
Dated: 28 September 2020

AIRWAYS PENSION SCHEME TRUSTEE LIMITED

Supplemental Deed

(Introduction of consolidated trust deed and rules)

Airways Pension Scheme

BY

AIRWAYS PENSION SCHEME TRUSTEE LIMITED (registered number 10300010) whose registered office is at Waterside, HAA1, Harmondsworth, England, UB7 0GB (the "**Management Trustee**"), being the sole current Management Trustee of the Airways Pension Scheme (the "**Scheme**").

BACKGROUND

- (A) The Scheme is governed by a trust deed dated 8 October 1948 as subsequently amended (the "**Trust Deed**") and rules scheduled to the Trust Deed as subsequently amended before the date of this deed (the "**Rules**").
- (B) Under Clause 18 of the Trust Deed, the Management Trustee may amend or add to the Trust Deed and Rules in any way by means of a supplemental deed executed by such two of the directors of the Management Trustee as may be appointed by the Management Trustee to execute the deed, provided that no such amendment or addition shall take effect unless it has been approved by a resolution of the Management Trustee in favour of which at least two thirds of the directors of the Management Trustee have voted and provided as additionally set out in Clause 18.
- (C) The Management Trustee wishes to amend the Trust Deed and Rules by replacing it with the amended and consolidated trust deed and rules (the "**New Trust Deed and Rules**") attached to this deed at Schedule 1 which incorporates deeds of amendment and makes minor administrative changes.
- (D) The New Trust Deed and Rules are not intended to change the amount of any person's benefit entitlement under the Scheme nor to change the balance of power between British Airways plc and the Management Trustee.
- (E) British Airways plc has reviewed a copy of this supplemental deed and on the basis that the purpose of the New Trust Deed and Rules is simply to consolidate the existing amendments to the Trust Deed and Rules into a single document and make some minor administrative changes it has confirmed it does not object to the execution of this supplemental deed and the replacement of the Trust Deed and Rules with the New Trust Deed and Rules.
- (F) At a meeting of the Management Trustee held on 28 September 2020
- (i) at least two thirds of the directors for the time being of the Management Trustee voted in favour of a resolution approving the amendment of the Trust Deed and Rules on the terms set out in this deed; and
- (ii) Roger Maynard and Ian Heath
- were appointed in accordance with Clause 18 of the Trust Deed to execute this deed.
- (G) The Management Trustee has received legal advice confirming that the changes set out in this deed are not "regulated modifications" as defined in section 67 of the Pensions Act 1995, and that they comply with the requirements of section 37 of the Pension Schemes Act 1993 and regulations made under that section.

OPERATIVE PROVISIONS

Amendment and Consolidation

1. With effect on and from the date of this supplemental deed the Management Trustee amends the Trust Deed and Rules of the Scheme by deleting the previous provisions of the Trust Deed and Rules and replacing the Trust Deed and Rules with the New Trust Deed and Rules set out in Schedule 1 to this Supplemental Deed, subject to clauses 2 to 4 below.

2. The New Trust Deed and Rules is not intended to change the amount of any person's benefit entitlement under the Scheme nor to change the balance of power between British Airways plc and the Management Trustee as compared with the previous Trust Deed and Rules. If any ambiguity or discrepancy contrary to this intention is identified between the New Trust Deed and Rules and the Trust Deed and Rules in force immediately before the date of this Supplemental Deed:
 - 2.1 the New Trust Deed and Rules will be construed and applied so as to give full effect to this intention (and for that purpose will, if necessary, be read as if words had been added to or deleted from the provision(s) giving rise to the ambiguity or discrepancy);
 - 2.2 the Management Trustee will (without prejudice to the jurisdiction of the courts) execute a supplemental deed clarifying or correcting the relevant provision(s) of the New Trust Deed and Rules; and
 - 2.3 for the period prior to the execution of that supplemental deed, the benefits payable to and in respect of the relevant members will be determined in accordance with the Trust Deed and Rules in force immediately before the date of this Supplemental Deed.
3. Nothing in this Supplemental Deed shall operate as to invalidate or affect any act before the date of this Supplemental Deed by the Management Trustee or any Employer or the exercise of any power, discretion or right before that date by any of them.
4. Amendments made to the Trust Deed and Rules by previous supplemental deeds which are reflected in the New Trust Deed and Rules shall continue to apply from the date and to the extent specified in the relevant supplemental deed.

General provision

5. The party to this deed does not intend that any term of this deed should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this deed.

EXECUTED as a deed and delivered on the date stated at the beginning of this deed.

EXECUTED as a deed (but not delivered until dated)
by **AIRWAYS PENSION SCHEME TRUSTEE**
LIMITED acting by two directors

Director signature:

Name: Ian Heath

Director signature:

Name: Roger Maynard

Schedule 1
Consolidated trust deed and rules

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TRUST DEED AND RULES
- OF THE -
AIRWAYS PENSION SCHEME

TRUST DEED

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THE AIRWAYS PENSION SCHEME

TRUST DEED

1. Definitions

In these presents and in the Rules the following expressions have the following meanings unless inconsistent with the context:

“1999 Act” means the Welfare Reform and Pensions Act 1999.

“Actuary” means the Actuary from time to time appointed as the Actuary of the Scheme under Clause 8 of the Trust Deed.

“Approved Insurance Company” means an insurance company within the meaning of Section 275 of the Finance Act.

“the Auditor” means the auditor appointed by the Management Trustees from time to time in relation to the Scheme under section 47 of the Pensions Act 1995.

“the AVC Fund” means all money, investments, securities and/or insurance policies or other assets of the Scheme from time to time held by or on account of the Management Trustees and/or the Custodian Trustees from time to time for the purposes of the AVC Scheme.

“AVCs” means voluntary contributions that are or have been paid to the Scheme by or in respect of Members and Pensioners (including, as the context requires, Non-Notional Voluntary Contributions, Notional Voluntary Contributions and Employer AVCs) pursuant to the provisions of the AVC Scheme and assets representing contributions paid voluntarily to any other Registered Pension Scheme by members thereof which have been transferred to the Scheme and which were at the date of such transfer deemed by the Management Trustees to be voluntary contributions paid to the Scheme by Members and Pensioners pursuant to the provisions of the AVC Scheme.

“the AVC Scheme”, “Additional Voluntary Contributor”, “AVC Account”, “Employer AVCs”, “Notional Voluntary Contributions” and “Pension Commencement Date” have the meanings given in Clause 26.

“Civil Partner” means a person who is the civil partner, for the purposes of section 1 of the Civil Partnership Act 2004, of a Member or Pensioner.

“Contributory Service” has the meaning given in the Parts of the Rules relevant to the use of the term (the term being expressed in all but Part VI of the Rules as “contributory service”).

“Corporate Trustee” has the meaning given in Clause 12A.

“Employer” means British Airways Plc (Co. Reg. No. 01777777) and where the context so admits includes any Withdrawing Employer (as defined in sub-Clause 18B(a)) temporarily participating in the Scheme by operation of sub-Clause 18B(c)

or any other person or body that from time to time has agreed to participate in the Scheme and has not subsequently ceased to do so.

“Ex-Spouse” means a person whose marriage to or civil partnership with the Member or Pensioner has been dissolved.

“Finance Act” means the Finance Act 2004.

“the Fund” means all monies from time to time held by or on account of the Management Trustees and/or the Custodian Trustees in pursuance of the Trust Deed and the Rules and the investments and securities for the time being representing the same and any insurance policies.

“GMP Rule” and **“Opting-out Rule”** in relation to any Member means those Rules applicable to him which respectively relate to guaranteed minimum pensions and his right to cease to be a contributing Member whilst remaining in the service of an Employer.

“Higher Rate Contributor” has the meaning given in the Parts of the Rules relevant to the use of the term.

“Lower Rate Contributor” has the meaning given in the Parts of the Rules relevant to the use of the term.

“Management Trustees” means the management trustee or management trustees of the Scheme from time to time appointed in accordance with Clause 12 or Clause 12A.

“Member” means a person eligible for membership of the Scheme who having agreed to become a Member of the Scheme and be bound by the Trust Deed and Rules thereof has been admitted to the Scheme, membership thereof continuing from the date of admission until the Member ceases to be in the service of an Employer PROVIDED THAT a Member who ceases to be a contributing Member under the Opting-out Rule but remains in the service of an Employer shall be deemed to cease to be a Member and thereupon to become a Pensioner unless all liability for benefits in respect of him under the Scheme has been discharged under the Trust Deed or Rules, or statutory provision with like effect, in which event he shall cease to be either a Member or a Pensioner.

“the New Airways Pension Scheme” and **“NAPS”** mean the Scheme for the provision of pensions and other benefits established by Trust Deed dated 16 March 1984 and made between British Airways Plc of the first part Norman Edward Gordon Dunlop and others of the second part and Airways Pension Fund Trustees Limited of the third part.

“Partial Transfers Operating Rules” means the operating rules determined by the Management Trustees, as amended from time to time, governing the process by which the Management Trustees shall respond to a request from a Member, Pensioner or other person for a transfer of a portion of their benefits to another arrangement.

“Pension Commencement Lump Sum” has the same meaning as in Schedule 29 to the Finance Act.

“Recognised Transfer” has the same meaning as in Section 169 of the Finance Act.

“Registered Pension Scheme” means a Scheme registered under Part IV of the Finance Act”.

“the Rules” means the Rules including the appendices to the Rules set forth in the Schedules hereto and any amendments and additions that may be made in the manner for the time being prescribed by the Trust Deed and the Rules.

“the Scheme” means the scheme for pensions and other benefits hereby established and except where inconsistent with the context includes the AVC Scheme hereinafter defined.

“the Secretary” means the Secretary for the time being of the Scheme.

“Serious Ill-Health” means ill-health of such seriousness that the person concerned is, in the opinion of a registered medical practitioner, unlikely to live for more than one year.

“Serious Ill-Health Lump Sum” has the meaning given by paragraph 4 of Schedule 29 to the Finance Act”.

“Surviving Civil Partner” means a person who was the civil partner, for the purposes of section 1 of the Civil Partnership Act 2004, of a Member or a Pensioner immediately before the death of such Member or Pensioner.

“the Trust Deed” means these presents as varied or modified by any supplemental deed or deeds made or executed in accordance with these presents.

1A **Statutory References**

Any reference to a statutory provision will be read as including any repeal, modification or other change to that provision.

1B **Same sex spouses**

Any reference in the Trust Deed or the Rules to “spouse” includes a same sex spouse, any reference to “marriage” includes same sex marriage and any reference to “husband”, “wife”, “widow” or “widower” will be read accordingly.

1C **Interpretation**

Terms used in the Trust Deed that are defined in the Rules shall have that meaning unless the context requires otherwise.

2. **Main object**

The main object of the Scheme is to provide pension benefits on retirement and a subsidiary object is to provide benefits in cases of injury or death for the staff of the Employers in accordance with the Rules. The Scheme is not in any sense a

benevolent scheme and no benevolent or compassionate payments can be made there from.

3. Payment of contributions

Each Employer severally covenants with the Management Trustees that it will pay or cause to be paid to the Management Trustees all contributions to be contributed by it and by members in its employment in accordance with the Rules.

4. Administration of Scheme

- (a) The Management Trustees shall manage and administer the Scheme and shall have power to perform all acts incidental or conducive to such management and administration and the Custodian Trustees shall concur in and perform all acts necessary or expedient to enable the Management Trustees to exercise their powers of management or any other power or discretion vested in them accordingly for which purpose the Custodian Trustees shall have vested in them the power for and on behalf of and (if necessary) in the name of the Management Trustees to execute any deed or other instrument giving effect to the exercise by the Management Trustees of any power vested in them and the Custodian Trustees shall deal with the Fund and the income thereof as the Management Trustees shall from time to time direct and the Custodian Trustees shall be under no liability otherwise than by recourse to the trust property vested in them for making any sale or investment of or otherwise dealing with the trust property and/or the income thereof as directed by the Management Trustees.
- (b) Without prejudice to the generality of the preceding sub-Clause the Management Trustees shall have power and shall be deemed at all times to have had power:
 - (i) subject to section 36A of the Pensions Act 1995, to borrow or raise money in any currency in the United Kingdom or abroad for the purposes of investment or for such other purposes as they consider appropriate in relation to the administration of the Scheme on such terms and on such security as may be thought fit (including without limitation the making of parallel or back-to-back loans);
 - (ii) to mortgage or charge the whole or any part of the Fund for any of the purposes of the Scheme;
 - (iii) subject to section 36A of the Pensions Act 1995, to guarantee the payment of money in any currency by or the performance of any contract engagement or obligation of any person firm or company in the United Kingdom or abroad;
 - (iv) to sell surrender vary the terms or otherwise dispose of any investments forming part of the Fund;
 - (v) to lease mortgage exchange (for other authorised investments) sell develop manage or otherwise deal with any interest in immovable

property forming part of the Fund;

- (vi) to underwrite the issue or sale of any stocks shares bonds debentures or units in which the Management Trustees are authorised to invest;
 - (vii) to accept and retain as part of the Fund any policies or other securities transferred to the Management Trustees and/or the Custodian Trustees by way of transfer payments under the Rules;
 - (viii) to direct the Custodian Trustees to effect such insurance for such risks and for such amounts as the Management Trustees think fit in respect of any potential loss or depreciation whatsoever of all or any part of the Fund or in respect of any action claim or demand made against or loss suffered by the Custodian Trustees or the Management Trustees (or the agents delegates or appointed officers of any of them) in relation to the Scheme and to direct the Custodian Trustees to pay the insurance premiums out of the Fund;
 - (ix) to do all such other things as are incidental or conducive to the attainment of the objects of the Scheme or any of them.
- (c) No lender mortgagee or other person dealing with the Management Trustees shall be concerned to enquire as to the purpose for which monies being borrowed or secured are required or as to the application thereof or as to the propriety regularity or purpose of any dealing effected by the Management Trustees and any borrowing charge or other dealing shall as regards any lender mortgagee or other person be deemed to be within the powers hereby conferred and shall be valid and effectual accordingly.
- (d) In addition and without prejudice to any other powers vested in the Management Trustees the Management Trustees shall have power to delegate, or authorise the sub-delegation of, such of their powers duties and discretions, whether under the Trust Deed and the Rules or otherwise, as they may think fit from time to time and upon such terms as to remuneration or otherwise as they think fit to any person company or committee (including, but without limitation, a committee constituted by the Management Trustees and consisting wholly or partly of Management Trustees or, if there is a sole Corporate Trustee, consisting wholly or partly of the directors of the sole Corporate Trustee) and to revoke or terminate any such delegation and also to deliver assets of the Fund to any person or company to whom powers of investment have been hereby delegated PROVIDED HOWEVER that the power hereunder shall not be exercised so as to vest in persons or bodies or any person or body other than the Secretary or any Officers or Staff appointed under Clause 8 hereof any power discretion or duty in relation to the disposal investment or other application of a significant part of the Fund except with the approval of a resolution of the Management Trustees in favour of which at least two-thirds of the Management Trustees (or, if there is a sole Corporate Trustee, at least two-thirds of the directors of the sole Corporate Trustee) for the time being shall have voted.

- (e) The Custodian Trustees shall have power to delegate, either generally or for any particular purpose, to any person or body any or all of their powers to deal with the Fund and the income thereof (including the power to sub-delegate and authority to sign any document) upon such terms as to remuneration or otherwise as the Custodian Trustees may decide. In particular the Custodian Trustees may appoint one or more persons to act as custodian of all or some of the assets of the Fund with authority to collect dividends and other income on behalf of the Custodian Trustees and generally to take such action in relation to such assets as may be agreed with the Custodian Trustees as part of the custody function. The Custodian Trustees may grant power to any custodians so appointed to sub-delegate such parts of their custodianship function on such terms as the Custodian Trustees may permit.
- (f) Upon and with effect from the appointment of any new trustee (whether a Custodian Trustee or a Management Trustee) of this scheme, under this Trust Deed or otherwise, such new trustee shall automatically, as a result of such appointment and as a term of this Trust Deed, undertake and assume all of the obligations and liabilities of the trustees of the Scheme to any person, which:
 - (i) are subsisting at the time of such appointment;
 - (ii) are within the scope of the new trustee's powers and obligations under the Trust Deed (as a Management Trustee, Custodian Trustee or otherwise) and/or statute; and
 - (iii) were assumed by the relevant existing trustees or by relevant previous trustees in their capacity as trustees of the Scheme or for the purposes of the Scheme.

Such obligations and liabilities shall include those owed to any third party contractor or counterparty (whether under contract, deed or other instrument or legal obligation). The assumption of obligations and liabilities by the new trustee under this sub-Clause 4(f) shall take effect irrespective of whether the new trustee executes any documentation with such third party, but shall be subject to the terms of any agreement between the new trustee and any such third party and (if necessary) the satisfaction of any legal requirement that may apply for obtaining the consent of any such third party. The personal liability of any trustee in respect of any obligation or liability assumed under this sub-Clause 4(f) shall (in the absence of fraud) be limited to the extent to which that trustee may have recourse to the Fund in respect of that obligation or liability.

- (g) Upon and with effect from the resignation or removal of any trustee (whether a Custodian Trustee or a Management Trustee), such trustee shall be discharged of any obligation or liability assumed under sub-Clause 4(f), conditional upon the Scheme continuing to have:

- (i) a body corporate acting as Custodian Trustee at that time; and
- (ii) one or more trustees who are at that time permitted to meet such obligations or liabilities from the assets of the Scheme.

If such conditions are not met at the time that the relevant trustee resigned or is removed, that trustee's discharge shall apply on and from the time that such conditions are so satisfied.

5. **Bank accounts and their operation**

The Management Trustees shall open and keep a current account or accounts with such bank or banks branch or branches as they may from time to time determine and shall from time to time make such regulations as they shall think desirable for the operation of any such bank accounts including the signing and endorsement of cheques in connection therewith. The Management Trustees shall pay all subscriptions contributions donations and bequests (if any) and other monies whatsoever received by them for or on behalf of the Scheme into one or other of their banking accounts aforesaid PROVIDED THAT the Management Trustees may from time to time place on deposit account at any such bank or banks as aforesaid any sums not immediately required for the payment of pensions or any expenses or other sums payable out of the Fund but which they in the exercise of their discretion shall not deem it desirable to invest for the time being.

6. **Investment of Fund and application thereof**

- (a) So much of the sums from time to time paid to or received by the Management Trustees for or on behalf of the Scheme as shall not from time to time be required for application in the payment of pensions or otherwise shall (but subject to the proviso contained in Clause 5 and to paragraphs (v) and (vi) to the first proviso to this sub-Clause 6(a) below) as soon as practicable be invested by the Management Trustees in the names or, subject to sub-Clause 4(e), under the legal control of the Custodian Trustees either solely or jointly with others in or upon the security of such stocks shares debentures debenture stocks or other investments (including land of any tenure and notwithstanding the intent hereinafter expressed any tax exempt trust fund) whatsoever and wheresoever situate whether or not involving liability and whether or not authorised for the investment of trust funds as the Management Trustees shall in their absolute discretion think fit to the intent that the Management Trustees shall (subject to the restrictions on employer-related investments at section 40 of the Pensions Act 1995) have the same unrestricted powers of making varying and transposing investments as if they were absolutely entitled to such monies beneficially. In addition the Management Trustees may otherwise apply such sums or enter into any transaction as they think fit PROVIDED HOWEVER that without prejudice to the generality of the foregoing powers the Management Trustees shall have power:
 - (i) to effect deferred and immediate annuity policies retirement endowment and assurance policies sinking fund policies and any

other form of insurance with an Approved Insurance Company and also (but subject to the advice of the Actuary) to purchase an annuity from any such office for the purpose of meeting the Management Trustees' obligation to pay any pension which has then or will at a specified date become payable to any Member or any pension annuity or allowance payable to a person on the death of a Member;

- (ii) to make loans to local authorities or deposit such monies upon such credit with or without security as the Management Trustees decide;
- (iii) to retain or place any such monies on deposit or current account with any bank and for such periods as they shall think fit and shall not be chargeable in respect of any interest on any such monies in excess of the interest (if any) actually paid or credited thereon;
- (iv) subject to the agreement of the Commissioners of HM Revenue & Customs to exercise any of the powers conferred upon them by this sub-Clause 6(a) jointly with the management trustees of NAPS (and those exercising appropriate delegated powers thereunder) notwithstanding that the directors of the Custodian Trustees or any of them may be or be included among the management trustees of NAPS as if the property subject to the trusts of this Scheme and the property subject to the trusts of NAPS were one trust fund and if and so long as the power conferred on the Management Trustees by virtue of this provision is exercised the Management Trustees shall make arrangements jointly with the management trustees of the NAPS for apportioning the blended trust property and the income thereof and the gains and losses arising on the sale of investments or otherwise as they consider to be just and equitable;
- (v) notwithstanding the above requirement that sums should be invested by the Management Trustees in the names or under the legal control of the Custodian Trustees either solely or jointly with others to stock lend (subject to the receipt of appropriate collateral);
- (vi) to enter into or invest in commodity futures, financial futures, contracts for differences, swaps, options and other contracts of any kind (such transactions or investments to include, if required, the provision of appropriate collateral out of the assets of the Fund);
- (vii) to make provision for any relevant counterparty involved in any transaction or investment activity to have direct recourse against all or any assets of the Fund in respect of all or any liability arising under the contract relating to such investment or the transaction;
- (viii) to appoint a nominee or nominees to hold the investments of the Fund upon such terms as to remuneration as the Management Trustees shall determine and otherwise as they think fit from time to time;

- (ix) to effect insurance, swaps, bulk annuity contracts and other financial transactions to protect the Scheme against financial and other risks to which it is exposed including (but not limited to) interest risk, inflation risk, credit risk and longevity risk; and to grant and receive the benefit of security in respect of obligations owed to or by counterparties to such transactions, including (but not limited to) by fixed or floating charge, retention or deposit back of premiums or the provision of collateral.

AND PROVIDED FURTHER that the Management Trustees shall in making any investment or transaction which requires an indemnity to be given by the Management Trustees against liabilities arising in the event of the Scheme losing its status as a Registered Pension Scheme have power to bind the Scheme notwithstanding that such indemnity may only become operative by reason of some act or omission which constitutes a breach of trust on the part of the Management Trustees.

- (b) The Custodian Trustees shall out of the income of the Fund or out of the capital thereof as the Management Trustees may from time to time direct or failing direction as the Custodian Trustees at their discretion think fit provide the Management Trustees with such monies as they may require for the purpose of enabling them to pay the pensions and other payments for the time being chargeable against the Fund or the administration or other expenses thereof and shall in all respects facilitate as far as their powers extend the discharge by the Management Trustees of their responsibilities in the management of the Fund.
- (c) Any directions to be given to the Custodian Trustees under sub-Clause 6(b) shall be given by way of a request in writing in such form as determined by the Management Trustees from time to time. The Custodian Trustees shall act upon any such direction so given and make any payment or payments thereunder without being concerned to enquire as to whether such direction is in accordance with the Scheme or is proper or to enquire for what purpose the money is wanted or to see to the application thereof.

7. **Limiting of claims**

No person whether a Member or otherwise shall have any claim right or interest upon to or in respect of the Fund or any contributions thereto or any interest thereon or any such claim upon or against the Management Trustees or the Custodian Trustees or an Employer except under and in accordance with the provisions of the Trust Deed and the Rules.

8. **Secretary, staff, Actuary and Auditor**

The Management Trustees shall have power to appoint, remove and re-appoint a Secretary and such other administrative officers and staff of the Scheme as they think necessary upon such terms and conditions and for such period of office as they think fit. The Management Trustees shall also have power subject to the approval of British Airways Plc to appoint, remove and replace the Auditor. The Actuary shall be a Fellow of the Institute and Faculty of Actuaries or a firm or body

corporate of such Actuaries. Any appointment removal or replacement of the Actuary shall be made by the Management Trustees with the consent of British Airways Plc. If at any time the Management Trustees and British Airways Plc fail to agree on the appointment of the Actuary because each wishes to appoint a different person or firm or body corporate, the President of the Institute and Faculty of Actuaries shall be asked to appoint a person or firm or body corporate as the Actuary but that person or firm or body corporate shall not be the person or firm or body corporate that the Management Trustees or British Airways Plc wished to appoint.

