In sub-paragraph (c) of this paragraph "the appropriate fraction", in relation to a year or part of a year comprised in a person's Aggregate Period of Reckonable Service as an FS Participating Member, means:

(i) in the case of a year or part of a year ending before 20 July 1983, one-sixtieth or, as the case may be, the fraction which bears to one-sixtieth the same proportion as the number of days in that part of a year bears to three hundred and sixty-five; and

(ii) in the case of a year or part of a year beginning on or after 20 July 1983, one-fiftieth or, as the case may be, the fraction which bears to one-fiftieth the same proportion as the number of days in that part of a year bears to three hundred and sixty-five.

(db) For the purposes of sub-paragraph (da) of this paragraph where a year or part of a year comprised in a person's aggregate period of reckonable service as a Member began before, but ended on or after, 20 July 1983:

(i) so much of that year or part of a year as ended with 19 July 1983 shall be treated as a part of a year in relation to which paragraph (i) of that sub-paragraph applies; and

(ii) the remainder of that year or part of a year shall be treated as a part of a year in relation to which paragraph (ii) of that sub-paragraph applies."



### **Office Holders whose service ended between 1 April 1972 and 1 August 1978**

3

- (a) Subject to the next following sub-paragraph, this paragraph applies to a person who:
  - (i) was an FS Participating Office Holder on or after 1 January 1972; and
  - (ii) has not been an FS Participating Office Holder at any time after 1 August 1978; and
  - (iii) fulfils conditions (i) to (iv) in subparagraph 1(a) of this Schedule.
- (b) No pension shall be payable under this paragraph to a person who prior to 25 April 2013 held the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons or Lord Chancellor.
- (c) The same person may be entitled to a pension under paragraph 1 of this Schedule and to a pension under this paragraph, and the amounts of the two pensions shall be cumulative.

4

- (a) Subject to paragraph 4 of Schedule 9 and to FS Rule 24 and, in the case of a person who has a Guaranteed Minimum Pension, to FS Rule 22, the provisions of this paragraph shall have effect for the purpose of calculating the annual amount of a pension payable to a person under paragraph 3 above.
- (b) For each year of which the whole or any part was comprised in the FS Pensioner's Aggregate Period of Reckonable Service as an FS Participating Office Holder the following amounts shall be calculated:
  - (i) an amount equal to the sums deducted under FS Rule 12 in respect of that year from the person's salary (within the meaning of that FS Rule); and

- (ii) an amount equal to five per cent of the aggregate amount which (in accordance with such one or more resolutions of the House of Commons relating to the remuneration of Members as were in force during the whole or any part of that year) constituted a Member's Ordinary Salary in respect of that year;

and for each such year there shall be calculated the amount (in the FS Rules referred to, in relation to any such year, as "**the contribution factor**" (for that year)) which is equal to the amount calculated under paragraph (i) divided by the amount calculated under paragraph (ii) of this sub-paragraph.

- (c) For each such year as is mentioned in sub-paragraph (b) of this paragraph a contribution credit shall be calculated by multiplying one-sixtieth of the relevant terminal salary by the amount of the contribution factor for that year; and, subject to the next following sub-paragraph and to FS Rule 24 the annual amount of the pension payable to the person under paragraph 3 shall be an amount equal to the aggregate of the contribution credits calculated under this sub-paragraph.
- (d) In sub-paragraphs (b) and (c) of this paragraph "**year**" means a period of twelve months beginning with 1 April.
- (e) In this paragraph "**the relevant terminal salary**":
  - (i) if the person's Actual Period of Reckonable Service as an FS Participating Office Holder was more than twelve months, means the amount of a Member's Pensionable Salary for the last twelve months (whether continuous or discontinuous) comprised in that aggregate period of reckonable service; and
  - (ii) if the person's Actual Period of Reckonable Service as an FS Participating Office Holder was less than twelve months, means an amount calculated by taking the amount of a Member's Pensionable Salary for the period (whether continuous or

discontinuous) which constituted the Aggregate Period of Reckonable Service as an FS Participating Office Holder and multiplying it by the appropriate figure;

and in paragraph (ii) of this sub-paragraph "**the appropriate figure**" means the figure (whether being a whole number or not) by which the number of days comprised in the person's Aggregate Period of Reckonable Service as an FS Participating Office Holder must be multiplied in order to be equal to twelve months.

#### **Office Holders whose service ended between 2 August 1978 and 19 July 1983**

5

- (a) This paragraph applies to a person who:
  - (i) was an FS Participating Office Holder on or after 2 August 1978; and
  - (ii) has not been an FS Participating Office Holder at any time after 19 July 1983; and
  - (iii) fulfils conditions (i), (ii) and (iv) in sub-paragraph 1(a) of this Schedule.
- (b) A person who satisfies the conditions in sub-paragraph (a) above shall be entitled to receive a pension under paragraph 3 of this Schedule calculated in accordance with the provisions of paragraph 4 provided that his Aggregate Period of Reckonable Service as an FS Participant is not or was not less than three years.

#### **Office Holders whose service ended between 20 July 1983 and 31 July 1984**

6

- (a) This paragraph applies to a person who:
  - (i) was an FS Participating Office Holder on or after 20 July 1983; and

- (ii) has not been an FS Participating Office Holder at any time after 30 July 1984; and
  - (iii) fulfils conditions (i) to (iv) in paragraph 1(a) of this Schedule, subject to the modification that his Aggregate Period of Reckonable Service as an FS Participant is not or was not less than three years.
- (b) In relation to a person to whom this paragraph applies paragraphs 3 and 4 of this Schedule shall have effect with the following modifications:
  - (i) for the reference to paragraph 4 of Schedule 9 in paragraph 4(a), there shall be substituted a reference to paragraph 5 of Schedule 9; and
  - (ii) for paragraph 4(b)(ii) (calculation of contribution factor by reference to five per cent of a Member's pensionable salary for particular years), there shall be substituted the following paragraph:
 

"(b) an amount equal to the aggregate amount which fell to be deducted under FS Rule 11 from the payments of salary made in respect of that year to any person who was a Member of the House of Commons throughout that year".
- (c) In paragraph 4(c) (contribution credit calculated by reference to one-sixtieth of the relevant terminal salary):
  - (i) for the words "one-sixtieth" there shall be substituted the words "the appropriate fraction"; and
  - (ii) for the words "the next following sub-paragraph" there shall be substituted the words "sub-paragraph (cb) of this paragraph and paragraph 5 of Schedule 8".
- (d) After paragraph 4(c) there shall be inserted the following sub-paragraphs:

- "(ca) In sub-paragraph (c) of this paragraph "the appropriate fraction" means:
- (i) in relation to the year beginning with 1 April 1984 and subsequent years, one-fiftieth;
  - (ii) in relation to the year beginning with 1 April 1982 and previous years, one-sixtieth; and
  - (iii) in relation to the year beginning with 1 April 1983:
    - (A) in the case of a person who held a Qualifying Office at some time in the period beginning with 1 April 1983 and ending with 19 July 1983 but did not hold such an office at any time in the period beginning with 20 July and ending with 31 March 1984, one-sixtieth;
    - (B) in the case of a person who did not hold such an office at any time in the first of those periods but did hold such an office at some time in the second of those periods, one-fiftieth; and
    - (C) in the case of a person who held such an office at some time in each of those periods, nineteen-thousandths.
- (cb) The annual amount of the pension payable to a person under paragraph 4 shall not exceed the amount equal to two-thirds of the product of:
- (a) the relevant terminal salary; and
  - (b) the average of all the contribution factors calculated in relation to that person under sub-paragraph (b) of this paragraph,

except to the extent that the said annual amount is calculated by reference to any years beginning after that person attained the age of sixty-five years; and the said annual amount shall not, in any event, exceed such maximum pension as may for the time being be imposed in relation to that person by FS Rule 20 and Schedule 2."

## Schedule 9: Early Retirement and Early Abated Pensions

### Members with service between 1 January 1972 and 19 July 1983

1

- (a) Where on or after 1 January 1972 a person has ceased to be a Member of the House of Commons and before 20 July 1983 the conditions specified in paragraphs (i) to (ii) of paragraph 1(a) of Schedule 8 were fulfilled in relation to him, and he has attained the age of sixty years but has not attained the age of sixty-five years, then if:
  - (i) he applies to the Trustees for an immediate pension under this paragraph; and
  - (ii) the Trustees are satisfied that he does not intend to stand for re-election to the House of Commons, he shall be entitled to receive a pension under this paragraph as if he had attained the age of sixty-five years on the date of his application, or, if later, such other date as may be there specified; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of sixty-five years, shall (subject to FS Rule 24) be an amount calculated in accordance with paragraph 1(c) of Schedule 8, reduced by such amount as the Government Actuary determines to be appropriate, having regard to the length of the period beginning with the date of his application, or, if later, such other date as may be there specified and ending with the date on which he would attain the age of sixty-five years.
- (b) In the case of a person who was an FS Participating Member on or after 6 April 1978 and who is entitled to a Guaranteed Minimum Pension, the amount calculated by virtue of sub-paragraph (a) above shall not be reduced below the rate of the Guaranteed Minimum Pension, as provided for by FS Rule 22.

### **Members with service between 20 July 1983 and 31 July 1984**

2 In relation to a person who:

- (a) was a Member of the House of Commons on or after 20 July 1983; and
- (b) has before 31 July 1984 fulfilled the conditions specified in paragraphs (i) to (iii) of paragraph 1(a) of schedule 8; and
- (c) has attained the age of sixty years but has not attained the age of sixty-five years,

paragraphs 1(a)(i) and (ii) and 1(b) above shall have effect with the following modifications, that is to say:

- (i) for the reference to paragraph 1(c) of Schedule 8 there shall be substituted a reference to paragraph 1(c) as modified by paragraph 2(b) of that Schedule.

### **Members with service between 1 August 1984 and 1 April 1991**

3 In relation to a person who:

- (a) was a Member of the House of Commons on or after 31 July 1984; and
- (b) has on or before 1 April 1991 fulfilled the conditions specified in paragraphs (i) and (ii) of paragraph 1(a) of Schedule 8; and
- (c) has attained the age of fifty years but has not attained the age of sixty-five years,

paragraphs 1(a)(i) and (ii) and 1(b) above shall have effect with the following modifications, that is to say:

- (i) for the reference to paragraph 1(c) of Schedule 8 there shall be substituted a reference to FS Rule 17.



## Office Holders with service between 1 January 1972 and 19 July 1983

4

- (a) Where a person
  - (i) was the holder of a Qualifying Office on or after 1 January 1972; and
  - (ii) has before 20 July 1983 fulfilled the conditions specified in paragraphs (i) to (iii) of paragraph 1(a) of Schedule 8; and
  - (iii) would be entitled to a pension under paragraphs 3 and 4 or under paragraph 5 of Schedule 8 if he had attained the age of sixty-five years; and
  - (iv) has attained the age of sixty years;then if:
  - (A) he applies to the Trustees for an immediate pension under those paragraphs; and
  - (B) the Trustees are satisfied that he does not intend to stand for election to the House of Commons or to accept any further appointment to a Qualifying Office,

he shall be entitled to receive a pension under those paragraphs as if he had attained the age of sixty-five years on the date of his application or, if later, such other date as may be there specified; but the annual amount of the pension to which he is so entitled, both before and after he attains the age of sixty-five years, shall (subject to FS Rule 24) be an amount calculated in accordance with paragraphs 3 and 4 or paragraph 5 of Schedule 8, reduced by such amount as the Government Actuary determines to be appropriate, having regard to the length of the period beginning with the date of his application or, if later, such other date as

may be there specified and ending with the date on which he would attain the age of sixty-five years.

- (b) In the case of a person who was an FS Participating Office Holder on or after 6 April 1978 and who is entitled to a Guaranteed Minimum Pension, the amount calculated by virtue of sub-paragraph (a) above shall not be reduced below the rate of the Guaranteed Minimum Pension, as provided for by FS Rule 22.

#### **Office Holders with service between 20 July 1983 and 30 July 1984**

5 Where a person

- (a) was the holder of a Qualifying Office on or after 20 July 1983; and
- (b) has before 31 July 1984 fulfilled the conditions specified in paragraphs (i) to (iii) of paragraph 1(a) of Schedule 8;

paragraph 4 above shall have effect with the following modifications:

- (i) for the references to paragraphs 3 and 4 or paragraph 5 of Schedule 8 there shall be substituted references to paragraphs 3 and 4 as modified by paragraph 6 of Schedule 8.

#### **Office Holders with service between 31 July 1984 and 1 April 1991**

6 A person who:

- (a) was the holder of a Qualifying Office on or after 31 July 1984; and
- (b) has not held a Qualifying Office at any time after 1 April 1991; and
- (c) is entitled to a pension under paragraph 3 of this Schedule

shall also (subject to FS Rule 24) be entitled to receive a pension under this paragraph calculated in accordance with FS Rule 19, reduced by such amount as the Government Actuary determines to be appropriate, having regard to the length of the period beginning with the date of his application, or, if later, such other date as

may be there specified and ending with the date on which he would attain the age of sixty-five years.

## **Schedule 10: Ill-Health Pensions**

### **Members with preserved rights from before 1972**

1 In relation to a person who:

- (a) was a Member of the House of Commons at any time before 1 January 1972 but has not been a Member of that House on or after that date; and
- (b) because of ill-health ceases to hold a Qualifying Office before attaining the age of sixty-five years,

FS Rule 28.1- 28.6 shall have effect with the following modifications:

- (i) references to FS Rule 16 shall be read as references to Part II of the 1965 Act;
- (ii) references to a person's Aggregate Period of Reckonable Service as an FS Participating Member shall be read as references to the aggregate of his periods of reckonable service within the meaning of the said Part II; and
- (iii) in FS Rule 28.6 the reference to FS Rule 24 shall be omitted and the reference to FS Rule 17 shall be read as a reference to section 7(3) of the 1965 Act.

## Schedule 11: Widows, Widowers and Children

### Widows of men with service between 1 January 1972 and 1 August 1978

1

- (a) The widow of a man who was an FS Participant on or after 1 January 1972 and who has not been an FS Participant at any time after 1 August 1978 shall be entitled to receive a pension under this paragraph if her late husband, at the time of his death,
  - (i) was entitled to receive a pension under paragraph 1 or paragraph 3 of Schedule 8, or under both those paragraphs; or
  - (ii) was not so entitled, but had an Aggregate Period of Reckonable Service as an FS Participant of not less than four years, and either had been a Member of the House of Commons on or after 1 January 1972 or had elected to be an FS Participant under section 2 of the 1972 Act in respect of one or more Periods of Tenure of a Qualifying Office.
- (b) Subject to paragraph (h) below, the annual amount of a pension payable under this paragraph to a widow whose husband died on or after 6 April 1988 shall be five-eighths of the Basic or Prospective Pension or Pensions of her late husband.
- (c) Subject to sub-paragraphs (d) and (f), a pension payable under this paragraph to a widow shall continue for her life or until her remarriage; but in the case of remarriage the Trustees may, if they think fit, at any time direct that the pension shall be restored if satisfied that the subsequent marriage has been terminated or that there are exceptional reasons for the payment of the pension notwithstanding the subsistence of that marriage.

- (d) No pension shall be payable under this paragraph to a widow who, at her husband's death, was cohabiting with another person; and if a widow entitled to such a pension cohabits with another person, the pension shall cease to be payable:
- (e) Provided that the Trustees may, if they think fit, direct that the pension shall be paid or restored, as the case may be, if satisfied that the cohabitation has been terminated and that there are exceptional reasons for the payment of the pension.
- (f) Where the employment of any FS Participant to whom the FS Rules apply was contracted-out under Part III of the 1993 Act and he has a Guaranteed Minimum Pension under the FS Rules his widow shall, upon his death, notwithstanding the provisions of paragraphs (c) and (d), be entitled to a pension for the remainder of her life at a rate equivalent to a weekly rate of not less than half the guaranteed minimum of that man, notwithstanding any provision of the FS Rules to the contrary.
- (g) During any period specified in section 17(5) of the 1993 Act as being a period during which a Category B retirement pension, widowed mother's allowance or widow's pension is payable to her under that subsection, the widow of a FS Participant shall, notwithstanding the provisions of subparagraphs (c) and (d) above, be entitled to a pension under subparagraphs (a) and (b) above, but if after she has attained the age of sixty years she remarries or cohabits with another person, the Trustees may direct that the pension be restricted to the Guaranteed Minimum Pension to which she is entitled.
- (h) Where a man dies in circumstances in which, apart from this subparagraph, a widow's pension calculated in accordance with subparagraph (2) would be payable to a woman married by him within the six months ending with his death, and it appears to the Trustees that his death within six months was to be foreseen by him at the date of the marriage, then if:

- (i) there are no children of that marriage;
- (ii) the man was married to her after the termination of his service in Contracted-out Employment in respect of which the widow's pension is payable; and
- (iii) the rate of the widow's pension payable to her would be in excess of the widow's Guaranteed Minimum Pension,

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

- (i) The annual amount of a pension payable to a widow whose husband died on or before 5 April 1988 shall be one-half of the Basic or Prospective Pension or Pensions of her late husband.
- (ii) In this paragraph, references to a "man" shall include a woman in a Relevant Gender Change Case, and references to "husband" and "his" shall be read accordingly.

#### **Widows of men with service between 2 August 1978 and 30 July 1984**

2 In relation to a widow of a man who:

- (a) was a FS Participant on or after 2 August 1978; and
- (b) has not been a FS Participant at any time after 30 July 1984:

Paragraph 1 of this Schedule shall have effect with the following modifications:

for sub-paragraph (a)(ii) there shall be substituted the following:

- "(a)
  - (ii) was not so entitled, but either:
    - (A) had been an FS Participating Member on or after 2 August 1978 and had an Aggregate Period of

Reckonable Service as a Participant of not less than four years; or

- (B) had been an FS Participating Office Holder on or after 2 August 1978 and had an Aggregate Period of Reckonable Service as a Participant of not less than three years."

### **Widowers of women with service between 1 January 1972 and 1 August 1978**

3

- (a) Subject to the provisions of this paragraph, the widower of a woman who was an FS Participant on or after 1 January 1972 and who has not been an FS Participant at any time after 1 August 1978 shall be entitled to receive a pension under this paragraph if, at the time of her death, he was incapable by reason of age or bodily or mental infirmity of earning his own living and was wholly or mainly dependent on her, and at that time either:
  - (i) she was entitled to receive a pension under paragraph 1 or paragraph 3 of Schedule 8 or under both those paragraphs; or
  - (ii) she was not so entitled, but had an Aggregate Period of Reckonable Service as an FS Participant of not less than four years.
- (b) The annual amount of a widower's pension under this paragraph shall be one-half of the Basic or Prospective Pension or Pensions of his late wife.
- (c) A pension under this paragraph shall, subject to the following provisions of this paragraph, continue for the life of the widower, but may be terminated by direction of the Trustees in the event of his remarriage or of his ceasing to be incapable as mentioned in sub-paragraph (a) above.



- (d) A pension terminated under sub-paragraph (c) above may be restored by direction of the Trustees if at any time the marriage upon which it was terminated comes to an end or the FS Pensioner again becomes incapable as mentioned in sub-paragraph (a) above, or if the Trustees are satisfied that for exceptional reasons it is proper to restore the pension.
- (e) Sub-paragraphs (d), (e), (f) and (g) of paragraph 1 of this Schedule shall apply for the purposes of this paragraph with the necessary modifications.
- (f) In this paragraph, references to a "woman" shall include a man in a Relevant Gender Change Case, and references to "wife" and "her" shall be read accordingly.

#### **Widowers of women with service between 2 August 1978 and 30 July 1984**

4

- (a) Subject to the provisions of this paragraph the widower of a woman who:
  - (i) was a FS Participant on or after 2 August 1978; and
  - (ii) has not been a FS Participant at any time after 30 July 1984:
 shall be entitled to receive a pension under this paragraph if, at the time of her death either:
  - (i) she was entitled to receive a pension under one or more than one of paragraphs 1, 5 or 6 of Schedule 8; or
  - (ii) she was not so entitled, but:
    - (A) had been an FS Participating Member on or after 1 January 1972 and had an Aggregate Period of Reckonable Service as an FS Participant of not less than four years; or
    - (B) had been an FS Participating Office Holder on or after 1 April 1972 and had an Aggregate Period of Reckonable Service as an FS Participant of not less than three years.

- (b) A widower shall be entitled to receive a pension under this paragraph:
- (i) as from the day following the date of his wife's death if at the time of her death he had attained the age of sixty-five years or, before attaining that age, was incapable by reason of bodily or mental infirmity of earning his own living; or
  - (ii) where the preceding paragraph does not apply, as from the time he attains the age of sixty-five years or, before attaining that age, becomes incapable as mentioned in that paragraph.
- (c) The annual amount of a widower's pension under this paragraph shall be one-half of the Basic or Prospective Pension or Pensions of his late wife.
- (d) A pension under this paragraph shall, subject to the following provisions of this paragraph, continue for the life of the widower, but may be terminated by direction of the Trustees in the event of his remarriage or of his ceasing to be incapable as mentioned in sub-paragraph (b) above before he attains the age of sixty-five years.
- (e) A pension terminated under sub-paragraph (d) above may be restored by direction of the Trustees if at any time the marriage upon which it was terminated comes to an end or the FS Pensioner again becomes incapable as mentioned in sub-paragraph (b) above, or if the Trustees are satisfied that for exceptional reasons it is proper to restore the pension.
- (f) A pension terminated under sub-paragraph (d) above on the grounds that the widower has ceased to be incapable as mentioned in sub-paragraph (b) above shall be restored as from the time he attains the age of sixty-five years provided that he has not remarried.
- (g) Sub-paragraphs (d), (e), (f) and (g) of paragraph 1 of this Schedule shall apply for the purposes of this paragraph with the necessary modifications.

- (h) In this paragraph, references to a "woman" shall include a man in a Relevant Gender Change Case, and references to "wife" and "her" shall be read accordingly.