9. Accounts and records

The Management Trustees shall keep full and true accounts of the Fund and of all sums of money expended in the payment of benefits expenses or otherwise howsoever and shall keep full and true records of the time of commencement of membership by the individual members of the contributions and of all other chronological and other facts proper to be recorded and shall also keep a register of all members. The said accounts shall include the AVC Account specifically required to be kept in respect of each Member who contributes or for whom an Employer pays Employer AVCs to the AVC Scheme.

10. Annual accounts

The accounts of the Fund shall be made up to the 31 March in each year and as soon thereafter as is practicable an income and expenditure account and balance sheet (together with a list of investments) prepared by the Management Trustees and exhibiting a true statement of the position of the Fund shall be delivered by the Management Trustees to the Auditor together with all means of verifying and vouching the same and the Management Trustees shall give to the Auditor every assistance in his investigation and give him access to all books papers records and accounts connected with the Scheme and shall obtain from him a report in writing upon the result of his audit.

11. Actuary

The duties of the Actuary shall be:

- (a) At or as soon as practicable after the date of the coming into force of the Scheme and thereafter at the end of such periods not exceeding three years (with the exception of the valuation following the one made as at 30 September 1985 which will be made as at 31 March 1989) as the Management Trustees shall from time to time determine the condition of the Fund shall be submitted to the Actuary who shall consider the same and shall make an actuarial valuation of the assets and liabilities of the Fund and shall report on the financial position thereof to the Management Trustees who shall forthwith transmit a copy thereof to each Employer together with any recommendations they may wish to make in regard thereto.
- (b) In conjunction with each valuation made in accordance with sub-Clause 11(a) the Actuary shall make a separate actuarial valuation of the assets and

liabilities of the Fund attributable to each Employer and if the Actuary certifies that a deficiency or disposable surplus as the case may be is attributable to an Employer he shall certify the amount thereof and the Management Trustees shall within three months after receiving such certificate make a scheme for making good the deficiency or as the case may require disposing of the disposable surplus PROVIDED THAT any such scheme shall be subject to the agreement of the Employer to which it applies or in default of agreement shall be referred to a Fellow of the Institute and Faculty of Actuaries to be appointed in default of agreement on the application of either the Employer or the Management Trustees by the President for the time being of the Institute of Actuaries and shall come into force subject to such amendments (if any) as that Actuary may direct.

- (b1) An actuarial valuation under sub-clause (a) of this clause with an effective date on or after 31 March 2018 shall be on the Agreed Valuation Basis plus RPI for the purposes of assessing whether there is a Raw Surplus for the purposes of sub-clause (a). An actuarial valuation under sub-clause (b) of this clause with an effective date on or after 31 March 2018 shall be on the Agreed Valuation Basis for the purposes of assessing a deficit under sub-clause (b) of this clause.
- (c) If the Actuary certifies that there is a deficiency attributable to an Employer the scheme referred to in sub-Clause 11(b) above shall provide that that Employer shall contribute to the Fund in addition to any existing deficiency contribution payable under this Clause 11 and to the contributions prescribed by the Rules an equal annual deficiency contribution calculated to make good the deficiency over a period not exceeding forty years from the date of the valuation PROVIDED THAT an Employer may at any time or times pay to the Fund such monies as the Employer shall think fit in or towards satisfaction of any deficiency contributions which it would otherwise have been liable to provide on any subsequent date or dates.
- (d) If the Actuary certifies that there is a disposable surplus attributable to an Employer the scheme referred to in sub-Clause 11(b) above shall provide that:
 - (i) the amount or outstanding term of any existing annual deficiency contribution shall be reduced to such extent as the disposable surplus will permit;
 - (ii) if after having extinguished as aforesaid all outstanding annual deficiency contributions of an Employer a balance of disposable surplus still remains the contributions of the Employer shall be reduced to an extent required to dispose of such balance by annual amounts over such a period not exceeding 30 years from the date of the valuation as the Actuary shall advise.
- (d1) A scheme prepared in respect of a valuation carried out with an effective date before 1 January 2021 or after 31 December 2027 may not provide that any part of the disposable surplus be used in the way set out in paragraph (d)(ii).

- (d2) A scheme prepared in respect of a valuation with an effective date between 1 January 2021 and 31 December 2027 inclusive may not provide that any part of the disposable surplus be used in the way set out in paragraph (d)(ii) for a period beyond the conclusion of the next valuation by the Actuary under Clause 11.
- (d3) A scheme may not provide for the use of disposable surplus to increase the benefits of any Members and pensioners (including spouses, widows, widowers, Civil Partners, Surviving Civil Partners or other dependants of Members or Pensioners actually or contingently entitled to benefits in accordance with the Rules) unless the Actuary considers that there is a Raw Surplus on the Agreed Valuation Basis plus RPI.
- (e) Where on such valuation the Actuary certifies that in order to maintain an equality of value in relation to persons becoming members subsequent to three months from the date of the report on the valuation between the amounts to be contributed by and in respect of such persons and the amounts of benefits to which such persons will become entitled it is expedient to increase or decrease contributions payable to the Fund provision may be made by the scheme referred to in sub-Clause 11(b) above for such increase or decrease as the case may require.
- (f) The Actuary shall also make and give such other reports and certificates and give such advice and information relating to the Fund as the Management Trustees or any Employer may deem to be necessary or expedient.
- (g) In this Clause 11 “**Agreed Valuation Basis**”, “**Agreed Valuation Basis plus RPI**” and “**Raw Surplus**” shall bear the meanings attributed to them by the Settlement Agreement dated 8 April 2019 (as amended) between British Airways Plc and Airways Pension Scheme Trustee Limited.

12. Management Trustees

- (a) Subject to the provisions of Clause 14(a) concerning any vacancies which arise, the Management Trustees shall be, until 30 June 2020, 12 and, on and from 1 July 2020, eight in number. British Airways plc shall appoint, until 30 June 2020, six and, on and from 1 July 2020, four Management Trustees (“the **Employers’ Representatives**”) and, subject to the provisions of sub-clause (b) of this Clause, the Members, Adult Survivors and Pensioners of the Scheme (the “**Voting Members**”) shall appoint from among the Members and Pensioners of the Scheme until 30 June 2020, six and, on and from 1 July 2020, four persons to be Management Trustees of the Scheme (“the **Members’ Representatives**”).

For the purposes of this Clause 12, the term “**Adult Survivor**” means an individual in receipt of an adult survivor’s pension under Rule 10 of Part VI of the Rules (or the corresponding provisions of Parts I to V of the Rules).

PROVIDED THAT for the purposes of this Clause 12 the term “**Pensioners**” shall exclude any person who is not in receipt of pension from the Scheme, any person whose only entitlement under the Scheme is to benefit in respect of equivalent pension benefits as referred to in section 13(6) of the Pension Schemes Act 1993.

- (b) This Clause 12 (as amended) shall not affect the period of office of those Management Trustees who were in office on the date immediately before this Clause 12 (as amended) took effect (having been duly appointed under the provisions of Clause 12 as they applied at that date), and who were not due to retire from office by rotation or otherwise on that date. Such persons shall retire by rotation when they would otherwise have been due to retire under the provisions of Clause 12(c), but shall be eligible for re-appointment if they satisfy the relevant requirements for appointment applicable at the time. In addition, this Clause 12 (as amended) shall not affect the validity of the appointment of those Members’ Representatives who were duly appointed under the provisions of Clause 12 as they applied at the date of their appointment.
- (c) Subject to the provisions of sub-clauses (d) (e) (f) and (h) of this Clause each Management Trustee shall retire from office on that 31 March or 30 September (hereinafter in this sub-clause referred to as a “retirement day”) which shall be more than five years but not more than five years and six months after the date of his appointment as such Management Trustee;

PROVIDED THAT if more than two Management Trustees are due to retire at any retirement day the foregoing provision shall apply at such retirement day only to those two of the Management Trustees otherwise due to retire on such day who have been longest in office since their latest date of appointment (the question being decided by lot if more than two of the Management Trustees would thus be due for retirement), any of the Management Trustees thus exempted from retirement on such retirement day then being due for retirement as if under this sub-clause on the next following retirement day. Subject to satisfying the relevant requirements for appointment applicable at the time, a retiring or resigning Management Trustee shall be eligible for re-appointment (whether immediate or subsequent) and in this Clause any reference to “appoint” (or any of its derivations) shall include a reference to “re-appoint” (or any of its derivations).

- (d) British Airways plc may remove an Employers’ Representative and may appoint an Employers’ Representative in place of one who has died or has been removed or has retired or resigned from office.
- (e)
 - (i) A Members’ Representative who was appointed as an employed Member and who ceases to be a Member of the Scheme and does not immediately become a Pensioner shall thereupon be deemed to have vacated office as a Members’ Representative;

- (ii) A Members' Representative shall also vacate office as a Management Trustee upon his removal from such office by the Voting Members such removal being effected by (and only by) means of a postal ballot of such Voting Members taken in accordance with the provisions of Rule 25(b) of Part VI of the Rules which results in a majority of at least two-thirds of the Voting Members voting in the said ballot being in favour of such removal;

PROVIDED THAT no such ballot shall be held unless a written request therefor has been made to the Secretary signed by at least 100 Voting Members and other references to Members in Rule 25 of Part VI of the Rules shall for the purposes of such ballot be construed as references to Voting Members.

- (f) An Employers' or Members' Representative may resign his office as a Management Trustee at any time by giving written notice to the Secretary.
- (g) (i) The appointment of a Members' Representative to fill a vacancy arising or anticipated (and whether on retirement or otherwise) shall be effected by simple majority consisting of the largest number of votes of the Voting Members, who vote on a postal ballot taken in accordance with paragraph (v) below;

PROVIDED THAT where any such postal ballot is taken in respect of two, three or four vacancies arising or anticipated, the two, three or four persons appointed shall be those in respect of whom are received the two, three or four largest numbers of votes of such of the Voting Members;

AND PROVIDED THAT no person shall be eligible for appointment as a Members' Representative unless within the time specified for the receipt of nominations in the notice issued by the Secretary inviting the same (which shall not be less than one month) there shall have been delivered to the Secretary a written nomination of such person signed by at least 10 Voting Members together with his written agreement to be nominated; and

PROVIDED FURTHER THAT in the event that only one person eligible for appointment is so nominated such person shall be deemed duly appointed.

- (ii) Any such notice inviting nominations may be given (in the case of Voting Members) by publicising through British Airways plc's usual communication channels and (in the case of Pensioners) in any magazine or circular distributed to Pensioners, or (in either case) by delivering or posting to the person concerned (any such postal notice being treated as served on the day following posting). The accidental omission to serve or the non-receipt of such notice will not invalidate any subsequent ballot.
- (iii) An appointment of a Members' Representative shall if the result of the aforesaid ballot or (or in the case of a single nomination) of the nomination is known prior to the effective date of resignation or

retirement of the Members' Representative whose office is to be filled take effect on the day immediately following such effective date and in all other cases shall take effect from the date of declaration of such result.

- (iv) In the event of no nomination being received within the relevant time specified in the notice inviting nominations, a further notice shall be given and any such further notice shall be treated as a notice for the purpose of sub-paragraph (i) of this sub-clause.
- (v) Any ballot for the purposes of the appointment of a Members' Representative shall be held by the delivery or posting of ballot papers to Voting Members, who will be given at least one month to return their ballot paper. Ballot papers sent by post to Voting Members will be treated as delivered on the day following posting. The accidental omission to serve or the accidental inclusion or omission of a person's name in the voting list in a ballot will not invalidate the ballot. A memorandum signed by the persons appointed to count the ballot papers will, unless the contrary is proved, be accepted as sufficient evidence of the result of the ballot.
- (vi) An Adult Survivor who is also a Member or a Pensioner of the Scheme shall only be entitled to one vote in a ballot for the appointment of a Members' Representative.
- (vii) A Flexible Retirement Member shall only be entitled to one vote in a ballot for the appointment of a Members' Representative.
- (h) If a Management Trustee fails for a period of six months to attend in person any meeting of the Management Trustees the Management Trustees may declare him to be removed from office;

PROVIDED THAT such Management Trustee shall be given at least seven days' notice of the date of the meeting of the Management Trustees at which the Management Trustees intend to consider declaring his office vacant as aforesaid.

- (i) The foregoing provisions of this Clause 12 reflect the arrangements for the election of Member Representatives which were put in place by the Management Trustees under Section 241 of the Pensions Act 2004. In the event of any conflict between the provisions of this Clause 12, where those provisions relate to the arrangements for the election of Member Representatives, and the arrangements in place from time to time, the latter shall prevail.
- (j) Upon the appointment or the removal of any Management Trustee, Clause 4(f) and 4(g) respectively shall apply.
- (k) This Clause 12 will not apply at any time when a sole Corporate Trustee has been appointed under Clause 12A.

- (l) Notwithstanding any other provision of this Clause 12, the Management Trustees may resolve at any time to communicate with, provide notice to or ballot Voting Members for the purpose of this Clause 12 by electronic communication.

12A. **Corporate Trustee**

- (a) Subject to the following provisions of this Clause 12A, British Airways plc may, on the date this Clause 12A takes effect or subsequently pursuant to a decision made under sub-Clause 12A(g), appoint a company (the “**Corporate Trustee**”) as the sole Management Trustee. All of the Management Trustees will vacate office immediately on the appointment of the Corporate Trustee under this sub-Clause 12A(a).
- (b) The appointment of the Corporate Trustee under sub-Clause 12A(a) must be made by deed executed by the Corporate Trustee and British Airways plc.
- (c) Subject to any overriding applicable law, the Corporate Trustee’s articles of association must be consistent in all material respects with:
 - (i) the provisions of Clause 12 insofar as they relate to the number, selection, appointment and term of directors of a Corporate Trustee as if references to Management Trustees were references to directors of the Corporate Trustee; and
 - (ii) the provisions of Clause 14 as if references to Management Trustees were references to directors of the Corporate Trustee.
- (d) If the Corporate Trustee’s articles of association cease to comply with the requirements of sub-Clause 12A(c) and the articles of association of the Corporate Trustee or the Trust Deed and Rules of the Scheme are not amended to rectify the inconsistency within 30 calendar days of this sub-Clause 12A(d) first applying, then the appointment of the Corporate Trustee will be treated as having terminated from the date this sub-Clause 12A(d) first applied in relation to that inconsistency.
- (e) The appointment of the Corporate Trustee will terminate immediately if, at any time, the Corporate Trustee’s articles of association:
 - (i) cease to comply with the principle embodied in Clause 12 (which is applied to a Corporate Trustee by sub-Clause 12A(c)) that the directors of the Corporate Trustee shall consist of an equal number of representatives of the employers and the members respectively; or
 - (ii) may be amended by way of a vote or written resolution that requires less than two thirds of the company members for the time being (at least two of whom must be END Members (as defined in the articles of association of the Corporate Trustee) and at least two of whom must be MND Members (as defined in the articles of association of

the Corporate Trustee)) voting or resolving in favour of the decision.

- (f) Following the termination of the Corporate Trustee's appointment pursuant to sub-Clauses 12A(d) or (e) British Airways plc will, as soon as reasonably practicable, appoint a professional independent trustee (the "**Independent Trustee**") to act as the sole Management Trustee until such time as a new Corporate Trustee or new individual Management Trustees are appointed in accordance with sub-Clause 12A(g) below. All powers, discretions and duties which under this Trust Deed and the Rules are exercisable by the Management Trustees will be exercisable by the Independent Trustee, except that:
 - (i) any minimum number of Employers' Representatives and Members' Representatives will not apply; and
 - (ii) the Independent Trustee may not exercise any power of the Management Trustees which would require a decision to be approved by at least two thirds of the Management Trustees.
- (g) Following the appointment of the Independent Trustee, British Airways plc and the Independent Trustee will agree whether a new Corporate Trustee will be appointed in accordance with this Clause 12A or whether individual Management Trustees will be appointed in accordance with Clause 12:
 - (i) For the purposes of Clause 12 or Clause 12A, the appointment of Employers' Representatives (or the equivalent directors of a Corporate Trustee) will be made by British Airways plc and the appointment of Members' Representatives (or the equivalent directors of a Corporate Trustee) will be made in accordance with the Trust Deed and Rules (or equivalent provisions of the articles of association of the Corporate Trustee).
 - (ii) The appointments under Clause 12 or Clause 12A will only take effect when at least two Employers' Representatives and at least two Members' Representatives (or, in each case, the equivalent directors of a Corporate Trustee) have been selected, at which point all of the new appointments will take effect and the appointment of the Independent Trustee will terminate (unless the Independent Trustee is selected as an Employer's Representative).
 - (iii) The Independent Trustee and British Airways plc will use all reasonable endeavours to ensure that appointments under Clause 12 or Clause 12A take effect as soon as practicable and in any event within six months of the appointment of the Independent Trustee.

13. **Management Trustees' powers of decision**

The Management Trustees shall have full powers to determine whether or not any person is entitled to any pension benefit or other allowance from the Fund in accordance with the provisions of the Trust Deed and of the Rules and any other claim made upon the Fund and all matters questions and disputes touching or in

connection with the affairs of the Scheme and in deciding any question of fact they shall have full liberty to act upon such evidence or presumption as they shall in their absolute discretion think fit notwithstanding that the same may not be evidence legally admissible or a legal presumption. The Management Trustees shall also have full power to determine all questions or matters of doubt arising on the construction or operation of the Trust Deed or the Rules or otherwise relating to the Scheme PROVIDED THAT in the event of any dispute arising as between the Management Trustees and any person entitled to or claiming to be entitled to any pension benefit or other allowance from the Fund, such dispute shall be referred to the Internal Dispute Resolution Procedure operated by the Management Trustees in accordance with section 50 of the Pensions Act 1995 except that, at that person's option, the dispute may instead be referred to a single Arbitrator to be named by the President for the time being of the Law Society of England and Wales. The Arbitrator so named shall have all the powers conferred on Arbitrators by the Arbitration Act 1996.

14. Meetings of Management Trustees

- (a) The Management Trustees may subject to the provisions of the Scheme meet together for the despatch of business adjourn and otherwise regulate their proceedings as they see fit. Questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote. The Chairman of the Management Trustees (or in his absence such one of the Deputy Chairmen as the Management Trustees present at the meeting shall choose) shall take the chair at every meeting of the Management Trustees at which he is present but if there is no Chairman or Deputy Chairman of the Management Trustees for the time being appointed or present at the meeting then the Management Trustees present at the meeting shall choose one of the other Management Trustees present at the meeting to act as Chairman of that meeting. The continuing Management Trustees may act notwithstanding any vacancies in their body provided that the necessary quorum is available to enable them to act.
- (b) British Airways Plc may from time to time nominate one of the Management Trustees to be Chairman of the Management Trustees and another two to be the Deputy Chairmen and fix their term of office.
- (c) The quorum at any meeting of the Management Trustees shall be four of whom two shall be Employers' Representatives and two Members' Representatives PROVIDED THAT a resolution in writing whether comprised in one document signed by all the Management Trustees or in more than one document which together contain the signatures of all the Management Trustees (where a signature reproduced in an e-mail, e-mail attachment or fax shall be as valid as an original signature) shall be as effectual as if it had been passed at a meeting of the Management Trustees duly convened and held.

- (d) An Employer's Representative and a Members' Representative may appoint in writing:
- (i) a person (a "**Primary Alternate**") to be his alternate at any one specified meeting of the Management Trustees, or at any committee meeting, from which he intends to be absent or for a specified period of time not exceeding 3 months; and
 - (ii) another person (a "**Secondary Alternate**") to be his alternate at the specified meeting or period of time set out in sub-Clause 14(d)(i) above if the Primary Alternate is absent.

In the case of an appointment by a Member's Representative his alternate shall be either a Management Trustee or a Member of the Scheme.

An alternate shall be entitled to exercise all the powers of the Management Trustee appointing him.

A Management Trustee may at any time revoke the appointment of his alternate(s) and if a Management Trustee shall cease to hold office for any reason the appointment of his alternate(s) shall ipso facto cease. When exercising the powers of the Management Trustee appointing him, the alternate shall not be bound to have regard to the views of that Management Trustee.

If a Management Trustee is absent from a meeting and:

- (iii) he has appointed a Primary Alternate but not a Secondary Alternate, and the Primary Alternate is also absent from the meeting; or
- (iv) he has appointed a Primary Alternate and a Secondary Alternate, both of whom are also absent from the meeting;

all of the powers of the Management Trustee will be exercisable by the Chairman of the Management Trustees for that meeting.

- (e) The Chairman or any two Management Trustees together may by written request to the Secretary call for a meeting of the Management Trustees and such meeting shall be convened by the Secretary within fourteen days of receipt of the said request.
- (f) Notices of meetings of the Management Trustees stating the general nature of the business to be transacted thereat shall be despatched by the Secretary to the Management Trustees.
- (g) The Management Trustees shall cause proper Minutes to be kept of the proceedings at their Meetings which Minutes shall be signed by the Chairman of the Meeting to which they refer or of the next succeeding meeting and any such Minutes purporting to be so signed as aforesaid shall

be sufficient evidence of the matters stated therein.

- (h) The Management Trustees shall appoint advisory bodies to advise them on matters arising out of each Part of the Schedule. The Members of each such advisory body shall be the Employers' Representatives and three Members belonging to the occupational category of staff concerned nominated by the Members' Representatives.
- (i) The Management Trustees may whenever they think it desirable or necessary for the proper execution of their duties employ or consult lawyers accountants brokers bankers and others and/or appoint or call into consultation such advisers (including advisory committees constituted by and consisting wholly or partly of Management Trustees) as they see fit to advise them or to advise any person company or committee to whom the Management Trustees have delegated powers of investment on questions relative to the investments of the Fund and all expenses incurred and fees paid under this sub-Clause 14(i) shall be chargeable to the Fund.
- (j)(a) It may be that any Management Trustee, including those who are an employee or an officer of an Employer or of any associated entity or who is a trustee of another occupational pension scheme (including NAPS), comes into possession of information:
 - (i) that is, or is intended to be, confidential to him in his capacity as an employee, officer or trustee or otherwise; and
 - (ii) which may be relevant to and have a material impact upon a decision of the Management Trustees in relation to the Scheme ("Confidential Information") such that he would, but for this sub-Clause 14(j)(a), be required to disclose that Confidential Information to the other Management Trustees or not be able to be party to that decision as a result of his Scheme trustee duties.

If so, this person is not required to disclose that Confidential Information to the Management Trustees provided that, in accordance with the conflict policy in place for the Scheme from time to time, he:

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ensures he is not a party to discussions or decisions of the Management Trustees to which the Confidential Information is relevant and upon which it would have a material impact;

OR

- (a) declares to the Management Trustees that he has a potential conflict of interest; and

- (b) following discussion he agrees to take such steps as the Management Trustees may determine (other than disclosing the Confidential Information), which may include absenting himself and taking no further part in particular discussions or decisions of the Management Trustees or continuing to take part either fully or partially in such discussions and decisions or remaining in a meeting or discussion as an observer only.

This sub-Clause 14(j)(a) does not prevent a Management Trustee who will be absent from a meeting because he possesses Confidential Information from appointing an alternate to attend that meeting under sub-Clause 14(d).

- (j)(b) The Management Trustees may, in such circumstances as they think fit, which may include the circumstances set out in sub-Clause 14(j)(a) above, establish one or more sub-committees comprising Management Trustees who are not in possession of Confidential Information. Such sub-committees may be given authority by the Management Trustees to take decisions, negotiate on behalf of, and bind the Management Trustees on such terms as may be set out in their mandates.
- (k) In this Clause 14, any reference to “writing” includes e-mails, e-mail attachments and faxes, and expressions referring to writing are to be construed accordingly.
- (l) This Clause 14 will not apply at any time when a sole Corporate Trustee has been appointed under Clause 12A.

15. **Management Trustees' expenses and remuneration**

- (a) Out of pocket expenses properly incurred by the Management Trustees arising out of their duties as Management Trustees of the Scheme shall be payable out of the Fund.
- (b) A Management Trustee who is in receipt of pension from the Scheme or who is appointed as an independent trustee may be remunerated by British Airways Plc at such rate as British Airways Plc may determine. Alternatively, the Management Trustees may at their discretion remunerate a Management Trustee who is in receipt of a pension from the Scheme or who is appointed as an independent trustee from the assets of the Fund at such rate as the Management Trustees may determine after consultation with British Airways Plc, provided an insolvency event has not occurred in relation to British Airways Plc for the purposes of section 121 of the Pensions Act 2004 in which case the Management Trustees are not required to consult British Airways Plc.