**Children of persons with service between 1 January 1972 and 1 August 1978**

5

- (a) A children's pension shall be payable under and subject to the provisions of this paragraph for the benefit of any Relevant Child or Children of a person who has been an FS Participant on or after 1 January 1972 and who is or has been married, if at the time of his death the condition specified in paragraph 1(a)(i) or in paragraph 1(a)(ii) of this Schedule is fulfilled in his case and if he has not been a Member of the House of Commons and has not held a Qualifying Office at any time after 1 August 1978.
- (b) Subject to the next following sub-paragraph, the annual amount of a children's pension payable under this paragraph for the benefit of any Relevant Child or Children of a person who has died on or after 6 April 1988 shall be:
- (i) a sum equal to one-quarter of the Basic or Prospective Pension or Pensions of the deceased if there is one Child or, if there is more than one, a sum equal to three-sixteenths of the Basic or Prospective Pension or Pensions of the deceased for each Relevant Child not exceeding two; or
- (ii) if the widow or widower is dead and subject to paragraph (d) below, a sum equal to five-sixteenths of the Basic or Prospective Pension or Pensions of the deceased for each Relevant Child not exceeding two.
- (c) Where the deceased left a widow or widower who was (or, apart from the provision as to cohabitation, would have been) entitled to a pension under paragraph 1 or paragraph 3 to this Schedule, and that pension:

- (i) has ceased to be payable in consequence of the remarriage of the widow or widower; or
  - (ii) was not payable, or has ceased to be payable, by reason of the provision as to cohabitation, any children's pension under this section shall cease to be payable or, as the case may be, shall not be payable unless and until the Trustees for exceptional reasons direct that the children's pension shall be payable; and if the Trustees so direct, they may, if they think fit, further direct that sub-paragraph (b)(ii) of this paragraph shall apply as if the widow or widower had died.
- (d) A children's pension under this paragraph shall be paid to or distributed between such person or persons as the Trustees may from time to time direct, and shall be applied by that person or those persons, without distinction, for the benefit of the Relevant Child or Children of the deceased or such of them as the Trustees may from time to time direct.
- (e) In this paragraph "**child**", in relation to any person, includes an illegitimate Child, a stepchild or an adopted Child and "**Relevant Child**" means any Child of the deceased, or of any wife or husband of the deceased who:
  - (i) is under sixteen years of age; or
  - (ii) is under twenty-two years of age and is within his period of full-time education; or
  - (iii) was at the time of the death of the deceased wholly or mainly dependent on the deceased and was at that time and has at all times since been either a person falling within paragraph (i) or paragraph (ii) of this sub-paragraph or incapable, and likely to remain permanently incapable, by reason of bodily or mental infirmity, of earning his own living, and is not for the time being maintained out of moneys provided by Parliament in a hospital or similar institution so maintained,

and "**the provision as to cohabitation**" means paragraph 1(d) of this Schedule, or that paragraph as applied by paragraph 3(e).

**Children of persons with service between 2 August 1978 and 30 July 1984**

6 In relation to a Child of a person who:

- (a) was an FS Participant on or after 2 August 1978; and who
- (b) has not been an FS Participant at any time after 30 July 1984

paragraph 5 above shall have effect with the following modifications:

- (i) from sub-paragraph (b) there shall be deleted the words "subject to the next following sub- paragraph";
- (ii) in sub-paragraph (c) the words from "and if" to the end of the sub-paragraph shall be deleted;
- (iii) in paragraph (i) of sub-paragraph (e) there shall be substituted for the word "sixteen" the word "seventeen".

**Meaning of "Basic or Prospective Pension or Pensions": persons with service between 1 January 1972 and 1 August 1978**

7

- (a) In paragraphs 1, 3 and 5 of this Schedule, "**Basic or Prospective Pension or Pensions**", in relation to a person who has died and who at the time of his death was entitled to receive a pension under paragraph 1 or paragraph 3 of Schedule 8, or under both those paragraphs, means the annual amount of that pension calculated in accordance with paragraph 1 or paragraph 4 of Schedule 8, or the aggregate of the annual amounts of those pensions so calculated, as the case may be; and in relation to a person who has died and who had not before his death become entitled to receive a pension under either of those paragraphs, but had at the time of his death an Aggregate Period of Reckonable Service (as an FS Participant) of not less than four years, it means the annual amount specified in whichever of the

following sub-paragraphs is applicable in his case, or, if both those sub-paragraphs are applicable, it means the aggregate of the annual amounts specified in those sub-paragraphs:

- (i) where the deceased was an FS Participating Member at any time on or after 1 January 1972, the annual amount of the pension, calculated in accordance with paragraph 1 of Schedule 8, which he would have been entitled to receive under that paragraph if he had ceased to be an FS Participating Member immediately before his death and he had then fulfilled the conditions specified in paragraphs (i) to (iv) of subparagraph (a) of that paragraph;
- (ii) where the deceased was an FS Participating Office Holder in respect of one or more Periods of Tenure of a Qualifying Office, the annual amount of the pension, calculated in accordance with paragraph 4 of Schedule 8 which he would have been entitled to receive under paragraph 3 of Schedule 8 if immediately before his death he had fulfilled the conditions mentioned in the preceding paragraph.

**Meaning of "Basic or Prospective Pension or Pensions": persons with service between 2 August 1978 and 30 July 1984**

8 In relation to a person who:

- (a) was an FS Participant on or after 2 August 1978; and
- (b) has not been an FS Participant at any time after 30 July 1984,

paragraph 7 above shall apply with the following modifications:

- (i) for the reference to "paragraphs 1, 3, and 5 of this Schedule" there shall be substituted a reference to "paragraphs 2, 4, and 6 of this Schedule";

- (ii) for references to "paragraph 1 of Schedule 8" (except for the reference in paragraph (i)) there shall be substituted references to "paragraph 1 or paragraph 2 of Schedule 8";
- (iii) for references to "paragraph 3 of Schedule 8" there shall be substituted references to "paragraph 5 of Schedule 8";
- (iv) for references to "paragraph 4 of Schedule 8" there shall be substituted references to "paragraph 6 of Schedule 8";
- (v) after "means", where it first occurs, there shall be substituted "(subject to sub-paragraph (aa) below)";
- (vi) there shall be omitted the words from "but had" to "four years";
- (vii) in paragraph (ii), for "mentioned in the preceding paragraph" there shall be substituted:  
  
"specified in paragraphs (i) to (iv) of sub-paragraph a of Schedule 8, paragraph (iii) of the said sub-paragraph a being for this purpose read as provided in paragraph 5(b) of this Schedule."
- (viii) after sub-paragraph 7(a) there shall be inserted:  
  
"(aa) Where, in the case of a person who has died and who at the time of his death was entitled to receive a pension under any paragraph or paragraphs of Schedule 8, the annual amount of that pension resulted from one or more reduction or abatement made on commutation or early retirement, no such reductions or abatements shall be made in calculating the annual amount of that pension for the purposes of sub-paragraph (a) above."

## Schedule 12: Gratuities on Death after Retirement

### Persons with service between 1 January 1972 and 1 August 1978

1

- (a) This paragraph applies in relation to a person who was a FS Participant on or after 1 January 1972 and who has not been a FS Participant at any time after 1 August 1978.
- (b) Where a FS Participant dies in circumstances where he has become entitled to receive a pension under paragraph 1 or paragraph 3 of Schedule 8 or under both those paragraphs and no pension in respect of him is payable under paragraph 1, paragraph 3, or paragraph 5 of Schedule 11, the Trustees may, if they think fit in their discretion to do so, grant to his personal representatives a gratuity under this paragraph.
- (c) [Not used]
- (d) For the purpose of determining the amount of a gratuity which may be granted in respect of a person under this paragraph, there shall be calculated:
  - (i) the greater of:
    - (A) the amount of a Member's Pensionable Salary at the time of his death;
    - (B) the aggregate of the Contributions paid by that person, and not refunded to him, together with Interest on each such Contribution from the date when it was paid; and
  - (ii) the aggregate amount of the payments made to him by way of pension under paragraph 1 or paragraph 3 of Schedule 8 together with any lump sum paid to him under FS Rule 24;



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

**Persons with service between 2 August 1978 and 30 July 1984**

2

- (a) This paragraph applies in relation to a person who was an FS Participant on or after 2 August 1978 and who has not been an FS Participant at any time after 30 July 1984.
- (b) In relation to a person who satisfies the conditions in sub-paragraph (a) above, paragraph 1 of this Schedule applies with the following modification:
  - (i) for the reference in sub-paragraph (b) to paragraph 1, paragraph 3 or paragraph 5 of Schedule 11, there shall be substituted a reference to paragraph 2, paragraph 4 or paragraph 6 of Schedule 11.

**Persons with service between 31 July 1984 and 5 April 1988**

3

- (a) This paragraph applies in relation to a person who was an FS Participant on or after 31 July 1984 and who has not been an FS Participant at any time after 5 April 1988.
- (b) In relation to a person who satisfies the conditions in sub-paragraph (a) and dies leaving no person to whom a pension is payable under FS Rules 35 to 43 or Schedule 11:
  - (i) in a case where the person dies before reaching the age of 75, FS Rules 48.2, 48.3, 48.5 and 48.6 apply as they apply to a deceased FS Pensioner to whom they apply by virtue of FS Rules 45, 48.1 and 52, but subject to the modifications in sub-paragraph (c), and

- (ii) in a case where the person dies after reaching the age of 75, FS Rules 49.2, to 49.5, 49.7 and 49.8 apply as they apply to a deceased FS Pensioner to whom they apply by virtue of FS Rules 45, 49.1 and 52, but subject to the modifications in sub-paragraph (d).
- (c) The modifications of FS Rule 48 referred to in sub-paragraph (b)(i) are as follows:
  - (i) omit FS Rule 48.3(a),
  - (ii) in FS Rule 48.5(a) for "the FS Rule 44 gratuity" substitute "the relevant amount"
  - (iii) in FS Rule 48.6 for the definition of "the FS Rule 44 gratuity" substitute:
 

**"the relevant amount"** means the greater of:

    - (a) the amount of a Member's Pensionable Salary at the time of the FS Pensioner Member's death; and
    - (b) the aggregate of the Contributions paid by the FS Pensioner Member and not refunded to him, together with Interest on each Contribution from the date on which it was paid."
- (d) The modifications of FS Rule 49 referred to in sub-paragraph (b)(ii) are as follows:
  - (i) omit FS Rule 49.4(a)in FS Rule 49.4(b) for "he" substitute "the FS Pensioner Member",
  - (ii) in FS Rule 49.7(a) for "the assumed Rule 44 gratuity" substitute "the relevant amount",
  - (iii) in FS Rule 49.8 for the definition of "the assumed Rule 44 gratuity" substitute:

**""the relevant amount"** has the meaning given in FS Rule 48.6."

## **Schedule 13: Refunds**

### **Contributions paid under section 5 of the 1965 Act**

1

- (a) Any Contributions paid under section 5 of the 1965 Act by a person who:
  - (i) ceased to be a Member of the House of Commons before 1 January 1972 and has not been a Member of that House at any time on or after that date; and
  - (ii) did not complete ten years reckonable service within the meaning of Part II of that Act,shall at his request (if they have not previously been refunded) be refunded to him by the Trustees, with Interest from the dates on which the Contributions were paid respectively.
- (b) Sub-paragraph (a) shall apply after taking into account, as appropriate, any order or provision specified in section 28 of the 1999 Act to which that person is subject.

## **Schedule 14: Transitional provisions**

The provisions of Schedule 14 are effective on and from the CARE Commencement Date.

In respect of each Schedule 14A Member, with effect from the end of the day before the Option Effective Date, the provisions of Schedule 14 will cease to apply and benefits accrued in respect of Relevant Service during the Relevant Period will be determined in accordance with Schedule 14A, provided that the relevant provisions of paragraph 5 shall remain effective for the purposes of the references to them in Schedule 14A and for their application in relation to the definition of “Period of Protection”. For the avoidance of doubt, Schedule 14 shall not apply to benefits accrued in respect of any period after the Relevant Period.

### **CARE Section membership**

- 1 A person shall not be eligible to join the CARE Section if:
  - (a) he is, or is eligible to be, an FS Participant by reason of being a Fully Protected Member or a Partially Protected Member (but subject to paragraph 5 and paragraph 9 below);
  - (b) he held the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons for any term of service beginning before 25 April 2013 and did not exercise an option under FS Rule 3 to join the FS Section; or
  - (c) he held the office of Lord Chancellor for any term of service beginning before 4 September 2012.
- 2 A person who was appointed to the office of Lord Chancellor for a term of service beginning on or after 4 September 2012 but before 25 April 2013 shall not be eligible to join the CARE Section until after the day on which that term of service as Lord Chancellor ceases.
- 3 Subject to paragraph 1(a) above, a person who is an Opted-out Member immediately prior to the CARE Commencement Date and who remains in Relevant

Service on and after that date shall be treated as if he had given an Opt-out Notice under CARE Rule 3, unless and until he gives notice under CARE Rule 4 to join the CARE Section on or after that date.