16. **Appointment and removal of Custodian Trustees**

The power of appointment removal and re-appointment of Custodian Trustees shall be vested in the Management Trustees and shall be exercisable by resolution duly passed at a meeting of the Management Trustees which resolution may authorise any two of the Management Trustees (or if a Corporate Trustee is appointed, any two directors of the Corporate Trustee) to execute any deed to give effect to such resolution. Every Custodian Trustee shall vacate office upon the service on such Custodian Trustee of notice that the Management Trustees have with such approval as aforesaid passed a resolution removing such Custodian Trustee from office. Upon the appointment or the removal of any Custodian Trustee, sub-Clauses 4(f) and 4(g) respectively shall apply.

17. **Indemnity of Trustees**

- (a) None of the Management Trustees, no director of a Corporate Trustee, no Custodian Trustee, no body corporate which is wholly owned (directly or indirectly) by a Custodian Trustee, no director of any body corporate which is a Custodian Trustee or is wholly owned (directly or indirectly) by a Custodian Trustee, and no officer or employee appointed by British Airways Plc or by the Management Trustees to perform any function in relation to the Scheme shall be liable for any breach of trust other than a breach of trust resulting from a deliberate act or omission which the person concerned knows is legally wrong or is reckless as to whether it is legally wrong or not.
- (b) Each of the Management Trustees each of the directors of a Corporate Trustee each Custodian Trustee each of the directors of any body corporate which is a Custodian Trustee and each officer or employee appointed by British Airways Plc or by the Management Trustees to perform any function in relation to the Scheme shall be indemnified at all times by British Airways Plc against any claims made or actions raised against that person in connection with the exercise of any of his functions or duties in relation to the Scheme and not attributable to a deliberate act or omission by that person which that person knows is legally wrong or is reckless as to whether it is legally wrong or not.

18. **Amendments and additions**

The provisions of the Trust Deed may be amended or added to in any way by means of a supplemental deed executed by such two Management Trustees as may be appointed by the Management Trustees to execute the same. Furthermore the Rules may be amended or added to in any way and in particular by the addition of rules relating to specific occupational categories of staff. No such amendment or addition to the provisions of the Trust Deed or to the Rules shall take effect unless the same has been approved by a resolution of the Management Trustees in favour of which at least two thirds of the Management Trustees for the time being (at least two of whom must be Employers' Representatives and at least two of whom must be Members' Representatives) shall have voted PROVIDED THAT no amendment or addition shall be made which:

- (i) would have the effect of changing the purposes of the Scheme; or
- (ii) would result in the return to an Employer of their contributions or any part thereof; or
- (iii) would operate in any way to diminish or prejudicially affect the present or future rights of any then existing member or pensioner; or
- (iv) would be contrary to the principle embodied in Clause 12 of these presents that the Management Trustees shall consist of an equal number of representatives of the employers and the members respectively.

At any time when a Corporate Trustee is appointed under Clause 12A, this Clause 18 will be read as if references to Management Trustees were references to directors of the Corporate Trustee and references to Employers' Representatives and Members' Representatives were, in each case, references to the equivalent directors of a Corporate Trustee.

18A. **Separate pension schemes**

The Management Trustees in conjunction with British Airways Plc and any other relevant Employer may make or concur in arrangements for the constitution of separate pension schemes (any such scheme being hereinafter referred to as a "**New Scheme**") for the benefit of any persons who are Members of this Scheme (with or without any other persons) and in connection with any such arrangements may by Supplemental Deed:

- (a) alter the provisions of the Trust Deed and Rules of the Scheme so far as necessary to secure one or more of the following objectives:
 - (i) that no persons eligible for membership of such New Scheme are admitted to membership of this Scheme after the date on which such eligibility commences;
 - (ii) that Members who become members of any such New Scheme cease to be Members of and/or to be entitled to benefit under this Scheme;
 - (iii) that if any such New Scheme provides for the appointment of its management trustees in terms conforming in all material respects to the corresponding terms of Clause 12 or Clause 12A hereof (apart from including members of the New Scheme along with Members of this Scheme in the categories from which Members' Representatives may be drawn and in the constituencies entitled to nominate appoint remove or ballot for management trustees) the Management Trustees from time to time of this Scheme shall be the same persons as are the management trustees for the time being of such New Scheme;
 - (iv) that if and to the extent that such New Scheme vests similar powers in its management trustees (and those exercising appropriate delegated powers under such management trustees) the

Management Trustees (and those exercising appropriate delegated powers under the Management Trustees) shall have the power (subject in the case of each New Scheme to the agreement of the Commissioners of HM Revenue & Customs) to exercise their powers of investment under these presents jointly with the management trustees of such New Scheme (and those exercising appropriate delegated powers thereunder) notwithstanding that the directors of the Custodian Trustees or any of them may be or be included among the management trustees of the said New Scheme (or the directors of any body corporate being a trustee of the said New Scheme) as if the property subject to the trusts of this Scheme and the property subject to the trusts of the said new Scheme were one trust fund and if and so long as the power conferred on the Management Trustees by virtue of this sub-Clause 18A(a)(iv) is exercised the Management Trustees shall make arrangements jointly with the management trustees of the New Scheme for apportioning the blended trust property and the income thereof and the gains and losses arising on the sale of investments or otherwise as they consider to be just and equitable.

- (b) provide for the transfer to the management trustees of the New Scheme of such part of the Fund (including the AVC Fund) as the Management Trustees acting on the advice of the Actuary shall consider to be appropriate in respect of Members of this Scheme who become members of the New Scheme (provided that no assets in respect of which this Scheme is a Registered Pension Scheme shall be so transferred unless the New Scheme is a Registered Pension Scheme) so that the accrued rights to requisite benefits of a Member shall be transferred to the New Scheme only with the Member's consent (except where regulations made under section 20 of the Pension Schemes Act 1993 otherwise provide) and if (except as aforesaid) the New Scheme is a contracted-out scheme in relation to an employment of the Member at the time of the transfer;
- (c) declare that any Employer other than British Airways Plc having no employees that are for the time being Members of this Scheme shall no longer be an Employer for the purpose of this Scheme;
- (d) make such consequential arrangements as appear to them to be necessary or desirable.

18B. Sale of company or business

- (a) This Clause 18B applies if any Employer ceases to be associated in business with British Airways Plc within the meaning of (in the case of a close company) section 416 of the Income and Corporation Taxes Act 1988 and (in the case of any other body corporate) section 840 of the Income and Corporation Taxes Act 1988, unless the Management Trustees determine otherwise. In these circumstances “**Operative Date**” means the date on which the Employer ceases to be so associated with British Airways Plc, “**Withdrawing Members**” means those Members who are employed by that Employer at the Operative Date and who do not transfer to the

employment of another Employer on or before the Withdrawal Date and **"Withdrawing Employer"** means the Employer that has ceased to be so associated with British Airways Plc.

- (b) This Clause 18B also applies if any Employer (including British Airways Plc) disposes of any part of its business or undertaking with the result that some Members become employees of an employer that is not already an Employer in the Scheme. In these circumstances **"Operative Date"** means the date of such disposal, **"Withdrawing Members"** means the Members who ceased to be employed by Employers as a result of the disposal and **"Withdrawing Employer"** means the new employer or employers of the Withdrawing Members.
- (c) The Management Trustees and British Airways Plc may agree with the Withdrawing Employer (if (a) above applies) that it shall remain an Employer or (if (b) above applies) that it shall become an Employer participating in the Scheme after the Operative Date until such date as shall be agreed between the Withdrawing Employer and the Management Trustees and upon such special terms (if any) as British Airways Plc or the Management Trustees may require as a condition for such participation. Such special terms cannot include terms which, if implemented by express alterations to the Trust Deed or the Rules, would infringe the restrictions at section 67 of the Pensions Act 1995. If the Withdrawing Employer is not already an Employer its participation in the Scheme shall be subject to it entering into a Deed of Covenant with the Management Trustees executed by such two Management Trustees as may be approved by the Management Trustees (or if a Corporate Trustee is appointed, any two directors of the Corporate Trustee) to execute the same, which may include special terms required as aforesaid, but which otherwise (subject to any such special terms) includes an undertaking by the Withdrawing Employer to perform the obligations of a Withdrawing Employer under this Clause 18B. The date on which the Withdrawing Employer ceases to be an Employer under this sub-Clause 18B(c) shall be referred to in this Clause 18B as **"the Withdrawal Date"** but (subject to any special terms as aforesaid), if the Management Trustees and British Airways Plc do not agree to the Withdrawing Employer being an Employer after the Operative Date, the Operative Date shall be the Withdrawal Date.
- (d) If the Withdrawal Date is later than the Operative Date the Withdrawing Employer shall until the Withdrawal Date perform all the obligations to be observed and performed by an Employer in relation to the Withdrawing Members (including prompt payment of all Employer's contributions required under the Trust Deed and the Rules of the Scheme) and ensure that Members' contributions of the Withdrawing Members calculated in accordance with the Rules of the Scheme are deducted from their pay and paid over to the Management Trustees or as they shall direct. The Withdrawing Employer shall not after the Operative Date and whether retrospectively or not exercise any power or discretion conferred on the Withdrawing Employer by any provision of the Trust Deed or the Rules which might in the opinion of British Airways Plc or of the Management Trustees have the effect of increasing the amount or value of any benefit to

which any person is or may become entitled under the Scheme without the consent of British Airways Plc.

- (e) Where any Withdrawing Member joins a retirement benefits scheme of the Withdrawing Employer ("**the Receiving Scheme**") on the Withdrawal Date the Management Trustees may with the consent of British Airways Plc make the transfer payment to the Receiving Scheme in respect of that Member subject to compliance with the terms and conditions for the making of transfer payments set out in Clause 25B of the Trust Deed (other than a condition that the Withdrawing Member must consent to or request the transfer payment). The amount of the transfer payment in respect of each such Member shall be the equivalent value of the benefits the Member would otherwise have under the Scheme as determined by the Management Trustees having taken actuarial advice having regard to (f) below (but so that the Management Trustees may take into account the financial position of the Scheme in determining the transfer payment).

PROVIDED THAT any transfer made under this Clause 19 of any liability to provide a guaranteed minimum pension or, in relation to any Service on or after 6 April 1997, any liability to provide contracted out benefits, for and in respect of a Member must comply with the Contracting-out (Transfer and Transfer Payment) Regulations 1996; and

FURTHER PROVIDED THAT the transfer payment made in respect of a Member of Part VI of the Scheme must not exceed the Member's interest in this Scheme.

- (f) On the Withdrawal Date all Withdrawing Members shall if they have not already done so cease to be contributing Members of the Scheme and shall unless transfer payments are made in respect of them under (e) above be granted deferred pensions commencing at Normal Retirement Age as if they had ceased to be employed by an Employer on that date and as if whichever is appropriate of Rules 13(b)(ii) of Part I 12(a) of Part IV 14(a)(i) of Part V or 13(a)(i) or (ii) of Part VI of the Scheme had applied to those Members on that date even if the Member has then attained Normal Retirement Age.
- (g) Any benefits payable or prospectively payable to or in respect of any Member or Pensioner who is at the Withdrawal Date a former employee of the Withdrawing Employer shall continue to be secured under and in accordance with the Trust Deed and Rules of the Scheme and shall not be affected by the withdrawal from the Scheme of the Withdrawing Employer.

19. **Winding-up**

This Clause 19 is subject to the provisions of section 73 of the Pensions Act 1995.

- (a) British Airways Plc reserves the right by giving not less than six months previous written notice to the Management Trustees to terminate its

contributions to the Fund in whole or in part whereupon as also in the event of the termination of the Scheme in accordance with sub-Clause 19(b) or by effluxion of time or otherwise then such outstanding sums as may be due from an Employer to restore the solvency of the Fund having regard to the rights of Members and Pensioners (including wives,—widows, Civil Partners, Surviving Civil Partners or other dependants of Members or Pensioners actually or contingently entitled to benefits in accordance with the Rules) accrued at the date of termination shall immediately become due and payable.

- (b) In the event of British Airways Plc exercising its right to terminate in whole or in part its contributions to the Fund the Management Trustees shall be entitled to continue the Scheme with such modifications as may appear necessary owing to the termination in whole or in part of the British Airways Plc's contributions or to terminate the Scheme.
- (c) In the event of the termination of the Scheme the Fund and the AVC Fund shall be converted into money (with power to postpone such conversion) and subject to the payment of all costs charges and expenses then owing including any amount due to the Commissioners of HM Revenue & Customs the proceeds of such conversion together with such outstanding sums as may be due from an Employer to restore the solvency of the Fund shall be applied insofar as the available assets allow in the following manner namely:
 - (i) in the case of the Fund first in accordance with the provisions of Clause 19A.
 - (ii) in the case of the AVC Fund first in the securing of an annuity to each Additional Voluntary Contributor who (if a Member) has passed the normal retirement age such annuity to be of the same amount and with the same rights (including the right to commute a part or all of it for a lump sum) as the corresponding annuity which would have been payable to him had the date of termination of the Scheme been the Pension Commencement Date of such Additional Voluntary Contributor and secondly in securing for each other Additional Voluntary Contributor or former Additional Voluntary Contributor whose annuity under the AVC Scheme has not already become payable an annuity equal in value to and payable subject to the same conditions (including the right to commute part or all of such annuity for a lump sum) as the annuity entitlement that would have accrued to such Additional Voluntary Contributor had the date of termination of the Scheme been his Pension Commencement Date.

Such annuities shall be purchased under the direction of the Management Trustees (who shall continue to function notwithstanding and during the winding-up) and in consultation with the Actuary and shall be in amount equal and in character (so far as practicable) similar to the respective pensions then being paid to such Pensioners and shall be purchased from H M Government or an Approved Insurance Company. The balance of

such proceeds (if any) shall be applied under the directions of the Management Trustees and in consultation with the Actuary in the purchase in like manner of non-commutable annuities or where it would be permissible to pay the annuities as lump sums in accordance with paragraphs (a), (b), (e), (f) or (g) of the lump sum rule in Section 166 of the Finance Act, in paying them as lump sums.

- (d) In the event of there being any balance in the Fund upon the expiry of the Scheme or remaining after application under the provisions of sub-Clause 19(c) the Rules of the Scheme shall be amended in consultation with the Actuary, subject to sub-Clause 19(e) below, to provide additional benefits (in the form of pensions and/or allowances) for Members or Pensioners by way of non-commutable annuities PROVIDED HOWEVER that the aggregate of the actuarial values of such additional benefits shall not be in excess either of such balance or of the actuarial equivalent of such additional pensions or allowances. Such annuities shall be purchased in the manner provided under sub-Clause 19(c). Any balance then remaining shall be repaid to the Employers in proportions determined by the Actuary.
- (e) In providing additional benefits as set out under sub-Clause 19(d) the Management Trustees shall continue to comply with what were the requirements of the Commissioners of HM Revenue & Customs as to the maximum approvable benefits which the Scheme could provide before 6 April 2006 as if those requirements applied to the Scheme.

19A. **Special winding-up priority**

This Clause 19A is subject to the provisions of section 73 of the Pensions Act 1995.

- (a) This Clause 19A shall take effect if any employment becomes contracted-out employment by reference to this Scheme and it shall then override any other provisions of the Trust Deed or the Rules which are inconsistent with it.
- (b) The words and expressions used in this Clause 19A shall have the same meanings as in the Pension Schemes Act 1993 ("**the Act**") as amended.
- (c) On the winding-up of the Scheme any liabilities of the Scheme in respect of:
 - (i) pensions and other benefits in respect of which entitlement to payment has already arisen;
 - (ii) benefits attributable to any period of service before 6 April 1978;
 - (iii) when an earner has already attained normal pension age, pension and other benefits to which the earner will be entitled on ceasing to be in employment;
 - (iv) where an earner has already attained normal pension age, pensions and other benefits to which the earner's widow, widower, Surviving

Civil Partner or any other dependant of the earner's will be entitled on the death of the earner;

- (v) any such benefits as are excluded by Section 13(6) of the Act from earners' guaranteed minimum pensions; and
- (vi) guaranteed minimum pensions and accrued rights to guaranteed minimum pensions;

shall be accorded priority over other liabilities under the Scheme.

- (d) If the assets of the Scheme are not sufficient to meet in full the liabilities specified in sub-Clause 19A(c) the assets shall be applied to meet those liabilities in the order of priority in which those liabilities are specified in sub-Clause 19A(c).

20. **Headings**

Headings do not form any part of the Trust Deed but are for convenience of reference only.

21. **Employment negotiations**

Nothing contained in the Trust Deed or in the Rules shall be construed as limiting the functions of the National Joint Council for Civil Air Transport in the negotiations of the wages and conditions of employment of persons employed by an Employer.

22. **Commencement of Scheme**

The Scheme came into force on the date specified in statutory regulations made under Section 20 of the Civil Aviation Act 1946.

23. **Closing Scheme to new Members**

Notwithstanding anything to the contrary herein no person shall be eligible to join or be admitted a Member of the Scheme after 31 March 1984.

24. **Discretionary Benefits**

- (a) Subject to the payment to the Fund by the Employer of such sum or sums, if any, as may be advised by the Actuary to be necessary, the Employer may by notice in writing to the Management Trustees specify that there shall be provided under the Scheme:
 - (i) increased or additional benefits to or in respect of any Member, Pensioner or category of Member or Pensioner; and
 - (ii) benefits on different terms and conditions from usual for or in respect of any Member, Pensioner or category of Member or Pensioner;

and the Management Trustees shall thereupon provide the same accordingly.

- (b) Subject to the payment to the Fund by the Employer of such sum or sums, as may be advised by the Actuary as the costs of the benefits, the Employer may, with the consent of the Management Trustees, specify that there shall be provided under the Scheme benefits in respect of any employee, or former employee, of the Employer, or category thereof (other than Members or Pensioners), and the Management Trustees shall thereupon provide the same accordingly. The Employer shall make the payment to the Fund, as set out above, within four weeks of the commencement of the payment of benefits.

25A. Transfers-in

- (a) The Management Trustees may in respect of any Member (**"the Transferee"**) accept a transfer or assignment of cash or assets which is a Recognised Transfer.
- (b) If the Management Trustees accept such a transfer then, subject to its receipt, they must confer on the Transferee such benefits or additional benefits under the Scheme in the form of additional years of Contributory Service or otherwise as are the Actuarial Equivalent of such assets PROVIDED THAT:
 - (i) the assets so transferred to the Scheme shall be deemed to be the Member's contributions to the Scheme to the extent (and only to the extent) that they are certified by the trustees or administrators of the transferring scheme as representing contributions made by the Transferee and any interest thereon;
 - (ii) the Transferee shall have a vested right to the benefits so conferred and shall not have the option to receive in lieu of any part thereof a refund of any portion of the assets so transferred to the Scheme which is deemed to be Member's contributions thereto;
 - (iii) any benefits so conferred may be on terms that if the Transferee had a guaranteed minimum in relation to the pension to be provided for him under the transferring scheme a pension equal in weekly rate to such guaranteed minimum shall be included in the guaranteed minimum pension appropriate to the Transferee under the GMP Rule and the provisions of the GMP Rule shall accordingly apply to that part of the benefits so conferred;
 - (iv) where the transfer is from a personal pension scheme or a free-standing AVC scheme, the Member shall not be entitled to a refund of contributions on leaving the service of an Employer;
 - (v) where the transfer is from a buy-out policy, it must relate to a

Member who has given his written consent to the transfer;

- (vi) for the purpose of any Rule prescribing a minimum period of Contributory Service for entitlement to any benefit, the Management Trustees shall determine how much (if any) of the service from which the assets so transferred derive shall constitute Contributory Service; and
- (vii) in Parts V and VI of the Rules, for the purposes of Rule 10 in each of those Parts any additional years of Contributory Service conferred under this Clause 25A will be treated as years during which the Transferee was a Higher Rate Contributor if he was a Higher Rate Contributor at the date of transfer, and as years during which he was a Lower Rate Contributor if he was a Lower Rate Contributor at the date of transfer.

25B. Transfers-out

Transfers-out of all benefits

The Management Trustees may, subject to the terms of this paragraph, discharge all liability for all benefits in respect of a former Member by making a Recognised Transfer of such part of the Fund as is the equivalent value of such liability, as determined by the Management Trustees having taken actuarial advice. The receipt of the person or persons administering the receiving arrangement ("the Receiving Administrator") shall be a complete discharge for the Management Trustees in respect of all such liability and they shall be under no liability to see to the application of the assets so transferred

The Member's consent shall be required to any such transfer unless (a) the receiving arrangement relates to employment with an Employer or (b) the transfer relates to all or a specified group of Members of whom the Member is one and either the transfer results from a financial transaction between the Member's old and new employers or the receiving arrangement is a scheme of an employer connected with the Member's old employer for the purposes of sections 35 and 36 of the Pension Schemes Act 1993.

Partial transfers-out

If any Member, Pensioner or other person makes an application to the Management Trustees to make a transfer of a portion of their benefits, the Management Trustees may, subject to the terms of this Clause 25B and in accordance with the Partial Transfers Operating Rules, make a Recognised Transfer to a receiving arrangement chosen by the Member, Pensioner or other person of such part of the Fund that the Management Trustees may determine, provided that the Management Trustees are satisfied, having taken actuarial advice, that this amount is at least equal to the value of the benefits that would otherwise have been provided under the Scheme for the Member, Pensioner or other person in respect of the amount so transferred. The receipt of the Receiving Administrator shall be a complete discharge for the Management Trustees in respect of the liability to provide the benefits transferred and they shall be under

no liability to see to the application of the assets so transferred.

Statutory right to transfer

If a Member, Pensioner or other person who has acquired a right to take a cash equivalent makes an application to the Management Trustees in accordance with section 95 of the 1993 Act, the Management Trustees shall, subject to the terms of this Clause 25B, make a Recognised Transfer of such part of the Fund as is the equivalent value of such cash equivalent (whether or not the Member, Pensioner or other person also has other benefits in the Scheme). The receipt of the Receiving Administrator shall be a complete discharge for the Management Trustees in respect of the liability transferred and they shall be under no liability to see to the application of the assets so transferred.

General

Upon making a transfer under this Clause 25B the Secretary shall certify to the Receiving Administrator how much of the funds so transferred represents (in the opinion of the Management Trustees) contributions made or deemed to have been made to the Scheme by the Member and any interest thereon and is therefore to be treated as member's contributions in the receiving scheme.

Notwithstanding the earlier provisions of this Clause 25B -

- (1) any liability to provide guaranteed minimum pensions for and in respect of a Member pursuant to the GMP Rule or, in relation to any Service on or after 6 April 1997, any liability to provide contracted out benefits, may be excluded from any such transfer if the Management Trustees so determine (so that a Member's guaranteed minimum pension or contracted out benefits will continue to be payable under the Scheme unless the liability is discharged by the payment of a contributions equivalent premium or transferred under paragraph (2) below);
- (2) any transfer made under this Clause 25B of any liability to provide a guaranteed minimum pension or, in relation to any Service on or after 6 April 1997, any liability to provide contracted out benefits, for and in respect of a Member must comply with the Contracting-out (Transfer and Transfer Payment) Regulations 1996.

Where such a transfer is being made in respect of the Member to a scheme whose Principal Employer is a wholly-owned subsidiary of British Airways Plc, the transfer payment may be increased to such amount as the Management Trustees determine to be appropriate. It must not however exceed an amount (determined by the Management Trustees having taken actuarial advice) which bears the same proportion to the value of the Fund as the equivalent value of the liability for the Member's benefits under the Scheme (disregarding the fact that he is ceasing to be a Member) bears to the equivalent value of the liabilities for the benefits of all

Members and Pensioners under the Scheme.

25C. Buy-outs

Where a Member ceases to be a Member, at any time before Normal Retirement Age he may request the Management Trustees to discharge all liability for benefits in respect of him under the Scheme by transferring such part of the Fund as is the equivalent value of such liability, as determined by the Management Trustees having taken actuarial advice, to an Approved Insurance Company as the premium for a policy or policies securing benefits for and in respect of the Member PROVIDED THAT:

- (i) the Member may be required to make his request in such form as the Management Trustees may prescribe; and
- (ii) the Management Trustees shall not be obliged to obtain the consent of any person who may be entitled to claim benefits through the Member; and
- (iii) blank following deletion;
- (iv) if any benefit to be secured by the policy is a guaranteed minimum pension for and in respect of the Member pursuant to the GMP Rule, the benefits payable under the policy and its terms and conditions shall be consistent with the Scheme remaining a contracted-out Scheme under the Pension Schemes Act 1993; and
- (v) where, in respect of a Pensioner, entitlement to a deferred pension has arisen but has not come into payment (subject to any special arrangements which may at any time apply in relation to any benefits under the AVC Scheme), the foregoing provisions of this Clause 25C shall be applied as if the words "at any time before Normal Retirement Age" were deleted.