#### **FS Section membership**

- 4 No person shall be eligible to become or remain an FS Participant on or after the CARE Commencement Date, except a Fully Protected Member or a Partially Protected Member. Any person who is an FS Participant immediately prior to that date and is not a Fully Protected Member or a Partially Protected Member shall become a CARE Participant on and from that date, and shall thereafter accrue benefits in the CARE Section.

5

- (a) A Partially Protected Member shall be eligible to join the CARE Section for a period of 3 months (three months) after:

- (i) the CARE Commencement Date;
- (ii) in the case of a Member of the House of Commons, any General Election or by-election after the CARE Commencement Date at which he is elected to membership of the House of Commons; or
- (iii) in the case of an Office Holder, the commencement of a new period of tenure as an Office Holder after the CARE Commencement Date,

by giving a notice in writing to the Trustees to that effect. Once a Partially Protected Member has elected to join the CARE Section by giving notice under this paragraph 5 he shall no longer be eligible to be an FS Participant and will not be a Partially Protected Member for the purposes of these Fund Rules.

A notice under this paragraph 5(a) shall have effect from and including the CARE Commencement Date, the date of any General Election or by-

election or the commencement of a new period of tenure as an Office Holder (as applicable).

- (b) A Partially Protected Member shall be eligible to become or remain an FS Participant during the period of protection shown in the table below, calculated in complete months from and including the CARE Commencement Date. During his period of protection (except as set out under paragraph 5(a) above), he shall not be eligible to become a CARE Participant. If he is an FS Participant immediately prior to the date on which his period of protection ends, he shall become a CARE Participant on and from that date and shall thereafter accrue benefits in the CARE Section.

| Age at 1 April 2013 |        | Period of protection<br>(in months) |
|---------------------|--------|-------------------------------------|
| Years               | Months |                                     |
| 54                  | 11     | 82                                  |
| 54                  | 10     | 80                                  |
| 54                  | 9      | 78                                  |
| 54                  | 8      | 76                                  |
| 54                  | 7      | 74                                  |
| 54                  | 6      | 72                                  |
| 54                  | 5      | 70                                  |
| 54                  | 4      | 68                                  |
| 54                  | 3      | 66                                  |

| Age at 1 April 2013 |        | Period of protection<br>(in months) |
|---------------------|--------|-------------------------------------|
| Years               | Months |                                     |
| 54                  | 2      | 64                                  |
| 54                  | 1      | 62                                  |
| 54                  | 0      | 60                                  |
| 53                  | 11     | 58                                  |
| 53                  | 10     | 56                                  |
| 53                  | 9      | 54                                  |
| 53                  | 8      | 52                                  |
| 53                  | 7      | 50                                  |
| 53                  | 6      | 48                                  |
| 53                  | 5      | 46                                  |
| 53                  | 4      | 44                                  |
| 53                  | 3      | 42                                  |
| 53                  | 2      | 40                                  |
| 53                  | 1      | 38                                  |
| 53                  | 0      | 36                                  |
| 52                  | 11     | 34                                  |
| 52                  | 10     | 32                                  |
| 52                  | 9      | 30                                  |
| 52                  | 8      | 28                                  |



| Age at 1 April 2013 |        | Period of protection<br>(in months) |
|---------------------|--------|-------------------------------------|
| Years               | Months |                                     |
| 52                  | 7      | 26                                  |
| 52                  | 6      | 24                                  |
| 52                  | 5      | 22                                  |
| 52                  | 4      | 20                                  |
| 52                  | 3      | 18                                  |
| 52                  | 2      | 16                                  |
| 52                  | 1      | 14                                  |
| 52                  | 0      | 12                                  |
| 51                  | 11     | 10                                  |
| 51                  | 10     | 8                                   |
| 51                  | 9      | 6                                   |
| 51                  | 8      | 4                                   |
| 51                  | 7      | 2                                   |
| 51                  | 6      | 0                                   |

6 If a Fully Protected Member or a Partially Protected Member ceases to be an FS Participant on or after the CARE Commencement Date (other than by reason of paragraph 5(a) above), he may subsequently rejoin the FS Section on or before the FS Closure Date provided that:

- (a) he is not otherwise prevented from joining the FS Section under the FS Rules; and

- (b) he rejoins the FS Section within five years and three months of such cessation; and
  - (c) in the case of a Partially Protected Member, he rejoins it before his period of protection ends under paragraph 5(a) above.
- 7 If a Partially Protected Member leaves the FS Section, but rejoins the Scheme within five years and three months of such cessation and at the time of such rejoining the Partially Protected Member is no longer eligible for the FS Section as his period of protection has ended (or because the time of such rejoining is after the FS Closure Date):
  - (a) he shall join the CARE Section as a CARE Participant;
  - (b) General Rule 11.2 shall apply to him.
- 8 If a Fully Protected Member or a Partially Protected Member ceases to be an FS Participant and does not subsequently rejoin the FS Section within five years and three months of such cessation or (if earlier) when his period of protection ends, he shall cease to be a Fully Protected Member or a Partially Protected Member and shall be eligible to join the CARE Section under the CARE Rules.
- 9 A Fully Protected Member who is an FS Participant on the FS Closure Date shall become a CARE Participant on and from the date immediately following the FS Closure Date and shall thereafter accrue benefits in the CARE Section.

## **Schedule 14A: Member Benefit Choices**

### **Application of Schedule 14A**

- 1 This Schedule 14A shall apply to and in respect of each Schedule 14A Member. In respect of each Schedule 14A Member, with effect from the Option Effective Date, the benefits which shall be deemed to have accrued in respect of Relevant Service during the Relevant Period will be determined in accordance with this Schedule 14A.

For the avoidance of doubt this Schedule 14A does not affect benefits accrued after the end of the Relevant Period.

### **Options available to Schedule 14A Members for Relevant Period**

- 2 A Schedule 14A Member may exercise any one of the following options, to take effect from the day after the Option Date, in relation to his benefit accrual during the Relevant Period:
  - (a) he can elect to be treated as an FS Participant for the entirety of his Relevant Service during the Relevant Period;
  - (b) he can elect to be treated as a CARE Participant for the entirety of his Relevant Service during the Relevant Period; or
  - (c) he can elect to be treated in accordance with the Relevant Default Option.
- 3 An option under paragraph 2 must be exercised by giving written notice to the Trustees in such form as the Trustees require, and such notice must be received by the Trustees on or before the Option Date.
- 4 Any Schedule 14A Member in respect of whom no option has been exercised in accordance with paragraph 2 on or before the Option Date (or such later date as

may be determined in accordance with Administration Rule 5.8) shall be deemed to have elected to be treated in accordance with the Relevant Default Option.

**Category of membership for members who opt to be treated as FS Participants for the Relevant Period**

- 5 A Schedule 14A Member who exercises the option under paragraph 2(a) shall be treated, for the whole of the Relevant Period, as having been in the same category of contributor (i.e. a Category 1 Contributor, a Category 2 Contributor or a Category 3 Contributor) as he was during his last period of Actual Reckonable Service as an FS Participant prior to the Relevant Period.

**Application of options in certain circumstances**

- 6 Where a Schedule 14A Member dies prior to the Option Date and he has not exercised an option in accordance with paragraph 2, the Trustees shall have discretion to apply an option in accordance with paragraph 2 in respect of his benefits during the Relevant Period with effect from immediately before his death (or where applicable, immediately before the time at which such Schedule 14A Member's benefits were transferred pursuant to General Rule 7).
- 7 Where a Schedule 14A Member has transferred or requests to transfer his benefits under the Scheme pursuant to General Rule 7 prior to the Option Date, the Trustees shall have discretion to permit the relevant Schedule 14A Member to exercise an option under paragraph 2 in respect of his benefits during the Relevant Period with effect from immediately prior to the transfer. Where a Schedule 14A Member has transferred or requests to transfer his benefits under the Scheme pursuant to General Rule 7 prior to the Option Date:
- (a) for the purposes of paragraph 10, the benefits payable to and in respect of such Schedule 14A Member shall be recalculated as at the time immediately prior to the time as at which the relevant transfer value falls to be calculated, and the transfer value shall be recalculated accordingly;

- (b) where the transfer value has already been paid, any payment under paragraph 11:
- (i) may, at the Trustees' discretion, be made to the relevant receiving scheme or to any other scheme nominated by the relevant Schedule 14A Member; and
  - (ii) for the avoidance of doubt, any transfer payment in respect of a Schedule 14A Member's benefits pursuant to paragraph 7(b)(i) constitutes a new transfer entitlement which is separate from any previous transfer under the Scheme in respect of the Schedule 14A Member. Where the Trustees make a transfer payment under paragraph 7(b)(i), they shall seek to do so as a new "recognised transfer" (as defined in section 169 of the Finance Act 2004) insofar as possible.

8 Where benefits payable to or in respect of a Schedule 14A Member have been, or are to be, brought into payment before the Option Date other than in the circumstances described in paragraph 6 or paragraph 7 above, the Trustees shall have discretion to permit the relevant Schedule 14A Member to exercise an option under paragraph 2 with effect from immediately before such benefits are brought into payment.

9 For the avoidance of doubt, where an option under paragraph 2 is exercised or deemed to be exercised by or in respect of a Schedule 14A Member under paragraph 6, paragraph 7 or paragraph 8, such Schedule 14A Member shall not be entitled to make a further election under paragraph 2.

#### **Recalculation of benefits and contributions**

10 Where the Applicable Option in respect of a Schedule 14A Member is the option under paragraph 2(a) or paragraph 2(b) (and such option is not the same as the Relevant Default Option), the benefits payable to and in respect of such member

under the Scheme and the Contributions payable by such member in respect of the Relevant Period shall be recalculated accordingly.

### **Adjustments to benefits payable**

- 11 Where, as a result of a recalculation of benefits in accordance with paragraph 10 above, the amount of benefits actually received by or in respect of a Schedule 14A Member is less than the amount which he should have received, subject to paragraph 13(b) (where applicable):
- (a) the additional amount due to or in respect of the Schedule 14A Member shall be paid in a timely manner and the Trustee may, but shall not be restricted to, pay any such additional amount as any one or more of the following benefits:
    - (i) a new pension commencement lump sum to or in respect of the Schedule 14A Member;
    - (ii) a lump sum top-up payment to be paid in respect of a previously paid pension commencement lump sum;
    - (iii) an increase to a lump sum death benefit that is payable in respect of a Schedule 14A Member, and has not been paid by the Trustees prior to the Option Date;
    - (iv) an increase to a lump sum death benefit where the Trustees have, prior to the Option Date, paid a lump sum death benefit in respect of a Schedule 14A Member;
    - (v) an increase in the pension payable to, or in respect of, a Schedule 14A Member;
    - (vi) a transfer payment made pursuant to paragraph 7; and
    - (vii) a lump sum in respect of any arrears of pension due to, or in respect of, a Schedule 14A Member; and

- (b) interest may be paid on the additional amount in accordance with paragraph 18.

12 Where, as a result of a recalculation of benefits in accordance with paragraph 10 above, the amount of benefits actually received by or in respect of a Schedule 14A Member is greater than the amount which he should have received the overpayment shall be returned to the Trustees in a manner and within such timeframe as the Trustees consider appropriate to the particular circumstances, provided that the Trustees shall have discretion to waive such overpayment (in whole or in part).

### **Adjustments to Contributions**

13 Where, as a result of a recalculation of Contributions in accordance with paragraph 10, the amount of Contributions actually paid by a Schedule 14A Member is less than the amount which he should have paid:

- (a) additional Contributions shall be paid by or on behalf of the Schedule 14A Member to the Trustees in a manner and within such timeframe as the Trustees consider appropriate to the particular circumstances (which may include making deductions from future benefit payments under the Fund);
- (b) any adjustment to benefits in payment in accordance with paragraph 11 or any additional entitlement or request to transfer their benefits under the Scheme shall be contingent on the agreement by or on behalf of the Schedule 14A Member to pay such additional Contributions in the manner determined by the Trustees under paragraph 13(a); and
- (c) if such additional Contributions are not paid in full, the Trustees may adjust the benefits payable under the Scheme to and in respect of the Schedule 14A Member in such manner as they consider appropriate.

14 Where, as a result of a recalculation of Contributions in accordance with paragraph 10 above, the amount of Contributions actually paid by a Schedule 14A Member is more than the amount which he should have paid:

- (a) the excess Contributions shall be returned to the Schedule 14A Member (or, if he has died, to his estate) in a timely manner; and
- (b) interest may be paid on the excess Contributions (at the Trustees' absolute discretion) in accordance with paragraph 18,

provided that the Trustees shall have discretion (with the consent of the Schedule 14A Member) to apply such excess Contributions (in whole or in part) to the purchase of Added Years in accordance with FS Rule 59 or Added Pension in accordance with CARE Rule 18 as applicable.

#### **Tax**

15 In the application of this Schedule 14A, the Trustees may, but shall not be under any obligation to, investigate and/or take reasonable steps to take account of the particular tax implications or circumstances relevant to any individual Schedule 14A Member.

16 Without limitation to the generality of paragraph 15:

- (a) the Trustees shall seek to make any payment made under or as a result of this Schedule 14A (including any return of Contributions) in such a way as to be treated as an authorised payment insofar as is possible;
- (b) the Trustees may determine that the amount of any overpayment to be returned to the Trustees in accordance with paragraph 12 shall be equal to the gross amount of such overpayment less the aggregate amount of tax actually deducted and/or otherwise paid by or on behalf of the relevant recipient in respect of such overpayment;
- (c) the Trustees may determine that the amount of any additional Contributions to be paid to the Trustees in accordance with paragraph 13



shall be equal to the gross amount of such additional Contributions less the aggregate amount of tax (i) actually deducted; and/or (ii) otherwise paid by or on behalf of the relevant Schedule 14A Member in respect of their salary, which would not have been paid if the additional Contributions had been payable during the Relevant Period. For the avoidance of doubt, if and for so long as such additional Contributions are payable by a Schedule 14A Member who is a Member of the House of Commons, the Trustees may alternatively deduct the gross amount of such additional Contributions from the relevant Schedule 14A Member's gross salary, and if the relevant Schedule 14A Member ceases to be a Member of the House of Commons the Trustees may recalculate the outstanding amount of such additional Contributions in accordance with the foregoing provisions of this sub-paragraph (c);

- (d) the Trustees may determine that the amount of any excess Contributions to be returned in accordance with paragraph 14 shall be equal to the gross amount of such excess Contributions less the aggregate amount of tax which would have: been (i) deducted; and/or (ii) otherwise required to be paid by or on behalf of the relevant Schedule 14A Member in respect of the salary which they would have been paid if the excess Contributions had not been deducted from the relevant Schedule 14A Member's salary during the Relevant Period; and
- (e) the Trustees may make such other adjustments to any amount due to be paid to or in respect of a Schedule 14A Member under this Schedule 14A to take account of any tax relief or other tax-related payment which the Schedule 14A Member has received and which cannot be reclaimed by HMRC, such that the amount due is, so far as possible and in the reasonable opinion of the Trustees, aligned with the economic intention of this Schedule 14A on an after-tax basis.

For the avoidance of doubt this Schedule 14A is without prejudice to other provisions of the Fund relating to tax (including, without limitation, General Rule 5, General Rule 6 and Tax Redress Payments made in accordance with Schedule 18).

**Set-off, adjustments to benefits and interest**

17 Where amounts are due to be paid under any of paragraphs 11 to 14, the Trustees may set off any amounts owed to the Trustees by or on behalf of the Schedule 14A Member against any amounts owed by the Trustees to or in respect of the Schedule 14A Member. Without limitation to the generality of the foregoing:

- (a) the Trustees may set off amounts due to or owed from one party against amounts owed from or due to one or more other parties, in such manner and in such proportions as the Trustees determine;
- (b) the Trustees shall apply paragraphs 15 and 16 to determine the amounts due to be paid under paragraphs 11 to 14 before exercising the power of set off in this paragraph 17 in relation to such amounts; and
- (c) the Trustees shall take any exercise of the power of set off in this paragraph 17 into account when exercising the power under paragraph 12 to determine the manner and timeframe for the return of an overpayment and/or the power under paragraph 13(a) to determine the manner and timeframe for the payment of additional Contributions.

17A Where the Administrator is liable for a charge to income tax in relation to a tax windfall under regulations made under section 15 of the Finance Act 2024, the Administrator shall pay the amount of the charge and the Trustees shall adjust the benefits payable to or in respect of the Schedule 14A Member in such a way as it considers appropriate to account for the amount of the charge paid by the Administrator.

18 The Trustees may apply interest to any payment made to or in respect of a Schedule 14A Member under this Schedule 14A in such manner and at such rates as

the Trustees consider appropriate to the particular circumstances, which may include deciding not to apply any interest.

### **Office Holders**

- 19 Paragraph 20 shall apply to each Schedule 14A Member who has Relevant Service both as a Member of the House of Commons and as an Office Holder during the Relevant Period.
- 20 Where this paragraph 20 applies, notwithstanding any other provision of this Schedule 14A:
- (a) the provisions of this Schedule 14A shall apply to the relevant Schedule 14A Member's Relevant Service as a Member of the House of Commons;
  - (b) where the Applicable Option in respect of his Relevant Service as a Member of the House of Commons is the option under paragraph 2(a) or paragraph 2(b) (and such option is not the same as the Relevant Default Option):
    - (i) benefits accrued in respect of Relevant Service as an Office Holder during the Relevant Period will be also treated in accordance with that Applicable Option; provided that
    - (ii) he may elect to be treated as having opted out as an FS Participant or a CARE Participant (as applicable) for the entirety of his Relevant Service as an Office Holder during the Relevant Period by giving written notice to the Trustees in such form as the Trustees may require, and such notice must be received by the Trustees on or before the Option Date; and
  - (c) where the Applicable Option in respect of his Relevant Service as a Member of the House of Commons is (or is the same as) the Relevant Default Option, benefits accrued in respect of Relevant Service as an Office Holder during the Relevant Period will also be treated in accordance with the Relevant Default Option.

## Schedule 15: Added pension

### CARE Participant options

- 1 A CARE Participant or (in the case of an Early Retirement Reduction Waiver) a CARE Deferred Pensioner may, by the payment of periodic contributions or of one or more lump sums in accordance with this Schedule, purchase one or more of the following:
  - (a) Added (Participant) Pension;
  - (b) Added (Combined) Pension;
  - (c) Effective Pension Age; or
  - (d) Early Retirement Reduction Waiver,such additional benefit to be known as a **“Purchased Pension Enhancement”**.
- 2 An Added (Participant) Pension shall increase the pension payable to a CARE Participant by the amount of the Added (Participant) Pension acquired. However, the Added (Participant) Pension shall not be taken into account when calculating the benefits payable to any survivor of the CARE Member following the CARE Member’s death, except under CARE Rule 15.1(a) and 15.1(b).
- 3 An Added (Combined) Pension shall increase the pension payable to a CARE Participant by the amount of the Added (Combined) Pension acquired. The CARE Member’s Added (Combined) Pension shall also be included in the CARE Member’s Relevant Pension for the purposes of CARE Rules 13 to 17 when calculating the pension payable to any survivor of the CARE Member following the CARE Member’s death.
- 4 An Effective Pension Age option shall reduce the Normal Retirement Date for the pension attributable to the option to the age specified in the option. The reduction to the Normal Retirement Date may be up to three years, but may not reduce a CARE Participant’s Normal Retirement below age 65. Provided that in the event

that the Normal Retirement Date reduces at any point, resulting in sums being unable to reduce the Normal Retirement Date under this Schedule 15, any excess sums paid under this Schedule 15 may, if the Trustees decide (after consulting the CARE Participant) be used for other benefit enhancements under the Fund Rules.

5

- (a) A CARE Participant may submit:
  - (i) more than one Effective Pension Age Notice; and / or
  - (ii) more than one Added Pension Notice under paragraphs 7 and 11 below,

provided that where a CARE Participant purchases both Added Pension and Effective Pension Age his total Added Pension and value of the increase to his Effective Pension Age does not exceed the maximum amount permitted under paragraph 6 below.
- (b) A CARE Participant may only make such a submission within one month of the commencement of each CARE Year or within one month of becoming a CARE Participant.
- (c) Where Added Pension and/or Effective Pension Age is to be purchased by the CARE Participant by periodic payments in accordance with the provisions of this Schedule, then the Periodic Payment Period shall be a maximum of the period then remaining up to the date of the next parliamentary general election within the meaning of the Fixed Term Parliaments Act 2011. The Trustees shall recalculate the amount of periodic payments payable by the CARE Participant for a new Periodic Payment Period following each parliamentary general election.

- 6 Where a CARE Participant purchases both Added Pension and Effective Pension Age the total Added Pension and value of the increase to his Effective Pension Age may not exceed a maximum amount of:
- (a) £6,500 for the CARE Year ending on 31 March 2016;
  - (b) in respect of any CARE Year ending on any of 31 March 2017, 31 March 2018 or 31 March 2019, the maximum amount for the previous CARE Year, increased by the percentage increase in the Consumer Prices Index during a twelve month reference period determined by the Trustees; or
  - (c) in respect of any CARE Year ending on or after 31 March 2020, the maximum amount for the previous CARE Year, increased or decreased by the percentage change in the Consumer Prices Index during a twelve month reference period determined by the Trustees.

**Added Pension purchased by periodic payments**

- 7 Where a CARE Participant wishes to purchase Added Pension by periodic payments, he must give notice to the Trustees in such form as they may require, specifying:
- (a) which of Added (Participant) Pension and Added (Combined) Pension he wishes to purchase;
  - (b) the Periodic Payment Period; and
  - (c) the amount (either as a fixed sum or as a percentage of his Pensionable Salary) to be deducted from his Pensionable Salary in each pay period.
- 8 The amount of a CARE Participant's periodic payments must not be less than any minimum amount determined by the Trustees. The Trustees shall determine the periodic payments for the period remaining until the end of the parliamentary term, and shall review the amount of each CARE Participant's periodic payments at the commencement of each parliamentary term for that parliamentary term. If the Trustees determine that the periodic payments should change, they must send to

the CARE Participant a notice confirming the amount of the periodic payments which shall apply for the next parliamentary term.

9 Where the Trustees receive a duly completed Added Pension Notice from a CARE Participant under paragraph 7:

- (a) the amount specified in the Added Pension Notice shall be deducted from each payment in respect of Pensionable Salary made to the CARE Participant in respect of the Periodic Payment Period, and shall be paid to the Fund;
- (b) the Periodic Payment Period shall begin the month following the month in which the Trustees receive the Added Pension Notice;
- (c) the Periodic Payment Period shall end on the earliest of:
  - (i) the CARE Participant giving notice to the Trustees in such form as they may require cancelling his periodic payments, in which case the Periodic Payment Period shall end at the end of the CARE Year in which the Trustees receive the cancellation notice;
  - (ii) the Trustees determining that the CARE Participant has acquired the maximum amount of Added Pension permitted under paragraph 6 above;
  - (iii) the CARE Participant ceasing to be a CARE Participant for any reason; or
  - (iv) the end of the Periodic Payment Period as specified in his Added Pension Notice.

10 The amount of a CARE Participant's Added Pension purchased by periodic payments in respect of a CARE Year shall be:

- (a) credited to the CARE Participant in the CARE Year in respect of which he makes those periodic payments; and

- (b) determined by the Trustees having taken advice from the Government Actuary and having regard to the cost in the CARE Year of providing retirement benefits to a person of the member's age and gender and, in the case of Added (Combined) Pension, the dependants of a person of that age and gender.