Any such policy may contain provisions permitting the exercise of an open-market option when the policy matures or the surrender of the policy at any time to enable the surrender value to be transferred directly to a scheme where that would be permitted as an authorised payment under the Finance Act.

25D. Defined terms

In Clauses 25A to 25C, the terms "**Actuarial Equivalent**" and "**Contributory Service**" have the same meaning as defined in Part VI of the Rules.

26. AVC - Definitions

In Clauses 26-31 the following expressions have the following meanings unless inconsistent with the context:

"**Additional Voluntary Contributor**" means a member who is making or has made contributions to the AVC Scheme or who is having or who has had additional contributions paid on his or her behalf by an Employer to the AVC Scheme under the Salary Sacrifice arrangement.

“AVC Account” means an MPF Account, an SGF Account or such other account as may be maintained by the Management Trustees in the name of an Additional Voluntary Contributor for the purposes of the AVC Scheme.

“AVC Account Closing Date” of an Additional Voluntary Contributor means the earliest of:

- (i) his Pension Commencement Date, or, in the case of an AVC Deferrer, the date as at which his Final Balance (or the residue thereof, as applicable) is finally applied in securing an annuity under sub-Clause 30(e);
- (ii) the date of his death;
- (iii) in the event of a transfer being made of the whole of his interest in the Scheme under Clause 25B, the date of the transfer; and
- (iv) in the event of a transfer of all of his Final Balance under Clause 30A, the date of the transfer.

PROVIDED THAT where the Management Trustees propose to transfer part only of an Additional Voluntary Contributor’s Final Balance under Clause 30A, the AVC Account Closing Date will be taken to be the date of that transfer for the purposes of calculating that part of the Final Balance and the amount of the transfer payment for such partial transfer.

“AVC Deferrer” means a Member or Pensioner who has elected to have the application of all or part of his AVC Account deferred beyond Pension Commencement Date in the manner described in Clause 30(e).

“AVC Rules” means Clauses 26-31 of this Deed.

“AVC Scheme” means the scheme embodied in the AVC Rules for the provision of certain additional benefits (as supplemented by such announcements, booklets or leaflets as may be issued for this purpose from time to time by or on behalf of the Management Trustees).

“AVC Scheme Year” means a year commencing on 1 April.

“EBF Account” means the equity based fund established for the purpose of the AVC Scheme.

“Employer AVCs” means such additional contributions as British Airways plc may, in its absolute discretion, from time to time, determine are to be paid by an Employer to the AVC Scheme in relation to Members contributing AVCs by way of the Salary Sacrifice arrangement operated by British Airways Plc.

“Expense Charge” means, in relation to any transaction, a charge of an amount determined from time to time by the Management Trustees as representing the reasonable dealing expenses relating to the transaction.

“Final Balance” in relation to an AVC Account means an amount determined as applicable at the AVC Account Closing Date applicable to an Additional Voluntary Contributor equal to:

- (i) in the case of an MPF Account, the amount determined under sub-Clause 29(h);
- (ii) in the case of an SGF Account, the balance in the SGF Account;
- (iii) in the case of any other AVC Account, an amount determined in accordance with such method as the Management Trustees may from time to time have notified to the relevant Additional Voluntary Contributor as being for this purpose.

“Mid-market Value” means the mid-market value of a unit in the MPF determined in accordance with sub-Clause 29(g).

“MPF” means the Mixed Portfolio Fund established for the purpose of the AVC Scheme and administered as described in Clause 29.

“MPF Account” means an account in the name of an Additional Voluntary Contributor which is maintained by the Management Trustees for the purposes of the AVC Scheme and is invested in the MPF.

“Non-Notional Voluntary Contributions” means Regular AVCs which are not Notional Voluntary Contributions or Employer AVCs.

“Notional Voluntary Contributions” means the contributions made by an Employer which are notionally made by a Salary Sacrifice Member under sub-Clause 28(aa).

“Pension Commencement Date” means the date upon which a pension payable under the Scheme commences to be payable.

“Regular AVC” means a contribution or Notional Voluntary Contributions made to the AVC Scheme under sub-Clause 28(a).

“Relevant Interest Rate” on any date means the average rounded down to the nearest quarter per cent (0.25%) of the three highest gross redemption yields obtainable from investing on such date in fixed interest securities issued by H M Government in the United Kingdom having less than five years to maturity such yields being determined by reference to the middle prices as quoted in the Stock Exchange Official List for such date or in default of such Official List such other reliable source of information as the Management Trustees shall specify.

“Remuneration” for the purposes of Clauses 27 and 28 means an Additional Voluntary Contributor’s total remuneration from the Employers which is assessable to income tax as Employment Income under the Income Tax (Earnings and Pensions) Act 2003 in any year (apart from benefits in kind) or such other amount as the Trustees determine.

“Salary Sacrifice” has the meaning given in Rule 1 of Part VI of the Rules.

“SGF Account” means an account in the name of an Additional Voluntary Contributor which is maintained by the Management Trustees for the purposes of the AVC Scheme and is credited with interest as described in sub-Clauses 29(b)-(d). (An SGF Account is so called because it is invested in a fund whose value is determined by reference to the gross redemption yields of short-dated gilt-edged stocks.)

27. **AVC - Membership**

A Member may elect to contribute to the AVC Scheme by completing and delivering to the Secretary an application in a form prescribed by the Management Trustees. The application will take effect from the 1st day of the calendar month which occurs after he has delivered the form to the Secretary unless the period between the date of such delivery and such 1st day of the calendar month is less than the minimum notice period prescribed from time to time for this purpose by the Management Trustees, in which case the application will take effect from the 1st day of the second calendar month which occurs after the date of such delivery. The form of application shall state:

- (1) the AVC Account (or AVC Accounts) to which the Member wishes to contribute;
- (2) the percentage (not being less than 0.5%) of the Member's Remuneration or the regular monthly sum (not being less than £2) that the Member wishes to contribute to the AVC Scheme by way of Regular AVCs or the lump sum he wishes to be deducted from his salary in accordance with sub-Clause 28(c); and
- (3) where the Member wishes to contribute to more than one AVC Account, the proportions in which his contributions should be allocated between the relevant AVC Accounts.

28. **Additional Voluntary Contributions**

- (a) Subject to Clause 31, an Additional Voluntary Contributor shall contribute to the AVC Scheme by way of Regular AVCs such percentage of his Remuneration or such regular monthly sum (as the case may be) as he shall have designated in his form of application under Clause 27 PROVIDED THAT where he has designated that a regular monthly sum, or a single lump sum under sub-Clause 28(c), should be apportioned between more than one AVC Account and in any month the whole sum is not deducted from his salary, such part of that sum as is deducted shall first be applied in whole or part payment of his designated contributions to any applicable SGF Account, secondly to any applicable MPF Account, and then to any other applicable AVC Accounts in such order of priority (or equally) as the Management Trustees may from time to time determine.

- (aa) In respect of each Salary Sacrifice Member, if they have so chosen, the relevant Employer will contribute to the AVC Scheme an amount which, but for the Salary Sacrifice, the Member has elected to contribute under Clause 27 as a Regular AVC.

For the avoidance of doubt, a Member may concurrently pay Non-Notional Voluntary Contributions and Notional Voluntary Contributions.

- (ab) Where an Employer pays a Notional Voluntary Contribution to the AVC Scheme on behalf of a Salary Sacrifice Member, as described in sub-Clause 28(aa), the Employer shall also pay Employer AVCs into the AVC Scheme on behalf of the Member.
- (b) Subject to Clause 31, an Additional Voluntary Contributor may at any time, after giving notice to the Secretary, elect to alter the percentage of his Remuneration or the regular monthly sum designated as his Regular AVCs or the proportion in which his Regular AVCs are allocated between his AVC Accounts (if more than one) from any 1st day of the month after he gives such notice but a reduction in his Regular AVCs must either be to zero or to not less than 0.5%, in the case of a percentage payment, or £2, in the case of a regular monthly sum.

All Non-Notional Voluntary Contributions in respect of a Salary Sacrifice Member shall be converted to Notional Voluntary Contributions on 1 October 2013 unless the Management Trustees have been informed otherwise by the Member in writing. Where Non-Notional Voluntary Contributions are converted to Notional Voluntary Contributions in respect of a Salary Sacrifice Member on 1 October 2013, the above notice requirement shall not apply.

- (c) Subject to Clause 31, any Additional Voluntary Contributor may at any time make a lump sum payment to the AVC Scheme (for the avoidance of doubt, Notional Voluntary Contributions cannot be paid in this way). Such a lump sum may be payable by a deduction from salary or the Additional Voluntary Contributor may pay it by cash or cheque to the Secretary and if appropriate he shall specify how the payment should be apportioned between his AVC Accounts. Where a cheque is not met, the lump sum payment will be treated as not having been made.
- (d) No contributions shall be made to the AVC Scheme by a person after leaving the service of an Employer or being treated as having done so under the appropriate Opting-out Rule.
- (e) Contributions made to the AVC Scheme under the Supplemental Deed dated 26 March 1976 prior to 6 April 1976 will be deemed to have been made on 31 March 1976.

29. AVC Accounts

- (a) Upon a Member becoming an Additional Voluntary Contributor, the Management Trustees will open one or more AVC Accounts for him according to the choice which the Member made in his form of application under Clause 27. Any AVC Account open on 30 September 1986 shall be an SGF Account. After that date the Member may have one or more AVC Accounts according to the choice which the Member made in his form of application under Clause 27. The dates and amounts of contributions made by him under the AVC Scheme will be recorded in the appropriate AVC Account.

Any investment choice will apply equally to all contributions made to the AVC Scheme.

- (b) (i) At the end of each AVC Scheme Year, each SGF Account shall be credited with interest at a rate equal to the average of the Relevant Interest Rates on the first business day of every calendar month of the said AVC Scheme Year upon the balance (if any) in such SGF Account at the commencement of the AVC Scheme Year and proportionately (taking account of the complete months only) on the contributions recorded in such SGF Account during such AVC Scheme Year.
- (ii) Where during an AVC Scheme Year part of an SGF Account has been switched to another AVC Account, at the end of the said AVC Scheme Year the SGF Account shall be credited with interest as provided in (i) above except that for this purpose only it shall be presumed that the day on which the switch was made was the AVC Account Closing Date and that the balance remaining in the SGF Account immediately after the switch was a single contribution made on the first day of the calendar month immediately before the switch occurred.
- (c) (i) Upon the AVC Account Closing Date of a person with an SGF Account, that SGF Account shall be credited with interest at a rate equal to the average of the Relevant Interest Rates on the first business day of every complete calendar month between the end of the preceding AVC Scheme Year and the AVC Account Closing Date upon the balance (if any) in such SGF Account at the commencement of the current AVC Scheme Year and proportionately on the contributions recorded in such SGF Account during such AVC Scheme Year.
- (ii) Where during the AVC Scheme Year in which the AVC Account Closing Date falls part of an SGF Account has been switched to another AVC Account, at the AVC Account Closing Date the SGF Account shall be credited with interest as provided in (i) above except that for this purpose only it shall be presumed that the day on which the switch was made was the AVC Account Closing Date

and that the balance remaining in the SGF Account immediately after the switch was a single contribution made on the first day of the calendar month immediately before the switch occurred.

- (d) Except as otherwise provided in sub-Clauses 29(b)(ii) and (c)(ii) above, the amount of interest to be credited under sub-Clauses 29(b) and (c) above upon any contribution or balance shall be determined by assuming that:
 - (i) such contribution is made on the last day of the month in which it is received; and
 - (ii) such interest accrues at the rate of one twelfth of the applicable yearly rate of interest for each whole month elapsed.
- (e) Where a Member has elected that all or part of his contributions to the AVC Scheme should be invested in an MPF Account, the amount of contributions paid into his MPF Account in each calendar month, less an Expense Charge, shall be applied on the first day of the next month in the allocation to his MPF Account of a number of units in the MPF calculated by dividing the amount available for allocation by the Mid-market Value on that day. Any reference in this Rule to a “number of units” shall include whole units and parts of a unit, if appropriate.
- (f) On 1 October 1986, the Mid-market Value of units in the MPF shall be £10 for each unit.
- (g) On the last day of October 1986 and of each subsequent calendar month, the Management Trustees shall recalculate the Mid-market Value of such units by dividing the assets of the MPF (valued in such manner as the Management Trustees shall consider appropriate) by the number of units in the MPF then in issue. The Mid-market Value so determined will govern any such allocation or cancellation taking place on any subsequent day prior to the day on which the next calculation of a Mid-market Value is made.
- (h) On the AVC Account Closing Date of a person with an MPF Account, that MPF Account will be closed and his Final Balance will be equal to the aggregate of:
 - (i) the amount obtained by multiplying the number of units allocated to his MPF Account by the Mid-market Value on the last day of the calendar month preceding the AVC Account Closing Date;

less

 - (ii) an Expense Charge;

plus

 - (iii) any contributions made by him to the MPF Account during the month in which the AVC Account Closing Date occurs.

- (i) Subject as provided below, a Member may switch all or part of an AVC Account to another AVC Account (whether or not such other AVC Account has previously been opened for him) by delivering written notice to the Secretary. Any switch of part of an AVC Account shall be subject to such terms for determining the part which may be switched as the Management Trustees may from time to time determine. The switch will take effect from the 1st day of the calendar month which occurs after he has delivered the notice to the Secretary unless the period between the date of such delivery and such 1st day of the calendar month is less than the minimum notice period prescribed from time to time for this purpose by the Management Trustees, in which case the notice will take effect from the 1st day of the second calendar month which occurs after the date of such delivery. A person who is no longer a Member may switch between AVC Accounts established before 17 February 1998 (such facility to include later-established AVC Accounts at the Management Trustees' discretion) in the same way as a Member, but neither Members nor former Members may switch to an AVC Account with an external savings institution (as determined by the Management Trustees).
- (j) Where a person is switching from an MPF Account to another AVC Account, an amount equal to the total of:
- (i) the amount obtained by multiplying the Mid-market Value on the appropriate last day of a calendar month by the number of units in the MPF allocated to the MPF Account or such lesser number of units as he has chosen to switch;
- less
- (ii) an Expense Charge;
- plus
- (iii) if he is switching the whole MPF Account, any contributions made by him to the MPF Account during that calendar month;
- shall be credited to the other AVC Account. Where the switch is to a new SGF Account, that total amount shall be treated as a single contribution to that SGF Account made on the last day of that calendar month. Where the switch is to an existing SGF Account, sub-Clause 29(b) shall apply as if the day on which the switch was made was the AVC Account Closing Date and the balance in the SGF Account immediately after the switch (including the total amount credited to the SGF Account in the switch) was a single contribution made on the first day of the calendar month immediately before the switch occurred. Where the switch is to any other AVC Account, the arrangements governing the terms of the switch will be as from time to time set out in the supplementary announcements, booklets or leaflets governing the operation of the relevant AVC Accounts.
- (k) Where a person is switching from an SGF Account to an MPF Account, an amount equal to the balance in his SGF Account calculated as if the

appropriate first day of a calendar month was his AVC Account Closing Date, or such lesser amount as he has chosen to switch, less an Expense Charge, shall be applied under sub-Clause 29(e) as if it was a contribution made on that last day of the preceding calendar month to an MPF Account opened for him (or if appropriate to such person's existing MPF Account). Where the switch is to any other AVC Account, the arrangements governing the terms of the switch will be as from time to time set out in the supplementary announcements, booklets or leaflets governing the operation of the relevant AVC Accounts.

- (l) An Additional Voluntary Contributor with an AVC Account which was open on 30 September 1986 had the option, exercisable by notice in writing received by the Secretary before 6 September 1986 and in a form prescribed by the Management Trustees, to elect that his AVC Account should be switched from an SGF Account to an MPF Account with effect from 1 October 1986. Where such option was exercised, an amount equal to the balance in his SGF Account calculated as if 30 September 1986 was his AVC Account Closing Date, less an Expense Charge, shall be treated as having been applied on 1 October 1986 in the allocation to his AVC Account of a number of units in the MPF calculated by dividing the amount available for allocation by the Mid-market Value on 1 October 1986.

30. **AVC - Benefits**

- (a) Before the Pension Commencement Date the Management Trustees may make arrangements with the Additional Voluntary Contributor for quotations to be obtained from one or more Approved Insurance Companies for the purchase by application of his AVC Account of an annuity payable for the remainder of the life of the Additional Voluntary Contributor and maintaining such options as may be available. A similar quotation shall be made available to the Additional Voluntary Contributor in respect of the payment of such an annuity out of the Fund (unless the Management Trustees at any time determine that this option will not be available).
- (b) If an Additional Voluntary Contributor (not being an Additional Voluntary Contributor who has given notice under sub-Clause 30(c)(ii)) shall prior to his Pension Commencement Date and within the period stated in the relevant quotation for its acceptance give notice to the Secretary containing an acceptance of a quotation supplied to him under sub-Clause 30(a) (which acceptance shall not thereafter be revocable) the Management Trustees shall apply such Contributor's Final Balance (appropriately reduced if the Contributor shall have elected under sub-Clause 30(c)(i)) in purchasing from the relevant Approved Insurance Company or in providing from the Fund (as the case may be) such annuity commencing on his Pension Commencement Date for the life of the Additional Voluntary Contributor as is determined from the relevant quotation and the acceptance thereof.

- (c) An Additional Voluntary Contributor may also:
- (i) (in the notice under sub-Clause 30(b) elect to commute to a lump sum a part (of any amount, except that it may not exceed the Member's maximum Pension Commencement Lump Sum) of the annuity to which he would otherwise have been entitled under sub-Clause 30(b); or
 - (ii) if he shall not have given notice under sub-Clause 30(b) elect by notice to the Secretary given within three months prior to his Pension Commencement Date to commute to a lump sum the whole (or such lesser part as does not exceed the Member's maximum Pension Commencement Lump Sum) of the annuity to which if he had given notice under sub-Clause 30(b) (but had not elected under sub-Clause 30(c)(i)) he would have been entitled;

PROVIDED HOWEVER that any such election shall be revoked by the death of the Additional Voluntary Contributor before the date on which his pension would otherwise have commenced. The said lump sum shall be paid to the Contributor on his Pension Commencement Date and sub-Clause 30(b) (where applicable) shall be read and applied as if his Final Balance were reduced by the amount of such lump sum.

- (d) In the case of an Additional Voluntary Contributor whose Pension Commencement Date has passed without notice having been given under sub-Clause 30(b) and without any request for deferral of application of his Final Balance having been made under sub-Clause 30(e) the Management Trustees shall apply his Final Balance or such part thereof (if any) as remains after commutation under sub-Clause 30(c)(ii) in purchasing from such Approved Insurance Company as the Management Trustees may nominate or if the Management Trustees so determine in providing from the Fund an annuity increasing at 5% compound each year commencing on Pension Commencement Date for the life of such Contributor.

(e) **Deferral of annuity purchase**

- (i) Notwithstanding sub-Clause 30(d), an Additional Voluntary Contributor may by notice to the Secretary prior to the Pension Commencement Date elect either:
 - (A) to have the application of what would have been the whole of his Final Balance (had his Pension Commencement Date been his AVC Account Closing Date) deferred for a period not extending beyond the date of his 75th birthday (or such later date as the Management Trustees may from time to time permit); or
 - (B) to have part of what would have been his Final Balance as aforesaid commuted to provide a lump sum (of any amount, except that it may not exceed the Member's maximum Pension Commencement Lump Sum) payable at his Pension

Commencement Date, and to have the application of the Final Balance (appropriately reduced by that part of it paid as a lump sum) deferred for a period not extending beyond the date of his 75th birthday (or such later date as the Management Trustees may from time to time permit), thereby becoming an AVC Deferrer.

- (ii) Where the AVC Deferrer elects to defer the securing of an annuity in terms of sub-Clause 30(e)(i)(A), the amounts credited to his AVC Accounts at Pension Commencement Date shall remain in such accounts. Where the AVC Deferrer elects to defer the securing of an annuity in terms of sub-Clause 30(e)(i)(B), the amounts credited to his AVC Accounts at Pension Commencement Date shall be retained in or (as the case may be) switched to an EBF Account (whether an existing one or an EBF Account specially opened for him for this purpose). In either case, however, the AVC Deferrer may at any time after the expiry of one month from the Pension Commencement Date switch all or part of his AVC Accounts to one or more other AVC Accounts in accordance with Clause 29.
- (iii) If an AVC Deferrer dies after Pension Commencement Date but before application of the Final Balance in securing an annuity, this sub-Clause 30(e)(iii) shall apply. If the AVC Deferrer left a surviving spouse or Surviving Civil Partner, he or she may elect to receive an annuity (or an additional annuity) by application of the Final Balance. In the absence of such election, the Management Trustees may apply the Final Balance in securing such benefits for any surviving spouse or Surviving Civil Partner or dependants (as defined in paragraph 15 of Schedule 28 to the Finance Act) as they may consider appropriate, subject to which they shall pay the Final Balance (or the residue thereof after such application of part of Final Balance) to the deceased AVC Deferrer's personal representatives;
- (iv) Subject to sub-Clause 30(e)(iii), for the purposes of finally applying the Final Balance, the provisions of sub-Clause 30(e)(i) shall operate again, but by reference to the intended date of commencement of the annuity to be secured by application of the Final Balance ("the Annuity Start Date"), instead of by reference to the original Pension Commencement Date (the date of final application being not later than the date of the AVC Deferrer's 75th birthday) (or such later date as the Management Trustees may from time to time permit) and subject to the AVC Deferrer being required to give such notice of the Annuity Start Date as the Management Trustees shall determine from time to time.
- (v) An AVC Deferrer may, before the Annuity Start Date, by notice to the Management Trustees elect to transfer his Final Balance or where he has elected to defer securing his benefit under sub-Clause 30(e)(i)(B), the remainder of his Final Balance, to any other Registered Pension Scheme.

- (vi) The Management Trustees may discharge all their liability in respect of the Final Balance, or the remainder of the Final Balance, by transferring the Final Balance, or the remainder of the Final Balance, to the Registered Pension Scheme specified by the AVC Deferrer. The receipt of the person or persons who administer the Registered Pension Scheme shall be a complete discharge for the Management Trustees in respect of all such liability.
- (f) In the event of the death of an Additional Voluntary Contributor who has not reached his Pension Commencement Date the Final Balance of such Contributor shall be paid out as a death benefit or as an additional death benefit to which the provisions of Rule 10A of Part I, Rule 21 of Part IV, Rule 22 of Part V or Rule 22 of Part VI shall apply. In the event of the death of a former Additional Voluntary Contributor after his Pension Commencement Date payment of any death benefit under the AVC Scheme shall be entirely dependent upon the terms of the relevant annuity payable under sub-Clause 30(b) or sub-Clause 30(d).
- (fa) The Management Trustees may at their discretion agree to a request from a member with an AVC Account (or AVC Accounts) to pay from his AVC Account (or AVC Accounts) a pension advice allowance payment which meets the conditions for an authorised member payment set out in regulation 21 of the Registered Pension Schemes (Authorised Payments) Regulations 2009. An equivalent amount will be deducted from the member's AVC Account (or AVC Accounts).
- (g) Any benefit by way of annuity provided by an Approved Insurance Company under this Clause 30 shall be secured by a bond or policy issued by such Approved Insurance Company to the Additional Voluntary Contributor and upon the due issue of any such bond or policy all liability of the Management Trustees to or in respect of such Contributor under the AVC Scheme shall cease. Any benefit by way of annuity provided by the Fund under this Clause 30 shall be subject to the provisions of Rule 17 of Part I, Rule 16 of Part IV, Rule 17 of Part V or Rule 18 of Part VI.

30A. Independent transfer of an AVC Account

The Management Trustees may, upon receiving a written request from an Additional Voluntary Contributor in such form as the Management Trustees shall prescribe, transfer all or part of the Additional Voluntary Contributor's Final Balance, without his other benefits under the Scheme, to any other Registered Pension Scheme.