#### **Added Pension purchased by lump sum**

- 11 Where a CARE Participant wishes to purchase Added Pension by a lump sum, he must give notice to the Trustees in such form as they may require, specifying:
  - (a) which of Added (Participant) Pension and Added (Combined) Pension he wishes to purchase; and
  - (b) the amount of the lump sum to be deducted from his Pensionable Salary or otherwise paid by him to the Fund.
- 12 The amount of a CARE Participant's lump sum payment must not be less than any minimum amount determined by the Trustees.
- 13 Where the Trustees receive a duly completed Added Pension Notice from a CARE Participant under paragraph 11:
  - (a) the Trustees may require that, before his Added Pension Notice takes effect, the Trustees issue him with a statement setting out:
    - (i) the amount of Added Pension that his lump sum would purchase if received within one month of the statement date; and
    - (ii) the maximum amount of Added Pension permitted under paragraph 6 above;
  - (b) subject to paragraph 13(a) above, the lump sum specified in the Added Pension Notice is payable immediately to the Fund by deduction from the CARE Participant's Pensionable Salary or otherwise;



- 14 The amount of a CARE Participant's Added Pension purchased by a lump sum shall be:
- (a) if the Trustees issued a statement under paragraph (a) above and the Trustees receive the lump sum within one month of the statement date, the amount set out in that statement; or
  - (b) in any other case, determined by the Trustees having taken advice from the Government Actuary and having regard to:
    - (i) the amount of the lump sum;
    - (ii) the cost at the Relevant Date of providing retirement benefits to a person of the member's age and gender and, in the case of Added (Combined) Pension, the dependants of a person of that age and gender; and
    - (iii) any other relevant factor relating to the CARE Participant's circumstances or the calculation of the lump sum.

**Effective Pension Age purchased by periodic payments**

- 15 Where a CARE Participant wishes to purchase an Effective Pension Age he must give notice to the Trustees in such form as they may require specifying:
- (a) the number of years by which he wishes to reduce his Normal Retirement Date; or
  - (b) the period of years and months below his Normal Retirement Date by which he wishes to reduce his Normal Retirement Date in order to achieve an Effective Pension Age of 65,
- in either case, the resulting Normal Retirement Date that he wishes to apply may be up to 3 years below the CARE Participant's Normal Retirement Date at the date he gives the notice.
- 16 Where a CARE Participant gives an Effective Pension Age Notice the Trustees shall, having taken advice from the Government Actuary, determine the amount of the

periodic payments required to purchase the CARE Participant's reduction to his Normal Retirement Date. In doing so, the Trustees shall have regard to the member's age and gender, and the number of years before the CARE Participant will reach his Normal Retirement Date.

17 Following the determination by the Trustees under paragraph 16 above:

- (a) the amount of periodic payments determined by the Trustees shall be deducted from each payment in respect of Pensionable Salary made to the CARE Participant in respect of the Periodic Payment Period, and shall be paid to the Fund;
- (b) the Periodic Payment Period shall begin the month following the month in which the Trustees receive the Effective Pension Age Notice:
- (c) the Periodic Payment Period shall end on the earliest of:
  - (i) the CARE Participant giving notice to the Trustees in such form as they may require cancelling his periodic payments, in which case the Periodic Payment Period shall end at the end of the CARE Year in which the Trustees receive the cancellation notice;
  - (ii) the CARE Participant reaching his Effective Pension Age; or
  - (iii) the CARE Participant ceasing to be a CARE Participant for any reason.

18 An Effective Pension Age shall apply to pension accrued in the relevant Periodic Payment Period.

### **Early Retirement Reduction Waiver purchased by lump sum**

- 19 Where a CARE Member has not reached Normal Retirement Date or (if applicable) his Effective Pension Age and wishes to take his pension, he may give notice to the Trustees requesting the purchase of an Early Retirement Reduction Waiver.
- 20 Where a CARE Participant gives a notice under the above paragraph:
- (a) the Trustees shall, having taken advice from the Government Actuary, determine the amount of the lump sum required to purchase the Early Retirement Reduction Waiver; and
  - (b) on payment of the lump sum by or on behalf of the CARE Member, the reduction on early retirement under CARE Rule 7.2 or 11.6 shall not apply to him.

### **Application of Purchased Pension Enhancement in respect of the Relevant Period**

- 21 Where the Applicable Option in respect of a Schedule 14A Member is the option under paragraph 2(a) or paragraph 2(b) of Schedule 14A (and such option is not the same as the Relevant Default Option), the provisions of paragraphs 22 or paragraph 23 (as applicable) shall apply.
- 22 Where the Applicable Option is the option under paragraph 2(a) of Schedule 14A and the Schedule 14A Member has purchased any Purchased Enhanced Pension in respect of the Relevant Period:
- (a) the Schedule 14A Member shall not be entitled to any Purchased Enhanced Pension in respect of the Relevant Period and the same shall be taken into account when recalculating the benefits payable to and in respect of such member under paragraph 10 of Schedule 14A;
  - (b) any sums paid by the Schedule 14A Member in respect of Purchased Enhanced Pension in respect of the Relevant Period shall be treated as if they were Contributions for the purposes of Schedule 14A.
- 23 Where the Applicable Option is the option under paragraph 2(b) of Schedule 14A:

- (a) the Schedule 14A Member shall be entitled to purchase any Purchased Pension Entitlement in respect of any Relevant Service during the Relevant Period in respect of which they were not, prior to the Option Effective Date, treated as a CARE Participant;
- (b) the terms on which such purchase may be made shall be determined, in each case, by the Trustees in a manner which is consistent with the provisions of this Schedule 15 and Schedule 14A and shall include the possibility of lump sum payments and periodic payments by the Schedule 14A Member for at least as long as the person remains a CARE Participant following their Option Effective Date; and
- (c) for the avoidance of doubt if, prior to the Option Effective Date, the Schedule 14A Member was treated as being a CARE Participant for any part of the Relevant Period and such member purchased any Purchased Enhanced Pension in respect of any part of such period, this paragraph 23 shall be without prejudice to such Purchased Enhanced Pension and any sums paid in respect of the same.

## **Schedule 16: The AVC Scheme**

- 1      Except where contrary provisions appear in this Schedule, the Administration Scheme applies with respect to the exercise by the Trustees of their functions under this Schedule. In the event of a conflict between the Administration Scheme and this Schedule, the provisions of this Schedule shall take precedence.
- 2      The provisions of this Schedule shall be referred to as “the AVC Scheme”, and, subject to paragraph 26 below, benefits under the AVC Scheme shall be paid by the Trustees in accordance with the provisions of this Schedule. The AVC Scheme forms part of the Fund.
- 3      This Schedule sets out arrangements for the AVC Scheme whereby FS Participants and CARE Participants may, until the end of 30 March 2022 and subject to the approval of the Trustees, make contributions for the purpose of securing benefits additional to those which would otherwise be payable to or in respect of such participants pursuant to the FS Section or the CARE Section as appropriate.
- 4      The Trustees shall be responsible for the discharge of the functions conferred or imposed on the scheme administrator of the AVC Scheme by or under Part 4 of the Finance Act 2004.
- 5      Any sums received by the Trustees by virtue of the AVC Scheme shall be paid into a suspense account or accounts used for the purposes of the AVC Scheme.

### **Membership and closing the AVC Scheme**

- 6      Subject to paragraphs 7 and 8, any FS Participant or CARE Participant may, prior to the end of 30 March 2022, become a contributor to the AVC Scheme (“a Contributor”) by making written application in such form as the Trustees shall require and by having such application accepted.
- 7      A Contributor may not make any contributions to the AVC Scheme after he has ceased to be an FS Participant or CARE Participant, but may, prior to the end of 30

March 2022, make a further application under paragraph 6 above if he again becomes an FS Participant or a CARE Participant.

8 IPSA may with effect from such date as they may determine close the AVC Scheme to FS Participants and / or CARE Participants.

8A As a result of IPSA having exercised the power under paragraph 8 above on 30 March 2022, the AVC Scheme is closed to new entrants and the future accrual of benefits with effect from the end of 30 March 2022. All Contributors as at the end of 30 March 2022 shall continue to be provided with benefits as set out under paragraphs 16 to 21 below in respect of any contributions made into the AVC Scheme prior to the end of that date, but no further contributions into the AVC Scheme shall be accepted and no individual may become a Contributor under paragraph 6 above from the end of that date onwards.

#### **AVC Scheme Contributions**

9 Prior to the end of 30 March 2022, a Contributor may make contributions to the AVC Scheme of such amount, at such times and in such manner as may be specified by the Trustees. As set out at paragraph 8A above, no further contributions shall be accepted into the AVC Scheme from the end of 30 March 2022 onwards.

10 The Trustees shall only accept payment of a transfer value in respect of a person to the AVC Scheme if:

- (a) the Trustees have received the request to make such transfer prior to the end of 30 March 2022;
- (b) the transfer value is from a registered pension scheme; and
- (c) either:
  - (i) the scheme is a personal pension scheme, or
  - (ii) the transfer value relates to rights under an occupational pension scheme that derive from voluntary contributions made by the person.

## **Investment of contributions**

- 11 Each Contributor's contributions shall be invested in such investments as the Trustees may from time to time determine, save that such contributions may not be used for the purpose of making any loan whatsoever.
- 12 Without prejudice to the generality of paragraph 11 above, the Trustees, in accordance with a Contributor's instructions, may invest the Contributor's contributions—
- (a) in an insurance policy or policies taken out with an office or branch in the United Kingdom of—
    - (i) a person who has permission under Part 4A of the 2000 Act to effect and carry out contracts of long-term insurance, or
    - (ii) an EEA firm of the kind mentioned in paragraph 5(d) of schedule 3 to that Act, which has permission under paragraph 15 of that schedule (as a result of qualifying for authorisation under paragraph 12(1) of that schedule) to effect or carry out contracts of long-term insurance; or
  - (b) in a deposit account or accounts with a building society, within the meaning of the Building Societies Act 1986 which has permission under Part 4A of the 2000 Act to accept deposits.
- 13 The Trustees shall, as soon as practicable, invest the contributions, with the institution and in the manner chosen by the Contributor, in order to provide benefits which fall within the scope of paragraphs 16 to 21 below.
- 14 The investments made in respect of a Contributor with an institution may be realised and reinvested at the request of the Contributor with that or any other

institution determined by the Trustees, in such amounts, at such times and in such manner as may be specified by the Trustees.

15 Paragraph 12 must be read with—

- (a) section 22 of the 2000 Act;
- (b) any relevant order under that section; and
- (c) schedule 2 to that Act.

**Benefits which may be provided under the AVC Scheme**

16 Subject to paragraph 21, a Contributor will be entitled to such benefits as—

- (a) are secured by the contributions paid by the Contributor and by any transfer value accepted under paragraph 10 above, and
- (b) are benefits for which a registered pension scheme that is a money purchase arrangement for the purposes of Part 4 of the Finance Act 2004 (see section 152(2) of that Act) is authorised to make payments under section 160(1) of that Act.