The receipt of the person or persons who administer the Registered Pension Scheme to which the transfer payment is made shall be a complete discharge for the Management Trustees for their liability in respect of the Final Balance (or that part of the Final Balance) transferred.

31. **AVC - limits**

The total contribution paid by a Member to the Scheme in relation to any tax year starting on and after 6 April 2010 (including contributions under the AVC Rules) shall not exceed 50% of his Pay or such greater amount as the Management Trustees may determine.

32. **Statutory Requirements**

- (a) Subject to sub-Clause 32(b) below, regardless of anything to the contrary in the provisions of the Scheme, no payments shall be made to any Member, Pensioner or any other beneficiary or to any Employer under the Scheme unless such payments are authorised payments, within the meaning given by the Finance Act.
- (b) Sub-Clause 32(a) shall not apply if and to the extent that:
 - (i) any such restriction or limitation is contrary to sub-Clause 18(iii); or
 - (ii) the Management Trustees so determine.

In that case, the Registered Pension Schemes (Unauthorised Payments by Existing Schemes) Regulations 2006/365 will apply.

33 **Pension sharing on divorce**

- (a) If a Member's or Pensioner's benefits must be transferred to his Ex-Spouse as a result of an order made under the 1999 Act, the Management Trustees must comply with the requirements of the 1999 Act when discharging their liability to the Ex-Spouse. Other than in exceptional circumstances, the Management Trustees' policy is to discharge that liability by means of a transfer to another pension arrangement in accordance with paragraph 1(3) of Schedule 5 to the 1999 Act.

The Management Trustees may recover charges in respect of their costs in this regard in accordance with the Pensions on Divorce etc (Charging) Regulations 2000.

- (b) The Management Trustees may decide that an Ex-Spouse should be provided with benefits from the Scheme. Where the Management Trustees decide to do this, the benefits must be provided separately from any other benefits to which the Ex-Spouse may be entitled under the Scheme, and the Management Trustees must provide the Ex-Spouse with written details of the benefits that will be provided.
- (c) If the Management Trustees intend to discharge their liability to an Ex-Spouse under a pension sharing order by making a transfer payment to another pension arrangement, but the Ex-Spouse dies before the transfer payment can be made, the Management Trustees may instead use all or part of the intended transfer payment to provide benefits in respect of the Ex-Spouse under the Scheme. These benefits must comply with the 1999 Act,

and any amount not used for this purpose will form part of the Scheme's assets.

- (d) Any pension or part of a pension which relates to a pension credit under this Clause 33, will be increased in accordance with the terms on which that pension (or part) was granted (which may include making no increase).

RULES - PART I

General Staff

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PART I RULES - GENERAL STAFF

1. Definitions

The following expressions have the following meanings unless inconsistent with the context -

“Employees” means General Staff.

“Flying Staff” means employees of the Corporations⁺ who are Pilots, Navigating Officers, Radio Officers and Engineer Officers.

“General Staff” means employees of the Corporations⁺ other than Flying Staff.

“the Index” means the All Items Index of Retail Prices published by HM Government or such other index as may from time to time be agreed for the purposes of the Rules by the Commissioners of Inland Revenue.

“Pay” means remuneration designated by an Employer as pay.

“Pensioner” means a person who is entitled to a pension or deferred pension under the provisions of Part I.

“Pensionable Dependant” means in relation to a deceased Pensioner a person, other than a surviving spouse, Surviving Civil Partner or Dependent Child, who to the satisfaction of the Management Trustees was financially dependent upon the Member or Pensioner to a substantial extent at the date of the Pensioner’s death, or who lived in a relationship with the Pensioner which closely resembled marriage and who to the satisfaction of the Management Trustees was financially interdependent with the Pensioner. In order to assist them in deciding whether or not a person qualifies as a Pensionable Dependant for the purposes of this definition, the Management Trustees may request such evidence of dependency or interdependency as they may consider necessary or appropriate.

“these Rules” means the Rules set forth in Part I of the Schedule.

“Scheme Pays Notice” means a valid notice served on the Management Trustees by a Member or Pensioner in accordance with section 237B of the Finance Act 2004).

1A. Approval as exempt approved scheme under Finance Act 1970

Notwithstanding anything to the contrary contained in these Rules -

(a) Any benefit under these Rules which is to be afforded solely by reason of

⁺ “Corporations” was originally defined as British Overseas Airways Corporation, British European Airways Corporation and British South American Airways Corporation. The rights and lights of British South American Airways Corporation under the Scheme were merged into British Overseas Airways Corporation by the Airways Corporations Act 1949. By section 3 of the Civil Aviation Act 1980, all property, rights, liabilities and obligations of the British Airways Board were passed to British Airways Plc. The British Airways Board was itself the statutory successor to the British Overseas Airways Corporation.

the disablement by accident of a Member occurring during his service or of the death by accident so occurring and for no other reason shall not be funded but shall be paid by the Management Trustees on behalf of the Employer.

- (b) No refund of his own contributions plus compound interest thereon may be made under Rule 13 to a Member whose pay has at any time exceeded £5,000 per annum but such Member if paragraph (a) or paragraph (b) of Rule 13 would otherwise apply to him shall have the option to accept one of the alternatives (ii) or (iii) of the said paragraph (b).

2. Application

These Rules relate to Members who are General Staff.

3. Membership

No employee having attained the age of 50 years in the case of males and the age of 45 years in the case of females at the date of their joining the service of an Employer shall be eligible to join the Scheme and no employee shall be eligible to join the Scheme before attaining the age of twenty years. Except as otherwise expressly provided by these Rules it shall be a compulsory condition of service for all full-time employees between the ages of 20 years and 50 years in the case of males and 20 years and 45 years in the case of females to join the Scheme under the terms of these Rules provided that this condition shall not apply in the case of -

- (a) Members of the Imperial Airways Pension Scheme or British Overseas Airways Corporation Pension Fund;
- (b) Employees in the service of the Corporations at the date on which the Scheme comes into force;
- (c) Employees whose service agreements contain a provision excluding them from membership of the Scheme;
- (d) Employees engaged outside the United Kingdom.

An Employer may however either at the request of the Management Trustees and an employee or by the terms of any service agreement entered into between an Employer and an employee agree to waive the requirements of this Rule as to that employee.

4. Admission to the Scheme

- (a) Employees who are compelled under Rule 3 to join the Scheme will be admitted to the Scheme on the first of the month succeeding the date on which (i) they have completed a period of probationary service with one or more of the Corporations which in the case of male employees will be six months and in the case of female employees will be twelve months and (ii) they have at such date attained the age of 20 years.

- (b) Members of the Imperial Airways Pension Scheme and the British Overseas Airways Corporation Pension Fund will be admitted to the Scheme provided that they agree to the transfer to the Custodian Trustees of their interest in the Imperial Airways Pension Scheme or the British Overseas Airways Corporation Pension Fund as the case may be and in respect of the period prior to the date of their admission they will without payment of any additional contributions be entitled to the same pension benefits as had accrued to them under the Imperial Airways Pension Scheme or the British Overseas Airways Corporation Pension Fund (as the case may be) at that date.
- (c) Members of any other pension or provident fund approved under Section 32 Finance Act 1921 (as amended) may on admission to the Scheme transfer to the Custodian Trustees their interest in such Fund and shall do so in every case in which such transfer being permissible under the constitution of such Fund shall be required by the Management Trustees to be made.
- (d) The contributions of a Member to the Imperial Airways Pension Scheme or the British Overseas Airways Corporation Pension Fund or such other Fund as is mentioned in paragraph (c) of this Rule shall if the Member's interest is pursuant to this Rule transferred to the Custodian Trustees be deemed to have been contributions made by such Member to the Scheme for the purposes of Rules 10 and 13 PROVIDED ALWAYS that transferred Employer's contributions shall not at any time rank as employee's contributions for the purposes of Rules 10 and 13.
- (e) Employees mentioned in Rule 3(b) may apply for admission to the Scheme as from the date on which the Scheme comes into force or the first day of the month following the date on which they shall have become qualified for admission under this Rule whichever is the later.
- (f) Subject to the reasonable requirements of the Management Trustees employees mentioned in Rule 3(d) will be admitted to the Scheme if they are nominated by their Employer for membership. The effective date of their admission will be the first day of the month succeeding the date of their nomination subject to the qualifications as to probationary service and minimum age mentioned in this Rule PROVIDED THAT the contributions of both the Employer and the Member and the benefits under these Rules may be decreased in respect of Members admitted to the Scheme in accordance with this paragraph in the event of the Employer becoming obliged by law to contribute to any State or other Scheme for the provision of pension or similar benefits for such Member provided that any such decrease in contributions and benefits shall be calculated in accordance with the advice of the Actuary.
- (g) Every employee as a condition of admission to membership shall sign an application for admission containing an undertaking in the form prescribed by the Management Trustees to be bound by the Trust Deed and these Rules. It is a condition of membership that a birth certificate or other evidence of age satisfactory to the Management Trustees shall be produced to the Secretary within six months of the date of joining the Scheme.

5. **Ante-dating of membership**

- (a) In the case of any employee (other than a Member or ex-member of the Imperial Airways Pension Scheme or the British Overseas Airways Corporation Pension Fund) who was at any time between the 1 January 1945 and the date on which the Scheme comes into force in the service of any Employer the period of such previous service except such part thereof as preceded his becoming qualified by such probationary service and age as is mentioned in Rule 4(a) may be reckoned for purposes of the Scheme as a period of employment by that Employer provided that in respect of any period so to be reckoned there shall be paid by the employee and by that Employer such sums or equivalent series of sums as may in accordance with these Rules be appropriate as contributions by Member and Employer respectively in respect of such period.

- (b) In the case of any employee who immediately before entering the service of any Employer was employed by any undertaking which has been acquired by any Employer the period of his service since 1 January 1945 with such undertaking may be reckoned for the purposes of the Scheme as a period of employment by the Employer which acquired the undertaking provided that in respect of any period so reckoned there shall be paid by the employee and by that Employer such sums or equivalent series of sums as may in accordance with these Rules be appropriate as contributions by Member and Employer respectively in respect of such period as the employee transfers to the Custodian Trustees pursuant to Rule 4(c) his interest in such a Fund as is therein mentioned but so that in the last-mentioned event the length of the period to be so reckoned shall be limited to such period as the amount or value of the interest so transferred is appropriate in accordance with these Rules to provide for, unless there is also paid by the employee and that Employer such sums or equivalent series of sums as may in accordance with these Rules be appropriate as contributions by Member and Employer respectively in respect of the balance of such period.

- (c) Subject as aforesaid and in order to meet the case of any person or class of persons (not being a person who is in receipt of a pension from any Pension or Superannuation Scheme to which the Employer is or is deemed to be a party) whom an Employer may determine that it is desirable in the interests of such Employer to admit to membership in special circumstances the Management Trustees shall upon the written request of such Employer admit such employee to membership of the Scheme in accordance with these Rules as if such membership had commenced on a date previous to the date of admission and on the basis of such pay as the Employer may determine to the intent that these Rules shall apply to such Member as though his membership had commenced at the beginning of such period but so that the pension payable to such Member shall not exceed the limits imposed by Rule 7 paragraphs (g) and (h) and in any such case there shall be paid to the Fund by the Employer such sum or equivalent series of sums if any as may be necessary to secure the additional benefit involved in such concession.

6. Contributions

- (a) Contributions are payable by a Member for the purpose of securing pension benefits only from the date of his admission to the Scheme until the normal retirement age or the actual retirement age if earlier at rates which depend on the category or categories (as specified in the First Table) to which he may from time to time belong.
- (b) The contributions of each Employer shall consist of -
 - (i) Contributions at such rates certified by the Actuary from time to time as shall be required in addition to the contributions payable by the Members to provide the balance of the pension benefits and the whole of the Death and Accident Benefits of the Scheme in respect of persons becoming Members at the normal average age of entry such contributions to be payable at such times so far as possible as the Members' contributions are paid into the Fund.
 - (ii) Such deficiency contributions if any as may be required in accordance with the provisions of any Scheme made pursuant to Clause 11 of the Trust Deed.
- (c) A Member's own contributions means such contributions as a Member shall have made to the Scheme and where his interest in the British Overseas Airways Corporation Pension Fund and Staff Insurance Scheme or any similar Scheme has been transferred as provided in Rule 4 his contributions to that Scheme.

7. Amount of pay on which the contributions will be based

For the purposes of calculating the contributions of Members the following rules shall apply -

- (a) The amount of the contribution of the Member whether in the United Kingdom or overseas shall be calculated according to the amount of his annual pay taken to the nearest pound. Allowances overtime bonuses commissions and similar payments shall not in any circumstances be taken into account in fixing such contributions.
- (b) The annual pay of hourly-rated staff shall be calculated on the basis of a normal working week at the rate appropriate to the particular employee.
- (c) If a Member is absent from work through sickness the Employer will unless the Member during such absence is in receipt of full pay or disability benefit and so long as he is in the service of the Employer maintain his contributions without any right of recovery for a period not exceeding a total of 13 weeks in respect of any one sickness in any one period of 12 consecutive months. Thereafter the Member's contributions will so long as he is in the service of the Employer be maintained by the Employer but on the Member's return to work recovery in whole or part may in respect of the excess period be effected by the Employer by deduction from the

Member's pay or otherwise at the Employer's discretion having regard to individual circumstances. If a Member is temporarily laid off his contributions will so long as he is in the service of his Employer be maintained by the Employer for a period not exceeding 13 weeks in any one period of 12 consecutive months but on the Member's return to work recovery in whole or in part may be effected by the Employer by deduction from the Member's pay at the Employer's discretion having regard to individual circumstances.

- (d) In the case of employees whose total emoluments are not of a fixed amount the Employer will fix the average rate on which contributions are to be based.
- (e) The annual pay of a Member engaged on or subsequently transferred to a local currency basis outside the United Kingdom will for the purpose of fixing his contributions for the ensuing pension year be converted into sterling at a rate of exchange to be fixed by the Employer at the date of entry or transfer and thereafter on 1 April in each year. The Member's contributions during such pension year will be the amount of currency required to produce at the rate of exchange so fixed the sterling sum appropriate to the Member's category
- (f) If a Member in the event of war or national emergency or under any scheme of conscription or national service joins H M Forces or undertakes any other national or emergency service (such service with the Forces or other service unless compulsory to be with the consent of the Employer) but his contract of employment with the Employer has not been determined he shall while continuing in such military or other service be deemed to remain a Member and any amount received by him in respect of such military or other service shall to the extent to which the same is taken into account in fixing or suspending his pay be deemed to form part (or as the case may be the whole) of his pay in respect of which the contributions of the Member and the Employer are to be made but so that the Employer shall not be liable to make any contribution except subject to the prior payment of the appropriate contribution by the Member.
- (g) With the concurrence of the Management Trustees and of the Member the Employer may at his discretion in any case where circumstances appear to warrant fix the amount of the pay for pension purposes at a figure differing either from the actual pay or from the amount calculated in accordance with the foregoing rules but so that the pension payable in such circumstances shall not exceed two-thirds of the highest rate of actual pay during any of the last 5 years of his service. The appropriate category under the First Table will be determined according to the pay so fixed.

8. **Increases or decreases of pay**

In cases where the Member's pay has increased or decreased thereby causing increase or decrease in the rate of contributions and benefit no increase or decrease in contributions or benefit shall take place until the following 1 April and from that date the benefits to which he is entitled and the contributions both of the Member

and of the Employer will be increased or decreased accordingly. For the purpose of fixing the pay for pension purposes the rate of pay in force as at 1 January in any year shall be taken as the pay at 1 April of that year PROVIDED THAT in cases where an employee is admitted to the Scheme at a date other than 1 April his pay for pension purposes until 31 March following the date of admission shall be his pay at the date of admission.

9. Pension benefits

- (a) The standard pension payable to a Member in the service of an Employer on 1 December 1989 at the normal age of retirement is 2.15% of annual pay (calculated in accordance with Rule 7) in respect of each year of membership of the Scheme (with complete months counting proportionately). In all other cases the standard pension payable at the normal age of retirement is set out in the First Table. The amount will depend on the period of membership under these Rules and on the category or categories in the First Table to which the Member belonged during that period.
- (b) In respect of persons joining the Scheme after the date on which the Scheme comes into force the Management Trustees shall at the request of the Corporations and subject to the consent of the Minister apply at the date of admission of such persons to the Scheme rates of contributions and benefits which differ from those contained in the First Table.

9A. Additional contributions and enhanced pensions

- (a) A Member who has not attained an age within five years of normal retirement age may after attaining the age of 35 years at his own expense and without the addition of any contribution whatsoever from an Employer pay additional contributions of such amounts as may be agreed by an Employer not exceeding an amount equal to twice the Member's contribution as set out in the First Table hereof for the purpose of securing an enhanced pension at normal retirement age provided always that such enhanced pension shall not exceed two-thirds of the highest rate of actual pay during any of the last five years of the Member's service and in all cases where it can reasonably be foreseen by the Management Trustees that the amount of any Member's pension may be in excess of such limit then the additional contributions shall be adjusted so that the resulting pension shall not exceed such limit. The increase in pension secured by such additional contributions shall be of such amount as is certified by the Actuary.
- (b) Where a pension is payable under Rule 13 or Rule 14 of the Scheme it shall be calculated as provided in the appropriate Rule but enhanced by such amount as is certified by the Actuary to be appropriate in respect of any additional contributions paid under this Rule.
- (c) Additional contributions paid in accordance with the provisions of this Rule shall be deemed to be Member's own contributions and all the provisions of these Rules referring to Member's own contributions shall be interpreted accordingly.

- (d) An enhanced pension payable in accordance with the provisions of this Rule shall be deemed to be the Member's pension benefit for all the purposes of the Scheme and all references in these Rules to pension or pension benefit shall be interpreted accordingly.
- (e) A Member wishing to pay additional contributions shall give notice in writing to the Secretary of his intention so to do and a Member once having elected to pay additional contributions shall not be entitled to discontinue or reduce the rate of such additional contributions before reaching normal retirement age unless it can reasonably be foreseen that the limit of pension referred to in paragraph (a) of this Rule may be exceeded or unless in the opinion of the Management Trustees exceptional hardship would be caused to the Member if he were to continue making additional contributions. A Member who has not attained an age within five years of normal retirement age and who has elected to pay additional contributions at a rate less than twice the rate of Members' contributions as set out in the First Table hereof may by giving further notice in writing to the Secretary increase his future rate of additional contributions within the same limit.
- (f) An Employer may entirely at his discretion having regard to the special circumstances of any case agree that in respect of any Member who retires after completion of ten years' service and before attaining normal retirement age but who has attained an age within ten years of normal retirement age and is paying additional contributions under this Rule at the date of his retirement there shall without cost to the Member be added to the Member's pension such additional sum not exceeding that certified by the Actuary as being appropriate on the basis that additional contributions had continued until normal retirement age and that for the purposes of such calculation only the Member's service had likewise continued until normal retirement age PROVIDED no Member may pay additional contributions under this Rule after 31 August 1987.

9B. Commutation of pension

- (a) A Member or former Member may commute (that is exchange) the whole or part of his pension payable under Rules 1A, 9, 9A, 12, 13 or 14 (but before making any adjustment under Rule 16(b)) for a cash sum as follows -
 - (i) The election may be exercised only by the Member or former Member giving notice to reach the Secretary within 3 months immediately before his pension comes into payment.
 - (ii) Any election will be revoked by the death of the Member or former Member before his pension comes into payment but otherwise the cash sum will be paid to the Pensioner on the day his pension commences.
 - (iii) The amount of the cash sum must not, when combined with any other cash sum received under this Rule or any other pension or arrangement, exceed the Member's maximum Pension Commencement Lump Sum.

- (iv) The amount of pension to be commuted to provide a particular cash sum will be decided by the Actuary.
 - (v) The remaining pension must not be less than the graduated pension (if any) payable to the Member or former Member under the Additional Rule.
 - (vi) The Management Trustees may at their discretion choose not to recover any element of a cash sum under this sub-Rule 9B(a) that is overpaid or paid in error, but only to the extent that the overpayment or payment in error is an authorised member payment for the purposes of the Finance Act.
- (b) Where a pensioner has commuted part of his pension under this Rule the full amount of pension before commutation shall nevertheless be taken for the purpose of calculating the minimum guaranteed pension under Rule 15 but the lump sum payable under this Rule shall be deducted there from.
- (c) A Member or Pensioner who retires through Serious Ill-Health may, if he has given prior notice in writing to the Management Trustees and subject to their consent, and the conditions set out in paragraph 4(1)(a) to (e) of Schedule 29 to the Finance Act 2004 apply, convert on a basis which is the actuarial equivalent all of his pension under the Scheme into a Serious Ill-Health Lump Sum
- PROVIDED THAT exercise of this option shall be subject to such restriction as the Management Trustees determine to be appropriate to ensure that there shall, to the extent required by law, remain payable to or in respect of the Member or Pensioner any associated pension payable on his death.
- (d) The Management Trustees may exchange all or part of a Member, Pensioner or other person's pension entitlement under the Scheme for a lump sum, before the exercise of any option under Rule 16(a) or this Rule 9B, where the lump sum would be:
- (i) a trivial commutation lump sum under paragraphs 7 to 9 of Schedule 29 to the Finance Act 2004; or
 - (ii) a lump sum payment under Regulation 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009/1171; or
 - (iii) a trivial commutation lump sum death benefit under paragraph 20 of Schedule 29 to the Finance Act 2004.

The Management Trustees will use the actuarial equivalent of the Member, Pensioner or other person's pension entitlement to calculate the lump sum payable.

PROVIDED THAT, on the payment of any such lump sum, any benefits contingently payable under the Scheme on the death of the Member, Pensioner or other person shall cease to be payable and any such cesser shall be taken into account by the Management Trustees and the Actuary in determining the amount of such lump sum payment;

AND PROVIDED FURTHER THAT where a Member or Pensioner has a guaranteed minimum in relation to the pension to be provided for him under the Scheme in accordance with the provisions of the GMP Rule, in respect of which the basis of revaluation described in Rule 33.5(c)(i)(2) applies, no lump sum may be paid under this paragraph (d) unless and until he attains pensionable age for the purposes of the GMP Rule.

10. Death benefits

- (a) In the event of the death of a Member an amount equivalent to his own contributions plus compound interest thereon at the rate of 2.5% per annum to the date of death becomes payable together with such amount as may be payable under either paragraph (b) or (c) of this Rule.
- (b) Subject to paragraph (d) of this Rule in the event of the death of a Member from any cause other than a death arising as a result and within six months of an accident the death benefit shall be a sum equal to twice the annual pay of the Member at the date of his death (subject to a minimum payment of £500 and a maximum payment of £10,000).
- (c) Subject to paragraph (d) of this Rule in the event of the death of a Member arising as a result and within six months of an accident the death benefit shall be a sum equal to four times the annual pay of the Member at the date of his death (subject to a minimum payment of £1,000 and a maximum payment of £10,000) PROVIDED THAT at the request of an Employer the Management Trustees may extend the period of six months referred to in this paragraph by such period as they think fit either generally or in any particular case.
- (d) If the death of a Member shall arise directly or indirectly from
 - (i) riding driving or flying on the part of the member in any race or record breaking attempt; or
 - (ii) any wilful and serious breach on the part of a Member either of the criminal law or of the Regulations of his Employer in force from time to time

the death benefit provided by paragraphs (b) and (c) shall not be payable but there shall be payable in lieu thereof a sum equal to twice the amount payable under paragraph (a) provided that the amount payable shall not exceed the amount of the death benefit which would otherwise be payable under paragraph (b) or (c) as the case may be. Nevertheless in any case arising under paragraph (d)(ii) of this Rule the Management Trustees may in their absolute discretion and by a Resolution passed by a majority of at

least two-thirds of all the Management Trustees for the time being (or if a sole Corporate Trustee is appointed, a majority of at least two-thirds of all the directors of the sole Corporate Trustee for the time being) award such benefit as they think fit in addition to the amount refunded to the Member under paragraph (a) of this Rule provided such benefit shall not exceed the maximum amount stated in paragraph (c) of this Rule.