17 In particular, but without prejudice to the generality of paragraph 16, the benefits normally permitted are—

- (a) a lump sum payable on the death of the Contributor;
- (b) a return of the Contributor's contributions in respect of pension benefits and any transfer values accepted under paragraph 10 above to the extent of the total realisable value of the investments made by the Trustees with the contributions made by the Contributor and those transfer values, payable either on the death of the Contributor before he becomes entitled to the payment of a pension secured under the AVC Scheme or in the circumstances referred to in paragraph 28 below;



- (c) on the death of the Contributor before retirement, a pension payable to the Contributor's Adult Survivor throughout the remainder of his or her lifetime;
- (d) on the death of the Contributor after he becomes entitled to the payment of a pension under the AVC Scheme, a pension payable to one or more Surviving Adult Dependents and/or Eligible Children throughout the remainder of their lifetime (save that, in the case of a child who is a Relevant Child within paragraph (a) or (b) of the definition of that term (and not within paragraph (c)), the pension shall only be payable whilst the child remains a Relevant Child);
- (e) a pension payable to the Contributor throughout the remainder of his or her lifetime, under which—
  - (i) payments may be guaranteed to be payable for up to 10 years after the pension commences; or
  - (ii) payments may be guaranteed to be payable for up to 5 years after the pension commences with any balance in respect of any period between death and the expiry of the period of 5 years being paid in one lump sum on death;
- (f) if a pension is secured under sub-paragraph (e), a lump sum payable to the contributor at the time that pension becomes payable not exceeding the permitted maximum, as defined in paragraph 2 of schedule 29 to the Finance Act 2004 (which is usually the applicable amount, as defined in paragraph 3(6) of that schedule);
- (g) a lump sum meeting the conditions required for it to be a lifetime allowance excess lump sum for the purposes of Part 4 of the Finance Act 2004 (see paragraph 11 of schedule 29 to the Finance Act 2004; and
- (h) any other lump sum amount then permitted under legislation which the Trustees agree, provided that the Contributor's AVC benefits must be

taken all together and no amounts are to remain invested once benefits have been paid.

- 18 Pensions may be level in payment, increase at a fixed rate, vary in line with the index or with the value of units in a unit trust, managed fund or insurance company fund or be provided on a with-profits basis.
- 19 In the case of benefits payable other than on the death of a Contributor, the choice of which of the above types of benefit shall be payable shall be made by the Contributor.
- 20 A pension under paragraph 17(e) may commence at any time on or after the day on which the Contributor reaches normal minimum pension age (see section 165(1) of the Finance Act 2004) whether or not the Contributor has become entitled to receive a pension under the FS Section or the CARE Section.
- 21 If the benefits payable to a Contributor under the AVC Scheme are subject to a pension debit, the benefits which would be payable under the AVC Scheme if no pension debit applied to those benefits shall be reduced to the extent required by section 31 of the 1999 Act.

#### **Payment of lump sums on death**

- 22 Any lump sum (including a refund of contributions) payable on a Contributor's death shall be paid or applied (by way of settlement or otherwise) within 2 years of the Contributor's death by the Trustees to or for the benefit of any one or more of—
- (a) any individual nominated by the Contributor in writing;
  - (b) the Contributor's dependants, children, parents, grandparents and descendants of such persons; and
  - (c) the Contributor's personal representative.

- 23 The decision as to which individual or individuals should receive part or all of the lump sum and how much each shall receive shall be at the absolute discretion of the Trustees.

#### **Purchase of pensions**

- 24 At least six months before the date on which a Contributor would like a pension to come into payment or to receive a lump sum, or at such later time before that date as the Trustees allow, the Contributor shall specify in writing to the Trustees—

- (a) the pension or pensions which are to be purchased on his behalf or on behalf of his dependants, and
- (b) where a pension is to be purchased on his behalf and he would also like a lump sum to be paid to him or he wishes a sum that is a lifetime allowance excess lump sum for the purposes of Part 4 of the Finance Act 2004 to be paid to him—
  - (i) that that is the case, and
  - (ii) the amount he would like to be paid as a lump sum; or
- (c) where the Contributor wishes to take any other lump sum amount then permitted under legislation, notice that he wishes to either take the whole of his benefits as a lump sum or transfer to an alternative pension arrangement under the provisions of General Rule 7.

- 25 The Trustees shall purchase the pension or pensions specified under paragraph 24 above from such insurer as the Trustees may determine from time to time or as the Contributor may in writing specify, being an office or branch in the United Kingdom of—

- (a) a person who has permission under Part 4 of the 2000 Act to effect and carry out contracts of long-term insurance; or
- (b) an EEA firm of the kind mentioned in paragraph 5(d) of schedule 3 to that Act, which has permission under paragraph 15 of that schedule (as a result

of qualifying for authorisation under paragraph 12(1) of that schedule) to effect or carry out contracts of long-term insurance.

26 Where a Contributor elects for the purchase of pensions to be provided by such insurer as he may specify under paragraph 25 above (not being an insurer determined by the Trustees), the making of that election will have the effect of discharging any liability of the Trustees to pay those pensions to or in respect of that Contributor.

27 Paragraph 25 must be read with—

- (a) section 22 of the 2000 Act;
- (b) any relevant order under that section; and
- (c) schedule 2 to that Act.

### **Leaving the AVC Scheme**

28 A Contributor may cease to participate in the AVC Scheme at any time before benefits provided under the AVC Scheme are taken by requiring the Trustees either to make a transfer under the provisions of General Rule 7 , or, if the Contributor's aggregate period of reckonable service as an FS Participant and/or a CARE Participant, including any service whilst a member of a previous employer's pension scheme from which a transfer value has been paid to the AVC Scheme or the Ministers' Scheme, totals less than 2 years and the payment would qualify as a short service refund lump sum for the purposes of section 166(1) of the Finance Act 2004 (lump sum rule) (see paragraph 5 of schedule 29 to that Act), to pay the Contributor the value of his or her accrued benefits after deduction of any tax payable by the Trustees.

### **Surrender at the request of the Trustees**

- 29 The Trustees may require an institution with which contributions have been invested under the AVC Scheme to surrender the whole or part of the value of such contributions.
- 30 If, pursuant to paragraph 29 above, the Trustees require a surrender of the whole or part of the value of contributions, they shall reinvest such contributions in accordance with paragraphs 11 to 15.
- 31 If, on or before the date when the Trustees exercise their right under paragraph 29 above, a request has been received from a Contributor under paragraph 14, the Trustees may give effect to such request.

### **Reduction of benefits where lifetime allowance charge payable**

- 32 Paragraph 33 applies if—
- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 ("the Table") occurs in relation to a Contributor or former Contributor, and
  - (b) the Contributor or former Contributor and the Trustees are jointly and severally liable to the charge in respect of the event.
- 33 Where paragraph 32 applies—
- (a) the Trustees must pay the tax payable on the event,
  - (b) if the event is benefit crystallisation event 8 in the Table (transfer to qualifying recognised overseas pension scheme), the amount or value of the sums or assets transferred must be reduced, and
  - (c) in the case of any other event, the total realisable value of the investments made by the Trustees with the contributions made by the Contributor and any transfer values accepted under paragraph 10 must be reduced.

- 34      The amount or value of the reduction must be such that in the opinion of the Government Actuary it fully reflects the amount of the tax so paid.

**Costs**

- 35      The expenses of establishing and administering the AVC Scheme will be borne by the Fund.

**Prohibition on assignment or charge on benefits**

- 36      Any assignment (or, in Scotland, assignation) of, or charge on, or any agreement to assign or charge, any benefits payable under the AVC Scheme shall be void except to the extent permitted by section 44 of the 1999 Act.

## Schedule 17: Contracting-out

### Definitions

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

**Contracted-out Scheme** means an occupational pension scheme which is for the time being specified in a contracting-out certificate issued by HMRC under regulations made in accordance with section 7 of the 1993 Act;

**Contracting-out Laws** means the laws on contracting-out in Part 3 of the 1993 Act;

**Member** means a CARE Member and an FS Member;

**Pensionable Age** has the same meaning as in section 181 of the 1993 Act as it relates to Guaranteed Minimum Pensions;

**Relevant Gender Change Case** has the meaning in section 17(10) of the 1993 Act; and

**Second Abolition Date** has the meaning in section 7A of the 1993 Act.

### Application

- 2 The Fund is a Contracted-out Scheme and will remain so until the Second Abolition Date.
- 3 This Schedule 17 shall apply to all Members in service in either the FS Section or the CARE Section after the Care Commencement Date. The Trustees will operate the Fund so that it is a Contracted-out Scheme. The CARE Section and the FS Section will be treated as including, where appropriate, CARE Rules and FS Rules to the same effect as any rule that must be included for the Fund to be a Contracted-out Scheme.
- 4 This Schedule 17 shall also apply if any Member's service in the FS Section prior to the CARE Commencement Date was Contracted-out Employment in respect of a period before 6 April 1997. This Schedule 17 will only apply so long as anyone has a

Guaranteed Minimum Pension or a prospective right to receive a Guaranteed Minimum Pension under the Fund.

- 5 This Schedule 17 overrides any inconsistent provisions elsewhere in the Fund Rules, except those that are in accordance with the 1993 Act. However, it does not require any pension to be paid to any person in any circumstances where the Fund is not required to provide a pension for that person under section 8 of the 1993 Act.

### **Entitlement to Guaranteed Minimum Pension**

- 6 This paragraph 6 applies to a Member, or a widow, widower, surviving civil partner or Surviving Same Sex Spouse of a Member, where the Member has a Guaranteed Minimum Pension in relation to a pension provided for the Member under the Fund in accordance with sections 14, 15 and 16 of the 1993 Act.

(a) **Member's Guaranteed Minimum Pension**

The Member shall be entitled to a pension for life paid at a rate equivalent to a weekly rate of not less than the Guaranteed Minimum Pension. The Guaranteed Minimum Pension will be paid from Pensionable Age.

(b) **Widow's Guaranteed Minimum Pension**

This sub-paragraph (b) applies where the Member is:

- (i) a man; or
- (ii) a woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 in a Relevant Gender Change Case.

Where this sub-paragraph (b) applies, and where the Member dies at any time leaving a widow, she shall be entitled to receive a pension from the Fund paid at a rate equivalent to a weekly rate of not less than half of the Member's Guaranteed Minimum Pension. The pension is payable from the date of the Member's death for life.



(c) **Widower's Guaranteed Minimum Pension**

This sub-paragraph (c) applies where:

- (i) the Member is a woman and dies leaving a widower;
- (ii) the Member dies leaving a surviving civil partner;
- (iii) the Member is a man and dies leaving a Surviving Same Sex Spouse; or
- (iv) the Member is a woman (other than a woman to whom sub-paragraph (b)(ii) above applies) and dies leaving a Surviving Same Sex Spouse.

Where this sub-paragraph (c) applies, the widow, widower, surviving civil partner or Surviving Same Sex Spouse shall be entitled to receive a pension from the Fund paid at a weekly rate of not less than half of that part of the Member's Guaranteed Minimum Pension which is attributable to earnings for the tax year 1988/89 and subsequent tax years. The pension is payable from the date of the Member's death for life.

## **Schedule 18: Redress Scheme**

### **Application of Schedule 18**

- 1 The provisions of this Schedule 18 are effective from 6 April 2025.
- 2 This Schedule and its provisions shall be referred to as the “Redress Scheme”.  
Payments made to and in respect of Redress Scheme Applicants under this Schedule will be made by the Trustees in accordance with this Schedule.
- 3 IPSA confirms and acknowledges that this Schedule has been drafted on the understanding that, and with the intentions of IPSA and the Trustees that, any payments made to or in respect of Redress Scheme Applicants under or as a result of this Schedule will, insofar as is possible, not lead to any actual or potential tax liability on the recipient, or on the Trustees as the payer of Tax Redress Payments under, and the administrator of, the Redress Scheme.
- 4 IPSA shall reimburse the Trustees for:
  - (a) all funds used by the Trustees for the general purposes of the Redress Scheme, including but not limited to funds to enable the Trustees to make Tax Redress Payments and any other payments in connection with or arising from such Tax Redress Payments; and
  - (b) any Lost Tax Relief in relation to a Schedule 14A Member.
- 5 The process for agreeing the provision of funds for the general purposes of the Redress Scheme shall be agreed in writing between IPSA and the Trustees, such agreement not to be unreasonably withheld or delayed.

### **Purpose of the Redress Scheme**

- 6 The purpose of the Redress Scheme shall be to provide compensation payments to or in respect of successful Redress Scheme Applicants in respect of any tax detriment or adverse tax consequence suffered by the Redress Scheme Applicant (or the relevant Schedule 14A Member) that has arisen as a result of the option which applies to them (or the relevant Schedule 14A Member) under Schedule 14A

and which would not have arisen (wholly or partly) if the Schedule 14A Member had been accruing benefits during the Relevant Period in the section of the Scheme in which they are treated as having accrued benefits during the Relevant Period as a result of having exercised such option (a "Tax Redress Payment"). Subject to paragraph 28(a), a tax detriment or adverse tax consequence shall have "arisen" for the purposes of this Schedule 18 if it is of a determinable amount that has been paid to HMRC.

- 7 The Trustees and IPSA shall have regard to such purpose, to any relevant provisions of the Tax Redress Payments Legislation and to the expected tax treatment of any Tax Redress Payment when exercising any power under this Schedule 18.

#### **Closure of the Redress Scheme**

- 8 The Redress Scheme will close to Redress Scheme Applications on the Redress Scheme Application Closure Date.
- 9 Following the processing by the Trustees of all outstanding Redress Scheme Applications which have been received by the Trustees on or before the Redress Scheme Application Closure Date, and after all Tax Redress Payments have been made after the Redress Scheme Application Closure Date (in respect of those Redress Scheme Applications which the Trustees are aware are due), the Redress Scheme will be closed pursuant to paragraph 10.
- 10 The Redress Scheme will be closed on a date which is after the Redress Scheme Application Closure Date, such date to be determined by the Trustees and IPSA in accordance with paragraph 12, and after which the Trustees shall not make any further Tax Redress Payments.

- 11 The Trustees will, as soon as reasonably practicable after each of the dates referred to in each of sub-paragraphs (a), (b) and (c) below (in respect of the relevant sub-paragraph only), provide IPSA with notice of:
- (a) the number of Redress Scheme Applications which have been received by the Trustees which are outstanding as at the Redress Scheme Application Closure Date;
  - (b) the date on which there are no valid outstanding Redress Scheme Applications which have been received by the Trustees on or before the Redress Scheme Application Closure Date and all Tax Redress Payments have been made; and
  - (c) the date on which the Trustees have made all requests for the provision of funds under paragraph 4 and all such funds have been received by the Trustees in full.
- 12 Following receipt by IPSA of the later of the notices provided by the Trustees under paragraph 11(b) and paragraph 11(c), the Trustees and IPSA shall agree (such agreement not to be unreasonably withheld or delayed) the date on which the Redress Scheme shall close in accordance with paragraph 10.

### **Eligibility**

- 13 Applications for a Tax Redress Payment can only be made by a Schedule 18 Eligible Person.

### **Application Process**

- 14 Any application for a Tax Redress Payment (a “**Redress Scheme Application**”) must be made in writing (including by e-mail or online) to the Trustees in such form as the Trustees require, and such application must be received by the Trustees before the end of the Redress Scheme Application Closure Date.
- 15 A Schedule 18 Eligible Person may only make one Redress Scheme Application in respect of any particular set of circumstances for the purposes of paragraph 6. The

Trustees in their absolute discretion shall determine whether a Redress Scheme Application has already been made in respect of a particular set of circumstances.

- 16 Where the Trustees determine that a Redress Scheme Application has already been made in respect of a particular set of circumstances, the Trustees will notify the relevant Redress Scheme Applicant(s) as soon as reasonably practicable that they will not review the more recent Redress Scheme Application (nor any further application) in respect of those circumstances.
- 17 Notwithstanding paragraph 15 above, a Schedule 18 Eligible Person may make more than one Redress Scheme Application where the circumstances of such application are determined by the Trustees to be different from any previous Redress Scheme Application made by that Schedule 18 Eligible Person.
- 18 The Trustees will provide Redress Scheme Applicants with an acknowledgment of their Redress Scheme Application within one month of receipt, and such acknowledgment will include such details as the Trustees consider appropriate.

**Requirement for evidence to support application**

- 19 Redress Scheme Applicants must provide such information and documentation as the Trustees require to support any Redress Scheme Application, and the Trustees are under no obligation to consider any Redress Scheme Application until such information and documentation which has been requested is provided to the satisfaction of the Trustees.

## **Review of applications**

- 20 The Trustees shall be responsible for reviewing Redress Scheme Applications.
- 21 The Trustees will take into account any guidance or protocol which has been agreed with IPSA when reviewing Redress Scheme Applications.
- 22 The Trustees may take into account any investigation or steps taken as envisaged by and in accordance with paragraph 15 of Schedule 14A when considering any Redress Scheme Application.
- 23 Where any part of a Redress Scheme Application includes applications, requests or claims which, in the Trustees' opinion, do not constitute a basis for a valid Tax Redress Payment, the Trustees shall exclude such part of the application, request or claim from their consideration of the Redress Scheme Application and the Trustees shall not be permitted to make a Tax Redress Payment (or any other form or payment from the Redress Scheme) in respect of such part of the application, request or claim.
- 24 Where paragraph 23 applies, the Trustees will update the Redress Scheme Applicant as soon as reasonably practicable.
- 25 The Trustees may take such steps and make such enquiries as they consider necessary and appropriate in relation to any Redress Scheme Application before they reach a decision. In particular, the Trustees shall require evidence to their satisfaction that liability for a tax detriment or adverse tax consequence has arisen as described in paragraph 6 before reaching a decision.

## **Trustee Determination**

- 26 The Trustees will notify a Redress Scheme Applicant of whether and the extent to which their Redress Scheme Application has been successful.
- 27 The amount of any Tax Redress Payment or adjustment to benefits under paragraph 33(b) shall be determined by the Trustees, taking into account any information provided or obtained pursuant to paragraphs 14, 19 and/or 25.

- 28 For the avoidance of doubt, for the purposes of the Redress Scheme:
- (a) the Trustees shall have absolute discretion to determine what is a tax detriment or what is an adverse tax consequence and whether it has arisen; and
  - (b) there is no obligation on the Trustees to make any Tax Redress Payments in the same amount or at least equivalent in value to any amount claimed by a Redress Scheme Applicant.
- 29 The Trustees and IPSA:
- (a) will agree in writing (such agreement not to be unreasonably withheld or delayed) a protocol setting out the principal issues which are expected to be addressed by Tax Redress Payments and any other payments which are expected to be made by the Trustees in connection with or arising from such Tax Redress Payments for which the Trustees expect to seek reimbursement from IPSA pursuant to paragraph 4(a) (the “**Redress Scheme Protocol**”); and
  - (b) may amend the Redress Scheme Protocol from time to time by written agreement.
- 30 If the Trustees are considering, in relation to a particular Redress Scheme Application, making a Tax Redress Payment arising from circumstances which would not in the reasonable opinion of the Trustees come within any of the issues described in the Redress Scheme Protocol, before finalising their determination:
- (a) they shall seek to make the Tax Redress Payment so that it is to be treated as an authorised member payment for the purposes of section 164 of the Finance Act 2004 and, insofar as is possible, without causing any other tax detriment or adverse tax consequences for the relevant Redress Scheme Applicant;
  - (b) if the Trustees determine that it is not possible to make the Tax Redress Payment in such a way that it would be treated as an authorised member

payment, they may only make the relevant Tax Redress Payment with the prior written consent of IPSA (such consent not to be unreasonably withheld) ; and

- (c) when making a Tax Redress Payment under sub-paragraph (a) above, or a Tax Redress Payment which causes another tax detriment or adverse tax consequence for the relevant Redress Scheme Applicant, the Trustees may, with the prior written consent of IPSA (such consent not to be unreasonably withheld), adjust the amount of the Tax Redress Payment to reflect any tax or other similar charge or liability for which the Trustees, acting reasonably, believe the relevant Redress Scheme Applicant will be liable.

31 Subject to paragraphs 30 and 32, the Trustees' decision on the outcome of any Redress Scheme Application will be final.

32 In relation to any dispute which arises out of, as a result of, or in relation to any determination by the Trustees for the purpose of the Redress Scheme, the Trustees' power under Administration Rule 5.4 shall apply.

### **Payment of Tax Redress Payments**

33 Having reached a determination in respect of a Redress Scheme Application and notified the Redress Scheme Applicant of its outcome, the Trustees shall, if the Redress Scheme Application was successful:

- (a) make a Tax Redress Payment to the Redress Scheme Applicant without undue delay, subject to paragraphs 34 and 35;
- (b) where a Relevant Benefit Adjustment has been made in relation to the relevant Schedule 14A Member, make a further adjustment to the benefits payable to or in respect of that Schedule 14A Member; or
- (c) implement a combination of sub-paragraphs (a) and (b) above.



- 34 Subject to paragraph 30, the Trustees may make a Tax Redress Payment to such persons other than a Redress Scheme Applicant as the Trustees consider appropriate in the particular circumstances. In doing so, the Trustees shall have discretion in whether and how to apportion any Tax Redress Payments between such persons and the Redress Scheme Applicant and shall have power to set conditions on any such recipients in respect of these Tax Redress Payments.
- 35 The Trustees shall not be required to make a Tax Redress Payment until they have, or have been provided with, such information as they may require in order to make the Tax Redress Payment.
- 36 Any Tax Redress Payment will be paid separately from any entitlement of any person to a benefit or other payment from or under the Fund.
- 37 Payment of a Tax Redress Payment in respect of a Redress Scheme Application shall discharge the Trustees' obligations under and in respect of the relevant Redress Scheme Application.
- 38 For the avoidance of doubt, the Trustees shall not have any obligations in respect of any tax detriment or adverse tax consequence suffered by a Schedule 18 Eligible Person as a result of the option applied to or in respect of a Schedule 14A Member under Schedule 14A other than as set out in this Schedule 18.

## **Taxation**

- 39 IPSA acknowledges that Tax Redress Payments made by the Trustees as described in paragraph 6 of this Schedule 18 will be made on a discretionary basis and, in accordance with the Tax Redress Payments Legislation, are not expected to give rise to a liability to income tax nor to be treated as unauthorised payments for the purposes of the Finance Act 2004.
- 40 For the avoidance of doubt, the provisions of the Redress Scheme are without prejudice to other provisions of the Fund relating to tax (including, without limitation, General Rule 5 and General Rule 6).

## **Redress Scheme Accounts**

- 41 The Trustees shall, for as long as the Redress Scheme is open (with a final statement of account to be provided after the Redress Scheme has closed), provide to IPSA annually a written statement of account as at 31 March each year in relation to the Redress Scheme (“Redress Scheme Statement of Account”), covering the previous 12 months since the last statement of account.
- 42 The Trustees shall provide the Redress Scheme Statement of Account by no later than 30 April each year.
- 43 The Redress Scheme Statement of Account shall include the following details (or such other information as may be agreed between the Trustees and IPSA in writing), including a unique reference number (URN) in respect of each Schedule 14A Member in respect of: (1) each month; and (2) the previous 12 months, since the last statement of account:
- (a) the number of successful Redress Scheme Applications determined by the Trustees for the purposes of paragraph 33;
  - (b) the value of each Tax Redress Payment made by the Trustees, pursuant to paragraph 33 following a successful Redress Scheme Application determined by the Trustees for the purposes of paragraph 33;
  - (c) the amount that the Trustee has invoiced IPSA for each Tax Redress Payment made by the Trustee;
  - (d) the amount that the Trustee has received from IPSA in respect of each Tax Redress Payment made by the Trustee; and
  - (e) a reconciliation of any discrepancies in relation to sub-paragraphs (a) to (d) above.

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978-1-5286-5686-3