- (e) If a former Member who has elected to take a deferred pension under Rule 13(b)(ii) dies before payment of such pension has commenced a death benefit shall be paid equal in amount to three times his own contributions plus compound interest thereon at the rate of 2.5% per annum to the date of death or to five times the annual amount of the deferred pension that would have been payable at normal retirement age whichever amount is the less.
- (f) The amounts referred to in this Rule shall be paid or applied as permitted by Rule 10A in such manner as the Management Trustees in their absolute discretion think fit.
- (g) Any sum payable under this Rule shall be reduced by any amount paid in accordance with Rule 11 paragraph (a) or (b) in respect of the same accident PROVIDED ALWAYS that in any case where amounts have become payable in accordance with Rule 11 paragraph (a) or (b) but have not been paid to the Member whose death ultimately occurs as a result of the same accident no payment shall be made under Rule 11 hereof but the benefit provided by this Rule shall be paid in full in lieu thereof.

10A. Application of death benefit

- (a) Any amounts becoming payable under Rule 10 or Rule 15 may within a period of 24 months after the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the death of the Member or Pensioner, be paid or applied by the Management Trustees to or for the benefit of any one or more of a class consisting of -
 - (i) the Member's or Pensioner's children, grandchildren, parents and grandparents, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (ii) a widow or widower or former spouse of the Member or Pensioner, the children, grandchildren, parents and grandparents of that widow widower or former spouse, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (iii) any individual who is or was, in the opinion of the Management Trustees, at the date of the Member's or Pensioner's death either financially dependent on the Member or Pensioner or financially interdependent with the Member or Pensioner;

- (iv) any individual or individuals, charity, society or club nominated by the Member or Pensioner by notice in writing addressed to or received by the Management Trustees during the Member's or Pensioner's lifetime;
 - (v) the Member's or Pensioner's legal personal representatives; and
 - (vi) a Surviving Civil Partner or former Civil Partner of the Member or Pensioner, the children, grandchildren, parents and grandparents of that Surviving Civil Partner or former Civil Partner, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants.
- (b) Any part of such lump sum benefit which remains unpaid or unapplied under Rule 10A(a) 24 months after the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the date of the Member's or Pensioner's death shall be paid to the Member's or Pensioner's legal personal representatives except that, if such payment would result in the Crown, the Duchy of Lancaster, the Duke of Cornwall or any other State or Governmental Agency becoming entitled to that part of the lump sum benefit, it shall cease to be payable as a benefit and shall remain part of the Fund.
- (c) Any notice under Rule 10A(a)(iv) shall be in writing in a form prescribed by the Management Trustees.
- (d) The Management Trustees shall have power to delegate such of their powers duties and discretions under this Rule as they may think fit from time to time to any person or persons or body of persons and such delegation shall be subject to any conditions consistent with this Rule which the Management Trustees may think fit to impose.
- (e) Any nomination made by a Member or Pensioner in force on 31 March 1987 shall no longer be binding on the Management Trustees.

10B. Dependent Child's allowance

- (a) There shall be paid in respect of each Dependent Child of a deceased Pensioner an allowance at a rate per annum equal to one-quarter of the pension or deferred pension to which the Pensioner was entitled disregarding any adjustments made under Rule 9A, 9B, 13A or 16 hereof and any actuarial reduction on early commencement of a deferred pension made under Rule 13(b) hereof PROVIDED THAT Dependent Child's allowance shall not be payable in respect of more than four Dependent Children of a Pensioner at any one time.
- (b) There shall be paid in respect of each Dependent Child of a deceased Member an allowance at a rate per annum equal to one-quarter of the deferred pension to which the Member would have been entitled had the Member been discharged from the service of an Employer for reasons other

than misconduct on the day before the Member's death disregarding any adjustments made under Rule 9A, 9B, 13A or 16 hereof and any actuarial reduction on early commencement of a deferred pension made under Rule 13(b) hereof PROVIDED ALWAYS that the amount of the allowance payable in respect of each Dependent Child shall not be less than one-quarter of the deferred pension that would have accrued had the Member completed one-half of the number of potential years of continuous service from the date of last entering the service of an Employer to normal retirement age PROVIDED FURTHER that Dependent Child's allowance shall not be payable in respect of more than four Dependent Children of a Member at any one time.

- (c) Dependent Child's allowance shall be payable from the date of death of the Member or Pensioner for so long as the Dependent Child is under the age of 16 years or if receiving full-time instruction at any university college school or other educational establishment or full-time training for any profession vocation or trade or if unable to earn his or her own living due to a serious and permanent illness or disability is under the age of 21 years.
- (d) **"Dependent Child"** means a person under the age of 21 years who in the opinion of the Management Trustees was at the date of the death of the Member or Pensioner substantially dependent on him or her for the ordinary necessities of life PROVIDED ALWAYS that in the case of such a person dependent on a Pensioner that person was so dependent whilst the Pensioner was a Member.
- (e) The receipt of the surviving parent or person standing in loco parentis to the Dependent Child shall be a sufficient discharge to the Management Trustees for any payment made under this Rule.
- (f) For the purposes of this Rule **"Pensioner"** means a former Member in receipt of a pension or entitled to a deferred pension pursuant to Rule 9, 13 or 14 hereof.
- (g) For the purposes of this Rule **"year of continuous service"** has the same meaning as in Part IV.

10C. **Adult survivors' pensions**

- (a) The widow or surviving Civil Partner of a male Pensioner who became a Pensioner before 19 June 1963 and who dies on or after 6 September 1996, or who having been in contributory service on 19 June 1963 dies on or after 2 March 1999, shall receive a pension payable for life from the death of the Pensioner whichever shall first occur of an amount subject to the provisions of paragraph (b) equal to one-half of the pension or deferred pension to which the Pensioner was entitled disregarding any adjustments made under Rule 9A, 9B, 13(b)(iii), 13A or 16 hereof PROVIDED ALWAYS that if the Pensioner is lawfully married to two or more persons the widow's pension payable in respect of his death shall be paid in such manner as the Management Trustees in their absolute discretion determine.

- (b) If the widow or surviving Civil Partner is at the date of the Pensioner's death more than ten years his junior, the amount of the widow's or surviving Civil Partner's pension shall be reduced by 1.25% for each complete year by which the difference in age exceeds ten years.
- (c) Paragraphs (a) and (b) shall also apply in relation to the widower or Surviving Civil Partner of a female Pensioner who became a Pensioner before 1 December 1987 in the same way as they apply in relation to the widow or surviving Civil Partner of a male Member except that the pension by reference to which the widower's or surviving Civil Partner's pension will be calculated (before disregarding any adjustments as specified in paragraph (a)) will be restricted to that part of the Pensioner's pension which was attributable to one-half of her contributory service before 1 December 1987.
- (d) If a Pensioner dies without leaving a surviving spouse or surviving Civil Partner in circumstances where a surviving spouse's or surviving Civil Partner's pension would otherwise have been payable under one of the preceding paragraphs to this Rule 10C, but leaving a Pensionable Dependant, a pension will be payable to such Pensionable Dependant. The pension will be equal to the pension which would otherwise have been payable under the appropriate paragraph above had the Pensioner left a surviving spouse or surviving Civil Partner, and will be payable for life. Paragraph (b) will apply having regard to the age of the relevant Pensionable Dependant. If there are more than one such Pensionable Dependents the Management Trustees may allocate the pension between them in such shares as they may decide (with any adjustment by reference to paragraph (b) taking effect in relation to the pension so allocated to each Pensionable Dependant separately), or they may decide that a pension will be payable to only one such Pensionable Dependant. If payment is made to two or more Pensionable Dependents, when a Pensionable Dependant dies the Management Trustees may reallocate that pension to another Pensionable Dependant, but they shall not be obliged to do so. For the purposes of this paragraph (d) the Management Trustees may invite Pensioners to notify them of any individuals whom they would wish to be considered as potential Pensionable Dependents on death.

11. **Accident benefits**

- (a) In the event of the permanent total disablement total loss of sight total loss of two limbs or total loss of one limb and of the sight of one eye caused by and arising within six months of an accident suffered by a Member the benefit shall subject to the provisions of Rule 10(g) hereof be a sum equal to the amount payable under Rule 10(c).
- (b) In the event of the total loss of the sight of one eye or the total loss of one limb caused by and arising within six months of an accident suffered by a Member the benefit shall subject to the provisions of Rule 10(g) hereof be one-half of the amount payable under Rule 10(c).

- (c) Subject to a maximum of 52 consecutive weeks during any period in which a Member is totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private and domestic affairs) as the result of an accident occurring within six months prior to the date of commencement of incapacity there shall be paid a sum equivalent to the pay (exclusive of the allowances and other payments mentioned in Rule 7(a)) such Member would normally have received during the period PROVIDED THAT for any period of such incapacity during which the Member shall be receiving pay from his Employer the payment to the Member under this paragraph shall be reduced by the amount of such pay and the latter amount shall be paid to or in accordance with the directions of the Employer.
- (d) At the request of an Employer the Management Trustees may extend the period of six months referred to in paragraphs (a), (b) and (c) of this Rule by such period as they think fit either generally or in any particular case.
- (e) No sum shall be paid under paragraphs (a), (b) or (c) of this Rule in the event of the disablement being caused by or arising from an accident suffered by a Member and arising directly or indirectly from any of the causes specified in paragraph (d) of Rule 10.
- (f) No ill-health pension in accordance with Rule 14(a) shall be payable to a Member during any period of disablement in respect of which he is receiving benefit in accordance with paragraph (c) above.
- (g) For the purposes of this Rule permanent total disablement means a disablement which shall cause the Member to be permanently and totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private or domestic affairs) and loss of limb means loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle.
- (h) For the purposes of this Rule accident means a bodily injury caused by violent external and visible means and shall not include any disease whether arising from a Member following his occupation or otherwise.

12. Age of retirement

- (a) The normal age of retirement is the age attained by the Member at the end of the calendar month immediately following his attainment of the age of 60 in the case of men and 55 in the case of women and Members' contributions will cease at that date.
- (b) If the employment of a Member is continued after the normal age of retirement the amount of the pension payable at retirement will be the actuarial equivalent of that payable at the normal age of retirement PROVIDED THAT if such a person shall die or suffer injury before retiring on pension there shall be paid to him or to his legal personal representatives the accident or death benefit payable in accordance with Rules 10 and 11 but the cost of such benefits shall not be taken into account in assessing the

actuarial equivalent of the pension payable at the normal age of retirement.

13. Withdrawals from service

- (a) [Paragraph deleted by Deed dated 4 December 1991 with effect from 6 April 1988.]
- (b) Members ceasing to be employed by their last Employers before reaching normal age of retirement shall have the option to accept one of the following alternatives -
 - (i) To receive back their own contributions plus compound interest thereon at the rate of 2.5% per annum PROVIDED HOWEVER that this option shall not be available to a Member who ceases to be employed by his last Employer after 5 April 1980.
 - (ii) To receive a deferred pension commencing at the normal age of retirement of 2.15% of annual pay (calculated in accordance with Rule 7 at the date of leaving service) in respect of each year of membership of the Scheme (with complete months counting proportionately) in the case of Members in the service of an Employer on 1 December 1989. In all other cases the deferred pension commencing at the normal age of retirement appropriate to the Member's period of membership under these Rules will be calculated according to the First Table.
 - (iii) If within ten years of their normal retirement age to receive an immediate or deferred pension of reduced amount any such pension being actuarially equivalent to the pension payable under (b)(ii) of this Rule. The date at which such a deferred pension shall commence shall be determined by the Member at or after withdrawal.

In all cases where a former Member who ceases to be employed by his last Employer prior to 6 April 1980 has elected to receive a deferred pension under sub-paragraphs (ii) or (iii) above and at a subsequent date before his pension has commenced wishes to receive a return of his own Contributions in lieu of such deferred pension then the Management Trustees may at their discretion after considering the reasons for such request grant a repayment of the former Member's Contributions plus compound interest thereon at the rate of 2.5% per annum up to the date of repayment and in such cases where repayment of Contributions is made the deferred pension and all rights attaching thereto shall be cancelled. In addition, where any former Member who has elected to receive such a deferred pension subsequently becomes incapacitated before the date on which the deferred pension could otherwise come into payment, he may elect to have the deferred pension put into payment immediately at a rate which is certified by the Actuary as being actuarially equivalent to the deferred pension which would have commenced at the normal age of retirement. For the purposes of this Rule 13(b), an individual will be regarded as incapacitated if he is suffering from physical or mental

deterioration which is sufficiently serious to prevent him from following his normal employment or which seriously impairs his earning capacity. The decision of the Management Trustees as to whether he is so incapacitated will be final.

- (c) No deferred pension payable under this Rule shall be less than such amount as would in the opinion of the Actuary compare reasonably with the amount of the Member's contributions.
- (d) Subject to Rule 13(e) below, in every case where the Management Trustees or the Custodian Trustees are liable to account to the Commissioners of HM Revenue & Customs for Income Tax or the lifetime allowance charge on any payment made to any Member under the provisions of this Rule a sum equivalent to the amount for which the Management Trustees or the Custodian Trustees have accounted will be deducted from such payment and if the Commissioners require any subsequent adjustment of the amount for which the Management Trustees or the Custodian Trustees account the necessary amount to effect such adjustment shall (as the case may be) be payable by or credited to the Member.
- (e) In every case where the Management Trustees are liable to account to the Commissioners of HM Revenue and Customs for the annual allowance charge under the Finance Act 2004 having received a Scheme Pays Notice in respect of a Pensioner, or if the Management Trustees in their discretion otherwise agree to a Pensioner's request to meet all or part of his annual allowance charge from his benefits under the Scheme, the Management Trustees shall have power to reduce the benefits payable or prospectively payable to or in respect of such Pensioner accordingly, in such manner as the Management Trustees deem appropriate. This may also apply to the benefits payable under the Scheme on the Pensioner's death.
- (f) The interest in the Fund of Members who by reason of a change in their occupational category cease to be general staff and so become subject to the Rules contained in any other part of the Schedule shall as from the date of such change be applied for or towards the benefits provided under the Rules contained in that part of the Schedule to which they then become subject.
- (g) For the purposes of this Rule contributions to the Imperial Airways Pension Scheme or to the British Airways Superannuation Scheme or to the B.O.A.C. Pension Fund shall be deemed to be contributions under the Scheme and service with Imperial Airways Limited or British Airways Limited or British South American Airways Corporation shall be deemed to be service with an Employer.
- (h) A Member transferring from the service of one Employer to that of another shall not be deemed to have withdrawn from service for the purpose of this Rule and shall be entitled to count all service with any Employer in computing total service.

- (i) The option under Rule 16(b) to receive a higher rate of pension during the first five years after the normal age of retirement shall also apply to a deferred pension payable under this Rule, other than a deferred pension which has come into payment early under Rule 13(b) before the date which is ten years before normal retirement age following the former Member having become incapacitated.

13A Pension augmentation at early retirement

- (a) If the Employer (in its absolute discretion) by notice in writing to the Secretary before 15 November 1989 requests the augmentation by a specified augmentation element of the pension of any Member about to retire before normal retirement age who has elected under Rule 13(b) that his pension commence immediately following his retirement the pension of such Member (as determined prior to the application of this Rule) shall be augmented by the said specified augmentation element provided however that the pension as so augmented shall not exceed two-thirds of retiring pay as defined in Part IV or such lesser amount as would not prejudice the approval of the Scheme.
- (b) Augmentation under this Rule shall apply only to the Member's pension and not to any Dependent Child's allowance associated therewith.
- (c) The augmentation element shall not qualify for commutation under Rule 9B and in a winding-up of the Scheme shall rank in priority after the Scheme's liability for provision for Members in service on the date of commencement of the winding-up but subject thereto and to paragraph (b) of this Rule such element shall constitute part of the Member's pension under Rule 13 for the purposes of these Rules.
- (d) Within four weeks after the commencement of a pension augmented under paragraph (a) of this Rule the Employer shall pay to the Management Trustees by way of contribution to the Scheme a sum that is the actuarial equivalent of the augmentation element of such pension.
- (e) Upon receipt from the Employer of a sum that is the actuarial equivalent on the last day of the month on which such sum is paid of the balance of any additional pension then in course of payment by the Employer to any Pensioner under the Employer's Augmentation Scheme (Ref. SF No.2/43366) the said additional pension shall thereafter be deemed an augmentation element payable under this Rule to which the provisions of paragraphs (b) and (c) of this Rule shall specifically apply PROVIDED HOWEVER that the aggregate of pension payable to the Pensioner under these Rules shall not exceed two-thirds of the retiring pay as defined in Part IV or such lesser amount as would not prejudice the approval of the Scheme.

14. Ill-health pensions

- (a) Subject to Rule 11(f) a Member who retires before attaining the normal retirement age in consequence of incapacity to perform his duties arising

from accident or mental or physical infirmity not resulting from his own misconduct or who is for the same reason discharged from the service of an Employer may subject to the conditions contained in paragraph (c) of this Rule with the consent of the Employer -

- (i) receive an immediate pension being the actuarial equivalent of the pension payable under Rule 13(b)(ii); or
 - (ii) provided he has been in the service of an Employer for ten years receive an immediate pension equal in amount to the deferred pension referred to in Rule 13(b)(ii) subject to a minimum of 1/6th of the upper limit of the category pay appropriate to the Member at the date of retirement or £52 per annum whichever is the greater PROVIDED ALWAYS that any period of service with an Employer in respect of which a Member is in receipt of a pension or in respect of which superannuation arrangements have been made by an employer shall not count as service for the purposes of this Rule.
- (b) Service with British South American Airways Corporation Imperial Airways Limited and British Airways Limited shall be deemed to be service with an Employer for the purpose of this Rule.
- (c) While any such person who is in receipt of a pension by virtue of paragraph (a)(ii) is under the normal retirement age -
- (i) The Management Trustees may at any time require him to furnish such evidence as they shall deem satisfactory of his continued incapacity to follow full employment and if he shall not furnish such evidence they may vary suspend or revoke his pension;
 - (ii) if he recovers sufficiently to be able to earn an income the Management Trustees may from time to time vary suspend or revoke his pension as they think the circumstances justify provided that in the event of his death there shall be payable to his legal personal representative such sum (if any) as the Management Trustees on the advice of the Actuary consider just and reasonable having regard to the total cost of the ill-health pension already received and any lump sum paid under Rule 9B and to his own and the Employer's contributions. In the event of his withdrawal from the Scheme before the normal age of retirement and if he is not then in receipt of an ill-health pension he shall be entitled to benefit under Rule 13(b) due allowance being made however as the Actuary shall certify for all ill-health pension already received and any lump sum paid under Rule 9B.
- (d) If a person's pension has been varied suspended or revoked as aforesaid he shall on attaining the normal retirement age be entitled to a pension for life calculated according to Rule 9 whether his incapacity continues or not and whether or not he is earning an income reduced however to the extent determined by the Actuary to take account of any lump sum paid under Rule 9B. In the case of a pension taken under this paragraph of this Rule

the guaranteed five year period under Rule 15 shall be reduced by the aggregate of all periods during which an ill-health or normal pension has been paid.

15. Minimum guaranteed pension

- (a) Pensions are payable on retirement during the remainder of the lifetime of the Member.
- (b) If a pensioner dies within five years after commencement of payment of pension the payments for the remainder of the five year period will be payable in one payment.
- (c) The payment referred to in Rule 15(b) shall be paid as permitted by Rule 10A in such manner as the Management Trustees in their absolute discretion think fit.
- (d) Clause 32 of the Trust Deed will apply for all purposes of benefit calculations under these Rules.

16. Optional forms of pension

- (a) Upon retirement (other than for reasons of ill-health) a Member need not necessarily take his pension as provided under the Scheme but may at any time before retirement notify the Management Trustees of his intention to surrender a part of the pension to which he would become entitled in accordance with these Rules for the purpose of providing for a named dependant (being his spouse or any of his children or any dependant nominated by him for the purpose and approved by the Management Trustees) a pension to commence at the date of his death. Such a pension would be the amount certified by the Actuary as being the equivalent of the amount surrendered and would continue during the lifetime of the named dependant. If such notification is made in the case of males after reaching the age of 55 and in the case of females after reaching the age of 50 it shall be at the discretion of the Management Trustees subject to a medical examination by a doctor nominated by them whether such a part surrender of pension is granted. The Member shall in his notification to the Management Trustees state the amount of pension which he desires to surrender. He may not surrender so much as would result in the pension payable to the named dependant being greater than the amount of the pension remaining to be paid to the Member before any commutation of pension under the provisions of Rule 9B. Any notification given under this Rule will be revoked if the Member leaves the service of the Corporation before attaining normal retirement age or, except as provided by paragraph (c) of this Rule, if the Member or the named dependant dies before the Member's pension has commenced. If a Pensioner's named dependant dies after the Pensioner's pension has commenced, the Pensioner may nominate another dependant, who must be approved by the Management Trustees for this purpose, to receive a pension on his death in place of the original nominee. The amount of the new dependant's contingent pension will be payable for life and its amount will be determined in accordance with

criteria specified by the Actuary as being the equivalent of the amount surrendered having regard in particular to the age of the dependant. A nomination may not otherwise be revoked or changed except with the consent of the Management Trustees who in giving their decision shall have regard to any exceptional circumstances which justify a request for revocation. The guaranteed five year period under Rule 15 applies only to the part of the pension not surrendered.

- (b) At any time before retirement a Member may elect to receive a higher rate of pension during the first five years after the normal age of retirement which taking into account any Retirement Pension under the National Insurance Act 1946 or any statutory modification thereof will provide approximately a level rate of pension throughout retirement. If such an arrangement is made the guaranteed five year period under Rule 15 will apply only to the amount of the normal pension or part of the Member's pension which was not surrendered under paragraph (a) as the case may be which would have been payable on retirement. Election to receive a higher rate of pension under this Rule shall not apply to pensions payable under Rule 14 or to the pension payable under Rule 13(b) to a former Member whose deferred pension has come into payment early following the former Member having become incapacitated.
- (c) If the employment of a Member is continued after the normal age of retirement and such a Member has surrendered a part of his pension for the purpose of providing a pension for a named dependant in accordance with paragraph (a) of this Rule then in the event of such a Member dying before his pension has commenced such named dependant shall be entitled to receive a pension equivalent to the amount surrendered in accordance with the certificate of the Actuary and the personal representative of the deceased Member shall be entitled to receive the amount if any by which the death benefit payable by virtue of Rule 12(b) exceeds the capitalised value of such pension at the date of death of the Member as certified by the Actuary.

17. **Payment of pension**

- (a) The first payment of all pensions will be made on the last day of the month (or quarter in the case of the pensions not exceeding £100 per annum) next following the date of retirement in respect of the period from the date of actual retirement. Thereafter payments will be made monthly or quarterly in arrears. The last payment is due up to the end of the calendar month in which death occurs. The Management Trustees may from time to time require production of evidence satisfactory to them of the existence of the person entitled to the pension.
- (b) Pensions will be payable in sterling (United Kingdom currency) by cheque or draft on London unless in exceptional circumstances the Management Trustees otherwise decide. Any such cheques or draft may be sent by post as a prepaid letter to the address notified by the recipient of the pension for the purpose and payment of any such cheque or draft if purporting to be endorsed by the person to whom the same was made payable shall be a

good discharge to the Management Trustees.

- (c) If the pensioner is in the opinion of the Management Trustees suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt they may at their option cause the pension to be paid for his benefit to any relatives or dependants of the pensioner or to any institution and the receipt of the persons or institutions so paid shall be a complete discharge to the Management Trustees for the money paid and they shall not be under any liability to see to the application thereof.
- (d) Any former Member payment of whose deferred pension was not due to commence before 1 April 1966 may postpone receipt of any pension payable under Rule 13 no later than age 75 (or such later date as the Management Trustees may from time to time permit), in which event the actuarial equivalent of the amount of his pension shall be payable from the date of commencement of payment. The former Member shall upon request submit evidence satisfactory to the Management Trustees of the continuation of circumstances which entitle him to postpone receipt of his pension.
- (e) On or after its commencement each pension or allowance becoming payable under Rules 10B, 10C or 16 in respect of any Member or Pensioner whose last or only period of contributory service under the Scheme ended on or after 1 January 1974 and who died on or after 2 March 1999 shall be increased at each Pensions Increase Date by a yearly amount equal to whichever is the lesser of-
 - (i) 5 per cent; and
 - (ii) the percentage which would apply if the rates of increase specified in the Pensions Increase (Review) Orders made in exercise of the powers conferred by section 59 of the Social Security Pensions Act 1975 were applicable thereto

of the yearly amount of such allowance or pension immediately prior to such Pensions Increase Date PROVIDED THAT should such Pensions Increase (Review) Orders cease to be made and no other orders be made in lieu thereof the reference thereto shall be replaced by a reference to the Index. In addition to the above prospective increases, when the relevant allowance or pension commences it shall immediately be increased to any higher level which it would have attained had the allowance or pension in fact commenced on the date on which the relevant Pensioner's or Member's contributory service under the Scheme ended, whether by withdrawal from service, retirement, or otherwise, and had the allowance or pension been subject to increase throughout that period as aforesaid. For the purposes of this sub-Rule "**Pensions Increase Date**" means the effective date of application of annual review orders issued as described in (ii) above.

The proviso to Rule 15 of Part VI and the provisions which follow that on “Further increases to pensions” and the related provisions of Rule 26(c) of Part VI shall also apply to pensions which are increased under this Rule but, for the avoidance of doubt, this will not result in an overall increase to pension on a Pensions Increase Date that is in excess of the 5 per cent cap noted in this Rule above.

18. Benefits not assignable

Neither pensions nor other benefits under the Scheme may be assigned or borrowed against and any purported assignment thereof or charge thereon (whether made before or after the Member or Pensioner in respect of whom the same are payable became a Member) shall not be recognised by the Management Trustees.

In the event of any such purported assignment or charge or prior to 6 April 2002 if the beneficiary (being the Member or Pensioner or other person otherwise, but for this Rule, entitled to the pension or benefit) shall at any time prior to 6 April 2002 (whether before or after the Member or Pensioner in respect of whom the same is payable became a Member) have been adjudicated bankrupt or have made a composition with creditors:

- in the case of bankruptcy prior to 6 April 2002, the pension or other benefit to which the Member or Pensioner or other person would otherwise, but for this Rule, be entitled shall automatically be forfeited; and
- in any other case the Management Trustees shall be at liberty to determine that the pension or other benefit shall be treated as forfeited in whole or in part,

but the Management Trustees may in any such case (excluding bankruptcy on or after 6 April 2002) apply the same on a discretionary basis in whole or in part, for the benefit of any one or more of the following persons, viz. the beneficiary, the spouse, Civil Partner, Surviving Civil Partner, widow or widower of the beneficiary, any child of the beneficiary and any person who is or was immediately before the death of the beneficiary in any way dependent on the beneficiary. The provisions of this Rule shall not, however, operate to prevent the Management Trustees from complying with any option exercised under Rule 9, or with any order requiring re-direction of all or part of any pension or other benefit made by a United Kingdom court which the Management Trustees are reasonably satisfied has relevant jurisdiction (whether for the purposes of the Attachment of Earnings Act 1971, section 310 of the Insolvency Act 1986 (Income payments orders) or otherwise) in connection with such order, or with any arrangement or agreement which the Management Trustees are reasonably satisfied that they are required to comply with from time to time. Any other provisions under the Deed or Rules governing the provision of pensions or other benefits under the Scheme shall be read and construed subject to the provisions of this Rule 18.

Unless and until the Management Trustees receive written notice of any of the events referred to in this Rule and such evidence of that event as they reasonably require, the Management Trustees may act on the assumption that no such event has occurred and shall not be liable or accountable to anyone for doing so.

This Rule will apply to Scotland with the relevant terms interpreted as appropriate.

19. **Lien on benefits for debts**

[Rule deleted by Deed dated 12 August 1977].

20. **No Member to retire from the Scheme**

Save as provided by these Rules no Member shall have the right to resign from the Scheme or cease contributing to the Fund.

21. **Saving rights of the Employer**

Nothing in the Trust Deed or in these Rules shall in any way restrict the right of an Employer to determine the employment of a Member.

22. **Meetings of Members**

- (a) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of Members may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 50 Members.
- (b) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members and Pensioners may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 100 Pensioners and Members.
- (c) Not less than 28 clear days' notice of the time and place of a meeting to be convened pursuant to paragraphs (a) or (b) of this Rule or of a postal ballot to be taken pursuant to paragraphs (a) and (b) of this Rule and of the general nature of the business to be dealt with shall be given to the persons entitled to vote at such meeting or in such ballot to be taken pursuant to paragraphs (a) and (b) of this Rule by serving the same on them, such service to be effected, in the case of Members, through British Airways plc's usual communication channels and so that all notices so communicated shall be deemed to be served on the day following such posting **PROVIDED NEVERTHELESS** as follows –

- (i) The persons entitled to receive notice of a meeting or a postal ballot and to vote shall, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (a) of this Rule, be Members and, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (b) of this Rule, be Members and Pensioners. A Member may appoint any other Member, and a Pensioner may appoint any other Pensioner, as proxy to vote for him in which case on a poll the Member or Pensioner so appointed shall have one vote for himself and one vote for every member or Pensioner for whom he acts as proxy.
- (ii) Subject as aforesaid the Management Trustees may prescribe the procedure to be adopted as to the service of notices and in connection with any such meeting or postal or written ballot including power to make provision for the chairmanship of meetings and for the form and method of voting by proxy and for the taking of a poll and for delivery and counting of postal ballot papers outside the United Kingdom and the acceptance of cabled results of such count and so that the accidental omission to serve by posting or otherwise a notice of meeting or of a resolution for determination by postal or written ballot or the non-receipt thereof by a Member or Pensioner shall not affect the validity of the proceedings in accordance with which the voting is taken.
- (iii) A minute signed by the Chairman of any meeting or a memorandum signed by the persons appointed to count the ballot papers as to the result of any postal ballot shall unless the contrary is proved be accepted as sufficient evidence that the meeting was duly convened and held and of the result of the meeting or of the result of the ballot as the case may be and the Employer and the Management Trustees and the Custodian Trustees and others acting thereon in good faith shall be protected.
- (d) For the purposes of this Rule the term “Pensioners” shall mean any person who is in receipt of a pension from the Scheme (pursuant to any Part of the Schedule) other than any person whose entitlement under the Scheme is to benefit in respect of equivalent pension benefits as referred to in section 13(6) of the Pension Schemes Act 1993.

23. **Workmen's Compensation Act**

If the Member or his personal representative shall make any claim against an Employer for compensation under the Workmen's Compensation Acts 1925-1943 or under any law which provides against “contracting-out” for the time being in force then the Management Trustees shall be entitled to retain all monies payable under the Scheme in respect of the same accident until the claim so made shall have been finally disposed of whereupon the Management Trustees shall be entitled before payment of such monies to the Member or his personal representative to deduct an amount equal to the aggregate sums received by the Member or his personal representative as a result of any claim and to retain for the use of the Employer the amount so deducted.

24. Renunciation of liability

In consideration of the benefits provided hereunder each Member agrees with his Employer as part of the terms of his employment and undertakes for himself and for his executors and administrators dependants and representatives and for any person who would but for this Rule become entitled to rights against his Employer as a result of the Member's death to look only to the benefits provided under the Scheme in case of injury arising out of and in the course of his employment whether resulting in death or not and the Member further undertakes and agrees that neither his Employer nor any of its servants shall be liable to him or to his executors or administrators dependants or representatives or to any such person as aforesaid for and in respect of any default negligence act or omission of the Employer or its servants for which any claim might have been made either under the Employers Liability Act 1880 or under the Fatal Accidents Act 1846 or at common law or in any way otherwise howsoever PROVIDED ALWAYS that if the appropriate benefits shall not become payable to the Member or to his executors or administrators dependants or representatives for any reason whatsoever other than any act or omission of the Member then the Member and his executors administrators dependants and representatives and any such person as aforesaid shall be entitled to all the rights (if any) against his Employer under either the Employers Liability Act 1880 or under the Fatal Accidents Act 1846 or at common law or in any way otherwise howsoever to which they would respectively have been entitled but for the provisions of this Rule.

25. Previous insurance arrangements

On admission to the Scheme the Member automatically renounces all rights in connection with any previous arrangement he may have entered into with his Employer whereby he was insured against death or injury except in respect of then existing claims.

26. Requirements of insurers

The Member is required to comply with the reasonable requirements (if any) of the Insurers (if any) with whom the Management Trustees maintain or effect policies pursuant to Clause 6(a)(viii) of the Trust Deed.

27. Copies of the Trust Deed and Rules to be supplied to Members and others

The Minister⁺ and every member and person having rights in the Fund and any of the Corporations* shall be entitled on demand made by him to receive one copy of the Trust Deed and these Rules and of all amendments thereto of the annual statement of accounts and balance sheet of the Fund and the auditor's report thereon and of the Actuary's valuation report. Additional copies shall be made available on such terms as the Management Trustees decide.

⁺ The Minister for Civil Aviation as referred to in the Civil Aviation Act 1946.

^{*} See list of parties to original Trust Deed of 8 October 1948 on page 3.

28. Amendments and additions to Rules

These Rules may be amended or added to in accordance with the provisions of the Trust Deed.

29. Additional voluntary contributions

A Member may make additional voluntary contributions in accordance with Clauses 26-31 of the Trust Deed.

30. Opting-out

- (a) A Member may elect, while remaining in the service of an Employer, that he will cease to be a Member. On making this election, he will cease to pay contributions to the Scheme and will be entitled to benefits under Rule 13 as if he had left service (except that Rule 13(b)(iii) will not apply to him while he remains in the service of any Employer).
- (b) A Member who wishes to exercise the option under Rule 30(a) must give the Management Trustees at least one month's notice in writing. The option will then take effect at the start of the calendar month next following the month in which the notice expires.
- (c) A Member exercising the option under this Rule will not be permitted to become a Member of any Part of the Scheme again.

Additional Rule: National Insurance Act 1959

- (a) The amount of pension payable to a Member from and after attainment of the age of sixty five years in the case of men and of sixty years in the case of women shall in no event be less than the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 any provisions of these Rules to the contrary notwithstanding.
- (b) If any Member of the Scheme who is entitled under the Rules of the Scheme to receive if the Member so elects a deferred pension on withdrawal from the Scheme before normal retirement age nevertheless elects in lieu of such deferred pension to receive a refund of the Member's own contributions with interest thereon there shall be deducted from such refund the amount which bears to the amount of the refund the same proportionate relationship as the amount of the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 bears to the amount of the deferred pension to which the Member would otherwise have been entitled on withdrawal from the Scheme PROVIDED ALWAYS that the amount to be deducted shall not exceed the maximum permissible deduction under the provisions of the National Insurance Act 1959.

- (c) In all cases other than those referred to in paragraph (b) of this Rule there shall be deducted from any refund of a Member's contributions with interest one-half of such sum as is equal in amount to the payment in lieu of contributions in respect of such Member contemplated in the provisions of Part II of the National Insurance Act 1959. The foregoing provisions of this paragraph shall not limit or restrict the Employer's right instead of making a payment in lieu of contributions in respect of the Member to make any of the other arrangements contemplated in the National Insurance Act 1959 in the case of the withdrawal of a Member from the Scheme or any other arrangements approved by the Registrar of Non-Participating Employments.
- (d) The Management Trustees shall if so requested by an Employer make arrangements to pay out of the Fund to a Member who has withdrawn from the Scheme before normal retirement age a pension payable from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women of an amount equal to the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 PROVIDED ALWAYS that the provisions of Rule 15 of Part I shall not apply to any such pension.
- (e) No action shall be taken pursuant to any of the Rules of the Scheme if and to the extent that the result of such action would be to reduce the amount of pension payable to or secured for the Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women to less than the maximum graduated pension that could be earned in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member.
- (f) For the purposes of this Rule the expression “**actual period of service**” shall include any period of service after 1 April 1961 in a non-participating employment within the meaning of the National Insurance Act 1959 in respect of which a transfer value has been received pursuant to Clause 25 of the Trust Deed.
- (g) Any reference in this Rule to the National Insurance Act 1959 shall be construed as a reference to that Act subject to any statutory modification or re-enactment thereof for the time being in force and shall include a reference to any orders or regulations made thereunder.
- (h) Any pension payable under paragraph (d) of this Rule may be commuted at, or after, the age of 50 years PROVIDED that the only pension to which the former Member is entitled under the Scheme is that which is payable under paragraph (d) of this Rule, by:
 - (a) the former Member so requesting by giving at least three months' Notice to the Secretary, or such shorter notice period as the Management Trustees may agree from time to time; or

- (b) the Management Trustees sending to the Member's last known address written notice of their intention to commute his pension and no response being received from the Member before the end of the period of two months beginning with the date on which the notice was sent.

The amount of such lump sum shall be determined by multiplying the annual amount of such pension (reduced, if relevant, to take account of early payment) by such factors as may be determined by the Actuary from time to time.

- (i) Notwithstanding anything aforesaid this Rule shall not apply to any Member or former Member who had no service prior to 6 April 1975 nor in respect of any service of any other Member or former Member after 5 April 1975.

Further Additional Rule

- (a) Pensions and allowances payable in respect of persons who ceased to be members on or before 31 December 1973 shall with effect from 16 July 1973 be subject to adjustment as if the provisions of Rule 15 of Part VI applied to them *mutatis mutandis*. For the avoidance of doubt this includes the proviso to Rule 15 of Part VI and the provisions which follow that on "Further increases to pensions". The related provisions of Rule 26(c) of Part VI also apply in respect of these pensions and allowances.
- (b) The Management Trustees shall on receipt from the Employer of such sum as the Actuary shall certify assume responsibility for future payments of all ex-gratia pension and allowance supplements prior to 1 January 1974 authorised by an Employer.
- (c) Members who retire after 31 December 1973 shall have no entitlement to pension adjustments ex-gratia from an Employer or otherwise.
- (d) All pensions and allowances in payment on 1 April 1999 and all pensions still in deferment for former Members on 1 April 1999 (disregarding in all cases any adjustment to a pension under Rule 16(b)) will be subject to increase by 50% with effect on and from that date.

THE FIRST TABLE

Pay		Employees' Contributions		Pension per annum at Normal retirement age for each year of service in the category	
Category	per annum	per week	per annum	per week	
	£	£.s.d.	£.s.d.	£.s.d.	£.s.d.
1	Up to 224	Up to	4. 6. 5	5. 4. 0	2. 0
2	225 – 249	4. 6. 6	- 4.16. 1	6.10.0	2. 6
3	250 – 274	4.16. 2	- 5. 5. 8	7.16.0	3. 0
4	275 – 299	5. 5. 9	- 5.15. 4	9. 2. 0	3. 6
5	300 – 324	5.15. 5	- 6. 4.11	10. 8. 0	4. 0
6	325 – 349	6. 5. 0	- 6. 14. 6	11.14. 0	4. 6
7	350 – 374	6.14. 7	- 7. 4. 2	13. 0. 0	5. 0
8	375 – 399	7. 4. 3	- 7.13. 9	14. 6. 0	5. 6
9	400 – 424	7.13.10	- 8. 3. 5	15.12. 0	6. 0
10	425 – 449	8. 3. 6	- 8.13. 0	16.18. 0	6. 6
11	450 – 474	8.13. 1	- 9. 2. 7	18.04. 0	7. 0
12	475 – 499	9. 2. 8	- 9.12. 3	19.10. 0	7. 6
13	500 – 549	9.12. 4	- 10.11. 5	20.16. 0	8. 0
14	550 – 599	10.11. 6	- 11.10. 8	23. 8. 0	9. 0
15	600 – 649	11.10. 9	- 12. 9.11	26. 0. 0	10. 0
16	650 – 699	12.10. 0	- 13. 9. 2	28.12. 0	11. 0
17	700 – 749	13. 9. 3	- 14. 8. 5	31. 4. 0	12. 0
18	750 – 799	14. 8. 6	- 15. 7. 7	33.16. 0	13. 0
19	800 – 849	15. 7. 8	- 16. 6.10	36. 8. 0	14. 0
20	850 – 899	16.6.11	- 17. 6. 1	39. 0. 0	15. 0
21	900 – 949	17. 6. 2	- 18. 5. 4*	41.12. 0	16. 0
22	950 – 999	18. 5. 5	- 19. 4. 6	44. 4. 0	17. 0
23	1000 – 1099	19. 4. 7	- 21. 3. 0	46.16.0	18. 0
24	1100 – 1199	21. 3. 1	- 23. 1. 5	52. 0. 0	1. 0. 0
25	1200 – 1299	23. 1. 6	- 24.19.11	57. 4. 0	1. 2. 0
26	1300 – 1399	25. 0. 0	- 26.18. 5	62. 8. 0	1. 4. 0
27	1400 – 1499	26.18. 6	- 28.16.10	67.12. 0	1. 6. 0
28	1500 – 1599	28.16.11	- 30.15. 4	72.16. 0	1. 8. 0
29	1600 –	30.15. 5	- 32.13. 9	78. 0. 0	1.10. 0

* "13.5.4" in original.

	1699							
30	1700	-	32.13.10	-	34.12. 3	83. 4. 0	1.12. 0	32. 0. 0
	1799							
31	1800	-	34.12. 4	-	36.10. 8	88. 8. 0	1.14. 0	34. 0. 0
	1899							
32	1900	-	36.10. 9	-	38. 9. 2	93.12. 0	1.16. 0	36. 0. 0
	1999							
33	2000	-	38. 9. 3	-	43. 5. 4	98.16. 0	1.18. 0	38. 0. 0
	2249							
34	2250	-	43. 5. 5	-	48. 1. 5	111.16. 0	2. 3. 0	43. 0. 0
	2499							
35	2500	-	48. 1. 6	-	52.17. 7	124.16. 0	2. 8. 0	48. 0. 0
	2749							
36	2750	-	57.17. 8	-	57.13. 9	137.16. 0	2.13. 0	53. 0. 0
	2999							
37	3000	-	57.13.10	-	62. 9.11	150.16. 0	2.18. 0	58. 0. 0
	3249							
38	3250	-	62.10. 0	-	67. 6. 1	163.16. 0	3. 3. 0	63. 0. 0
	3499							
39	3500	-	67. 6. 2	-	72. 2. 3	176.16. 0	3. 8. 0	68. 0. 0
	3749							
40	3750	-	72. 2. 4	-	76.18. 5	189.16. 0	3.13. 0	73. 0. 0
	3999							
41	4000	-	76.18. 6	-	81.14. 6	202.16. 0	3.18. 0	78. 0. 0
	4249							
42	4250	-	81.14. 7	-	86.10. 8	215.16. 0	4. 3. 0	83. 0. 0
	4499							
43	4500	-	86.10. 9	-	91. 6.10	228.16. 0	4. 8. 0	88. 0. 0
	4749							
44	4750	-	91. 6.11	-	96. 3. 0	241.16. 0	4.13. 0	93. 0. 0
	4999							
45	5000 and over	Employees' Contributions shall amount to 5% of pay which contribution shall secure a pension of £2% of such pay at normal retirement age for each year of service in the category. For the purposes of this category pay shall mean pay less £100 per annum						

AIRWAYS PENSION SCHEME

RULES - PART II

Pilots

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PART II RULES - PILOTS

1. Definitions

The following expressions have the following meanings unless inconsistent with the context -

“Pay” means remuneration designated by an Employer as pay.

“Pensionable Dependant” means in relation to a deceased Pensioner a person, other than a surviving spouse, Surviving Civil Partner or Dependent Child, who to the satisfaction of the Management Trustees was financially dependent upon the Member or Pensioner to a substantial extent at the date of the Pensioner’s death, or who lived in a relationship with the Pensioner which closely resembled marriage and who to the satisfaction of the Management Trustees was financially interdependent with the Pensioner. In order to assist them in deciding whether or not a person qualifies as a Pensionable Dependant for the purposes of this definition, the Management Trustees may request such evidence of dependency or interdependency as they may consider necessary or appropriate.

“Pilots” means full-time Employees of the Corporations who normally carry out the duties of Pilots of Aircraft.

“Pilots own Contributions” means such Contributions as a Pilot shall have made to the Scheme and where his Interest in the British Overseas Airways Corporation Pension Fund and Staff Insurance Scheme or any other similar Scheme has been transferred as provided in Rule 5(b) his Contributions to that Scheme but shall not include any of the benefits referred to in the Sixth Schedule of the British Overseas Airways Corporation Pilots (Non-Contributory) Pension Scheme.

“these Rules” means the Rules set forth in Part II of the Schedule.

“Scheme Pays Notice” means a valid notice served on the Management Trustees by a Member or Pensioner in accordance with section 237B of the Finance Act 2004).

“Service” means continuous service as a Pilot with one or more of the Corporations immediately prior to retirement under these Rules.

2. Application

These Rules relate to Members who are Pilots.

3. Membership compulsory for Pilots

No Pilot having attained the age of 35 years on the date on which he is appointed as a Pilot by his Employer shall be eligible to join the Scheme and (except as otherwise expressly provided by these Rules) it shall be a compulsory condition of service for all full-time Pilots not exceeding the age of 35 years on the date on which they are appointed Pilots by their Employer to join the Scheme under the terms of these Rules provided that this condition shall not apply in the case of -

- (a) Pilots engaged outside the United Kingdom and who are not domiciled within the United Kingdom;
- (b) Members of the British Overseas Airways Corporation Pilots (Non-Contributory) Pension and Insurance Scheme.

An Employer may however either at the request of the Management Trustees and a Pilot or by the terms of any service agreement entered into between an Employer and a Pilot agree to waive the requirements of this Rule as to that Pilot.

4. **Admission to the Scheme**

- (a) Pilots who are compelled under Rule 3 to join the Scheme will be admitted to the Scheme on the date on which they are appointed as Pilots by their Employer.
- (b) Every Pilot shall as a condition of admission to Membership of the Scheme sign an application for admission containing an undertaking in the form prescribed by the Management Trustees to be bound by the Trust Deed and these Rules. It is a condition of Membership that a birth certificate or other evidence of age satisfactory to the Management Trustees shall be produced to the Secretary within six months of the date of joining the Scheme.
- (c) Pilots who are members of the British Overseas Airways Corporation Pilots' (Non-Contributory) Pension and Insurance Scheme shall be admitted to the Scheme provided that they agree to the transfer to the Custodian Trustees of the whole of their interest in the former Scheme.

5. **Ante-dating of Membership**

- (a) In the case of any Pilot (not being a Member of British Overseas Airways Corporation Pilots' (Non-Contributory) Pension and Insurance Scheme) who was at any time after 1 August 1946 in the service of any Employer the period of such previous service shall be reckoned for purposes of the Scheme as a period of employment by that Employer provided that in respect of any period so to be reckoned there shall be paid by the Employer such sums or equivalent series of sums as may in accordance with these Rules be appropriate as Contributions for such period.
- (b) In the case of any Pilot (not being a Member of British Overseas Airways Corporation Pilots' (Non-Contributory) Pension and Insurance Scheme) who immediately before entering the service of any Employer was employed by any undertaking which has been acquired by any Employer the period of his service since 1 January 1945 with such undertaking may be reckoned for the purposes of the Scheme as a period of employment by the Employer which acquired the undertaking provided that in respect of any period so reckoned there shall be paid by the Pilot and by that Employer such sums or equivalent series of sums as may in accordance with these Rules be appropriate as Contributions by the Pilot and Employer respectively for such period as the Pilot transfers to the Custodian Trustees

his interest in any other pension scheme or fund of which he may be a Member but so that in the last mentioned event the length of the period to be so reckoned shall be limited to such period as the amount or value of the interest so transferred is appropriate in accordance with these Rules to provide for unless there is also paid by the Pilot and that Employer such sums or equivalent series of sums as may in accordance with the Rules be appropriate as contributions by the Pilot and Employer respectively in respect of the balance of such period.

6. Contributions

- (a) Contributions are payable by Pilots for the purpose of securing Pension Benefits only from 1 June 1947 or from the date of their admission to the Scheme whichever is the later for a period of 15 years or a period ending on the date on which membership of the Scheme ceases whichever is the shorter at rates which depend upon the category or categories (as specified in the First Table) to which Pilots may from time to time belong. Contributions payable by Pilots shall be paid at the end of each calendar month and shall be calculated under the First Table hereof at the rate of pay current on the first day of each month.
- (b) The contributions of each Employer shall consist of –
 - (i) contributions at such rates certified by the Actuary from time to time as shall be required in addition to the Contributions payable by the Pilot to provide the balance of the pension benefits and the whole of the death and accident benefits of the Scheme such Contributions to be payable at such time so far as possible as the Pilots' Contributions are paid into the Fund PROVIDED ALWAYS that the Employers' Contributions in respect of each Pilot shall commence from the date of the admission of such Pilot and shall be payable until he attains his 45th birthday in accordance with Rule 13 hereof and provided also that the Employers' Contributions shall cease on the date a Pilot withdraws from the Scheme or retires on Pension in accordance with the provisions of Rule 13 if such date is earlier than the date of the Pilot's forty-fifth birthday;
 - (ii) such deficiency contributions (if any) as may be required in accordance with the provisions of any Scheme made pursuant to Clause 11 of the Trust Deed.
- (c) If a Pilot in the event of war or national emergency or under any Scheme of conscription or national service joins H M Forces or undertakes any other national or emergency service (such service with the forces or other service unless compulsory to be with the consent of the Employer) but his contract of employment with the Employer has not been determined he shall while continuing in such military or other service be deemed to remain a Member and any amount received by him in respect of such military or other service shall to the extent to which the same is taken into account in fixing or suspending his pay be deemed to form part (or as the case may be the whole) of his pay in respect of which the Contributions of the Pilot and the

Employer are to be made but so that the Employer shall not be liable to make any Contribution except subject to the prior payment of the appropriate Contribution by the Pilot.

7. Amount of pay on which contributions will be based

The amount of Contribution of the Pilot whether in the United Kingdom or overseas shall be calculated according to the amount of his annual pay taken to the nearest £ as shown in the First Table hereof. Allowances overtime bonuses commissions and similar payments shall not in any circumstances be taken into account in fixing such Contributions.

8. Pension benefits

A Pilot having retired from flying duties qualifies for a pension the amount of which depends upon his age at the date he was appointed as a Pilot and his age at the date of his retirement in accordance with the Third Table hereof.

9. Minimum guaranteed pension

Pensions are payable on retirement during the remainder of the lifetime of the Member. If a Pensioner dies within five years of retiring on pension the payments for the remainder of the five year period will be payable in one payment to the personal representatives of the deceased Pensioner PROVIDED THAT at the option of the Pilot on retirement from the service of an Employer and having attained the age of 40 years (but subject to the requirements of the Management Trustees regarding the health of the Pilot at the date of retirement) the guaranteed period may be extended the Pension being reduced in accordance with the Fourth Table hereof.

10. Optional forms of pension

- (a) Upon retirement (other than for reasons of Ill-health) a Pilot need not necessarily take his pension as provided under the Scheme but may at any time before retirement notify the Management Trustees of his intention to surrender a part of the pension to which he would become entitled in accordance with these Rules for the purpose of providing for a named dependant (being his spouse or any of his children or any dependant nominated by him for the purpose and approved by the Management Trustees) a pension to commence at the date of his death. Such a pension would be the amount certified by the Actuary as being the equivalent of the amount surrendered and would continue during the lifetime of the named dependant. If such notification is made by a Pilot after he has attained the age of 40 years or if he retires before having attained the age of 45 years it shall be at the discretion of the Management Trustees subject to a medical examination by a doctor nominated by them whether such a part surrender of pension is granted. The Pilot shall in his notification to the Management Trustees state the amount of pension which he desires to surrender. He may not surrender so much as would result in the pension payable to the named dependant being greater than the amount of the pension remaining to be paid to the Pilot. Any notification given under

this Rule will be revoked if the Pilot leaves the service of the Corporation other than in accordance with the provisions of Rule 8 hereof before attaining 45 years of age or if the Pilot or the named dependant dies before the Pilot's retirement (except as provided in paragraph (b) hereof). If a Pensioner's named dependant dies after the Pensioner's pension has commenced, the Pensioner may nominate another dependant, who must be approved by the Management Trustees for this purpose, to receive a pension on his death in place of the original nominee. The amount of the new dependant's contingent pension will be payable for life and its amount will be determined in accordance with criteria specified by the Actuary as being the equivalent of the amount surrendered having regard in particular to the age of the dependant. A nomination may not otherwise be revoked or changed except with the consent of the Management Trustees who in giving their decision shall have regard to any exceptional circumstances which justify a request for revocation. The guaranteed period under Rule 9 applies only to the part of the pension not surrendered.

- (b) If the employment of a Pilot is continued after the age of 45 years and such a Pilot has surrendered a part of his pension for the purpose of providing a pension for a named dependant in accordance with paragraph (a) of this Rule then in the event of such a Pilot dying before his retirement as a Pilot such named dependant shall be entitled to receive a pension equivalent to the amount surrendered in accordance with the certificate of the Actuary and the personal representative of the deceased Pilot shall be entitled to receive the amount by which the death benefit payable by virtue of Rule 11 exceeds the capitalised value of such pension at the date of death of the Pilot as certified by the Actuary. If however the capitalised value of the pension surrendered exceeds the amount of the death benefit payable by virtue of Rule 11 the amount of the pension payable to the named dependant shall be reduced by such amount as is certified by the Actuary so that the capitalised value of the pension payable to the named dependant is equal to the appropriate death benefit payable under Rule 11.

11. **Death benefits**

- (a) In the event of the death of a Pilot his own contributions plus compound interest thereon at the rate of 2.5% to the date of death become repayable together with such amount as may be payable under either sub-paragraph (b) or (c) of this Rule.
- (b) Subject to paragraph (d) of this Rule in the event of death of a Pilot from any cause other than a death arising as a result and within six months of an accident the death benefit shall be a sum equal to twice the annual pay of the Pilot at the date of his death subject to a maximum payment of £10,000.
- (c) Subject to paragraph (d) of this Rule in the event of death of a Pilot arising as a result and within six months of an accident the death benefit shall be a sum equal to four times the annual pay of the Pilot at the date of his death subject to a maximum payment of £10,000 PROVIDED THAT the Management Trustees may extend the period of six months referred to in this paragraph by such period as they think fit either generally or in any

particular case.

- (d) (i) If the death of a Pilot shall arise directly or indirectly from riding driving or flying on the part of the Pilot in any race or record breaking attempt except where such race or record breaking attempt occurs in the course of his duties the death benefit provided by paragraphs (b) and (c) shall not be payable but there shall be payable in lieu thereof a sum equal to twice the amount of the Pilot's own contributions plus compound interest thereon at the rate of 2.5% per annum to the date of death provided that the amount payable shall not exceed the amount of the death benefit which would otherwise be payable under paragraph (b) or (c) as the case may be.
- (ii) If the death of a Pilot shall arise directly or indirectly from any wilful and serious breach on the part of a Pilot either of the criminal law or of the regulations of his Employer in force from time to time the death benefit provided by paragraphs (b) and (c) shall not be payable but there shall be payable in lieu thereof a sum equal to the amount of the Pilot's own contributions plus compound interest thereon at the rate of 2.5% per annum to the date of death.
- (e) Any sums payable under this Rule to the estate of a deceased Pilot shall be reduced by the amount paid or payable under Rule 12 paragraph (a) or (b) hereof in respect of any accident which shall prove fatal within six months of the date of such accident.
- (f) The amounts referred to in this Rule shall be payable to the legal personal representative of the deceased Pilot.

12. Accident benefits

- (a) In the event of the permanent total disablement total loss of sight total loss of two limbs or total loss of one limb and of the sight of one eye caused by and arising within six months of an accident suffered by a Pilot the benefit shall be a sum equal to the amount payable under Rule 11(c).
- (b) In the event of the total loss of the sight of one eye or the total loss of one limb caused by and arising within six months of an accident suffered by a Pilot the benefit shall be one half of the amount payable under Rule 11(c).
- (c) Subject to a maximum of 52 consecutive weeks during any period in which a Pilot is totally incapacitated from following his usual employment as the result of an accident occurring within six months prior to the date of commencement of incapacity there shall be paid a sum equivalent to the pay (exclusive of allowances and other payments mentioned in Rule 7) such Pilot would normally have received during the period PROVIDED THAT for any period of such incapacity during which the Pilot shall be receiving pay from his Employer the payment to the Pilot under this paragraph shall be reduced by the amount of such pay and the latter amount shall be paid to or in accordance with the directions of the Employer.

- (d) Any Pilot in receipt of payments under the last preceding paragraph may engage in or undertake employment other than his usual employment during any period in which he is totally incapacitated from following his usual employment provided he informs the Management Trustees in writing of his intention to engage in or undertake such employment whereupon the payment to the Pilot under the last preceding paragraph shall be reduced by the amount of any emoluments or profits accruing to the Pilot from such other employment and the latter amount shall be paid to or in accordance with the directions of the Employer.
- (e) At the request of an Employer the Management Trustees may extend the period of six months referred to in sub-paragraphs (a), (b) and (c) of this Rule by such period as they think fit either generally or in any particular case.
- (f) No sum shall be paid under paragraphs (a) (b) or (c) of this Rule in the event of the disablement being caused by or arising from an accident suffered by a Pilot and arising directly or indirectly from any of the causes specified in paragraph (d) of Rule 11.
- (g) For the purpose of this Rule permanent total disablement means a disablement which shall cause the Pilot to be permanently and totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private or domestic affairs) and loss of limb means loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle.

13. Retirement on pension

- (a) A Pilot on reaching the age of 40 years and having completed 10 years' service with an Employer shall be entitled to an immediate pension in accordance with the Third Table hereof provided always that retirement from the service of an Employer before the Pilot shall have attained the age of 45 years shall be with the prior consent of his Employer such consent not to be unreasonably withheld and to be given in all cases where the Pilot ceases to be qualified to hold through reasons of health or accident one of the following licences - commercial, senior commercial or airline transport pilot's licence or the statutory equivalent of any one of them as is required by his Employer to enable him to carry out his duties as a Pilot with that Employer.
- (b) In any case where the employment of a Pilot is continued after he attains his 50th birthday then the pension payable at retirement will be the actuarial equivalent of that payable to him at his 50th birthday PROVIDED THAT if such a Pilot shall die or suffer injury before retiring on pension there shall be paid to him or to his legal personal representatives the accident or death benefit payable in accordance with Rules 11 and 12 but the cost of such benefits shall not be taken into account in assessing the actuarial equivalent of the pension payable on his 50th birthday.

14. Withdrawals from service

- (a) Pilots who leave the service of their Employer before becoming entitled to an immediate pension in accordance with the last preceding Rule and whose withdrawal arises through their ceasing to be qualified to hold as a consequence of health or accident one of the following licences - commercial, senior commercial or airline transport pilot's licence or the statutory equivalent or any one of them as is required by his Employer to enable him to carry out his duties as a Pilot with that Employer will be paid an immediate pension the amount of which shall be as set out in the Second Table hereof.
- (b) In all other cases of withdrawal (other than by retirement in accordance with Rule 13 hereof) the retiring Pilot will be repaid the Pilot's own Contributions plus compound interest thereon at the rate of 2.5% per annum.
- (c) Pilots who are discharged from the service of their Employers for misconduct or dishonesty or retire from such service in order in the opinion of the Employer to avoid such dismissal will be repaid the Pilots' own Contributions to the Scheme plus compound interest thereon at the rate of 2.5% per annum.
- (d) A Pilot transferring directly from the service of one Employer to that of another shall not be deemed to have withdrawn from service for the purpose of this Rule and shall be entitled to count all service with an Employer in computing total service PROVIDED ALWAYS that service as a Pilot in respect of which a Pension is payable under these Rules shall not be counted as service with an Employer for purposes of other parts of the Scheme.

14A. Adult survivors' pensions

- (a) The widow or surviving Civil Partner of a former Pilot who left Service on retirement or otherwise before 19 June 1963 and who dies on or after 6 September 1996 in receipt of a pension under this Part II of the Rules, and the widow or surviving Civil Partner of a former Pilot who having been in contributory service on 19 June 1963 otherwise dies on or after 2 March 1999 in receipt of a pension or entitled to a deferred pension under this Part II of the Rules, shall receive a pension payable for life from the death of the Pensioner of an amount subject to the provisions of paragraph (b) equal to one-half of the pension to which the Pensioner was entitled disregarding any adjustment made under Rule 10(a) hereof PROVIDED ALWAYS that if the Pensioner is lawfully married to two or more persons the widow's pension payable in respect of his death shall be paid in such manner as the Management Trustees in their absolute discretion determine.
- (b) If the widow or surviving Civil Partner is at the date of the Pensioner's death more than ten years his junior, the amount of the widow's or Surviving Civil Partner's pension shall be reduced by 1.25% for each

complete year by which the difference in age exceeds ten years.

- (c) If a Pensioner dies without leaving a surviving spouse or surviving Civil Partner in circumstances where a surviving spouse's or Surviving Civil Partner's pension would otherwise have been payable under one of the preceding paragraphs to this Rule 14A, but leaving a Pensionable Dependant, a pension will be payable to such Pensionable Dependant. The pension will be equal to the pension which would otherwise have been payable under the appropriate paragraph above had the Pensioner left a surviving spouse or surviving Civil Partner and will be payable for life. Paragraph (b) will apply having regard to the age of the relevant Pensionable Dependant. If there are more than one such Pensionable Dependents the Management Trustees may allocate the pension between them in such shares as they may decide (with any adjustment by reference to paragraph (b) taking effect in relation to the pension so allocated to each Pensionable Dependant separately), or they may decide that a pension will be payable to only one such Pensionable Dependant. If payment is made to two or more Pensionable Dependents, when a Pensionable Dependant dies the Management Trustees may reallocate that pension to another Pensionable Dependant, but they shall not be obliged to do so. For the purposes of this paragraph (c) the Management Trustees may invite Pensioners to notify them of any individuals whom they would wish to be considered as potential Pensionable Dependents on death.

15. **Taxation**

- (a) Subject to Rule 15(b) below, in every case where the Management Trustees or the Custodian Trustees are liable to account to the Commissioners of HM Revenue & Customs for income tax or the lifetime allowance charge on any payment made to any Pilot under the provisions of this part of the Schedule a sum equivalent to the amount for which the Management Trustees or the Custodian Trustees have accounted or are liable to account will be deducted from such payment and if the Commissioners require any subsequent adjustment of the amount for which the Management Trustees or the Custodian Trustees account the necessary amount to effect such adjustment shall (as the case may be) be payable by or credited to the Pilot.
- (b) In every case where the Management Trustees are liable to account to the Commissioners of HM Revenue and Customs for the annual allowance charge under the Finance Act 2004 having received a Scheme Pays Notice in respect of a Member, or Pensioner, or if the Management Trustees in their discretion otherwise agree to a Member's or Pensioner's request to meet all or part of his annual allowance charge from his benefits under the Scheme, the Management Trustees shall have power to reduce the benefits payable or prospectively payable to or in respect of such Member or Pensioner accordingly, in such manner as the Management Trustees deem appropriate. This may also apply to the benefits payable under the Scheme on the Member's or Pensioner's death.

16. Transfer to other schemes

The Management Trustees on the written request of a Pilot shall pay any amount due from the Fund in respect of a Pilot's own contributions under these Rules to any other pension or provident fund approved under section 32 of the Finance Act 1921 (as amended) to be used as an initial payment on his membership of such fund. The compliance with any such request shall be a full discharge to the Management Trustees of all their obligations under these Rules in respect of the Pilot concerned.

17. Change in occupational category

- (a) In the event of a Pilot who by reason of a change in his occupational category ceases to be a Pilot and becomes subject to the Rules contained in any other Part of the Schedule then upon the written request of the Pilot concerned his pension under Rules 13 and 14(a) hereof (other than any part thereof which he may have surrendered under Rule 10 hereof) may be deferred until such date as the Pilot may ultimately elect from which date such pension will be payable at such higher rate as shall be certified by the Actuary or in the event of such a Pilot having a right to the return of his own Contributions under Rule 14(b) hereof the amount of the Pilot's own Contributions shall be retained in the Scheme to be applied in securing an additional amount of Pension at normal retirement age under that part of the Schedule containing the Rules applicable to his new occupational category such additional pension to be as certified by the Actuary.
- (b) In any case where a former Pilot continues in the service of an Employer after ceasing to be a Pilot and has requested that the pension to which he is entitled to be deferred under the last foregoing paragraph of this Rule then in the event of the death of that former Pilot before such pension has commenced there shall be paid to his personal representatives in one payment a sum equal to the total of the amounts he would have received by way of such pension but for deferment accumulated at compound interest at the rate of 2.5% per annum up to the date of death or the amount of such pension for five years whichever is the greater.
- (c) Any Pilot admitted under the Rules of any other part of the Schedule shall be entered thereunder as a new Member.

18. Payment of pension

- (a) The first payment of all pensions will be made on the last day of the month (or quarter in the case of pensions not exceeding £100 per annum) next following the date of retirement in respect of the period from the date of actual retirement. Thereafter payments will be made monthly or quarterly in arrears. The last payment is due up to the end of the calendar month in which death occurs. The Management Trustees may from time to time require production of evidence satisfactory to them of the existence of the person entitled to the pension.

- (b) Pensions will be payable in sterling (United Kingdom currency) by cheque or draft on London unless in exceptional circumstances the Management Trustees otherwise decide. Any such cheque or draft may be sent by post as a prepaid letter to the address notified by the recipient of the pension for the purpose and payment of any such cheque or draft if purporting to be endorsed by the person to whom the same was made payable shall be a good discharge to the Management Trustees.
- (c) If the pensioner is in the opinion of the Management Trustees suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt they may at their option cause the pension to be paid for his benefit to any relatives or dependants of the pensioner or to any institution and the receipt of the persons or institutions so paid shall be a complete discharge to the Management Trustees for the money paid and they shall not be under any liability to see to the application thereof.

19. **Benefits not assignable**

Neither pensions nor other benefits under the Scheme may be assigned or borrowed against and any purported assignment thereof or charge thereon (whether made before or after the Member or Pensioner in respect of whom the same are payable became a Member) shall not be recognised by the Management Trustees.

In the event of any such purported assignment or charge or prior to 6 April 2002 if the beneficiary (being the Member or Pensioner or other person otherwise, but for this Rule, entitled to the pension or benefit) shall at any time prior to 6 April 2002 (whether before or after the Member or Pensioner in respect of whom the same is payable became a Member) have been adjudicated bankrupt or have made a composition with creditors:

- in the case of bankruptcy prior to 6 April 2002, the pension or other benefit to which the Member or Pensioner or other person would otherwise, but for this Rule, be entitled shall automatically be forfeited; and
- in any other case the Management Trustees shall be at liberty to determine that the pension or other benefit shall be treated as forfeited in whole or in part,

but the Management Trustees may in any such case (excluding bankruptcy on or after 6 April 2002) apply the same on a discretionary basis in whole or in part, for the benefit of any one or more of the following persons, viz. the beneficiary, the spouse, Civil Partner, Surviving Civil Partner, widow or widower of the beneficiary, any child of the beneficiary and any person who is or was immediately before the death of the beneficiary in any way dependent on the beneficiary. The provisions of this Rule shall not, however, operate to prevent the Management Trustees from complying with any option exercised under Rule 9, or with any order requiring re-direction of all or part of any pension or other benefit made by a United Kingdom court which the Management Trustees are reasonably satisfied

has relevant jurisdiction (whether for the purposes of the Attachment of Earnings Act 1971, section 310 of the Insolvency Act 1986 (Income payments orders) or otherwise) in connection with such order, or with any arrangement or agreement which the Management Trustees are reasonably satisfied that they are required to comply with from time to time. Any other provisions under the Deed or Rules governing the provision of pensions or other benefits under the Scheme shall be read and construed subject to the provisions of this Rule 19.

Unless and until the Management Trustees receive written notice of any of the events referred to in this Rule and such evidence of that event as they reasonably require, the Management Trustees may act on the assumption that no such event has occurred and shall not be liable or accountable to anyone for doing so.

This Rule will apply to Scotland with the relevant terms interpreted as appropriate.

20. Lien on benefits for debts

All pensions and benefits of a Pilot and other sums due in respect of a Pilot shall be liable for and stand charged with the settlement of any debts due by such Pilot to an Employer or to cover any losses caused to an Employer through the dishonesty or misconduct of a Pilot and the Management Trustees are authorised to pay to an Employer out of the money available for such pensions or benefits the amount of such debts and losses (as to which the certificate of the chief accountant of an Employer or his authorised deputy shall be accepted as prima facie evidence) before making any payment to the Pilot or to any persons deriving title through him.

21. No Pilot to retire from the Scheme

Save as provided by these Rules no Pilot shall have the right to withdraw from the Scheme or cease contributing to the Fund.

22. Saving rights of Employer

Nothing in the Trust Deed or in these Rules shall in any way restrict the right of an Employer to determine the employment of a Pilot.

23. Meetings of Members

- (a) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Pilots of the Scheme to whom these Rules apply may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 25 Pilots.
- (b) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members and Pensioners may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken

by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 100 Pensioners and Members.

- (c) Not less than 35 clear days' notice of the time and place of a meeting to be convened pursuant to paragraphs (a) or (b) of this Rule or of a postal ballot to be taken pursuant to paragraphs (a) and (b) of this Rule and of the general nature of the business to be dealt with shall be given to the persons entitled to vote at such meeting or in such ballot by serving the same on them, such service to be effected, in the case of Members and Pilots, through British Airways plc's usual communication channels and so that all notices so communicated shall be deemed to be served on the day following such posting PROVIDED NEVERTHELESS as follows:
 - (i) The persons entitled to receive notice of a meeting or a postal ballot and to vote shall, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (a) of this Rule, be Pilots and, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (b) of this Rule, be Members and Pensioners. A Pilot may appoint any other Pilot, a Member may appoint any other Member, and a Pensioner may appoint any other Pensioner, as proxy to vote for him in which case on a poll the Pilot or Member or Pensioner so appointed shall have one vote for himself and one vote for every Pilot or Member or Pensioner for whom he acts as proxy.
 - (ii) Subject as aforesaid the Management Trustees shall prescribe the procedure to be adopted as to the service of notices and in connection with any such meeting or postal or written ballot including power to make provision for the chairmanship of meetings and for the form and method of voting by proxy and for the taking of a poll and for delivery and counting of postal ballot papers outside the United Kingdom and the acceptance of cabled results of such count and so that the accidental omission to serve by posting or otherwise a notice of meeting or of a resolution for determination by postal or written ballot or the non-receipt thereof by a Pilot or Member or Pensioner shall not affect the validity of the proceedings in accordance with which the voting is taken.
 - (iii) A minute signed by the Chairman of any meeting or a memorandum signed by the persons appointed to count the ballot papers as to the result of any postal ballot shall unless the contrary is proved be accepted as sufficient evidence that the meeting was duly convened and held and of the result of the meeting or of the result of the ballot as the case may be and the Corporations and the Management Trustees and the Custodian Trustees and others acting thereon in good faith shall be protected.
- (d) For the purposes of this Rule the term "Pensioners" shall mean any person who is in receipt of a pension from the Scheme (pursuant to any Part of the Schedule) other than any person whose entitlement under the Scheme is to

benefit in respect of equivalent pension benefits as referred to in section 13(6) of the Pension Schemes Act 1993.

24. Renunciation of liability

In consideration of the benefits provided hereunder each Pilot agrees with his Employer as part of the terms of his employment and undertakes for himself and for his executors and administrators dependants and representatives and for any person who would but for this Rule become entitled to rights against his Employer as a result of the Pilot's death to look only to the benefits provided under the Scheme in case of injury arising out of and in the course of his employment whether resulting in death or not and the Pilot further undertakes and agrees that neither his Employer nor any of its servants shall be liable to him or to his executors or administrators dependants or representatives or to any such person as aforesaid in respect of any default negligence act or omission of the Employer or its servants for which any claim might have been made either under the Employers' Liability Act 1880 or under the Fatal Accidents Act 1846 or at common law or in any way otherwise howsoever PROVIDED ALWAYS that if the appropriate benefits shall not become payable to the Pilot or to his executors or administrators dependants or representatives for any reason whatsoever other than any act or omission of the Pilot then the Pilot and his executors administrators dependants and representatives and any such person as aforesaid shall be entitled to all the rights (if any) against his Employer under either the Employers' Liability Act 1880 or under the Fatal Accidents Act 1846 or at common law or in any way otherwise howsoever to which they would respectively have been entitled but for the provisions of this Rule.

25. Requirements of insurers

Every Pilot undertakes to comply with the reasonable requirements (if any) of any Insurers (if any) with whom the Management Trustees may maintain or effect Policies pursuant to Clause 6(a)(viii) of the Trust Deed.

26. Copies of Trust Deed and Rules to be supplied to Pilots and others

The Minister⁺ and every Pilot and person having rights in the Fund and any of the Corporations* shall be entitled on demand made by him to receive one copy of the Trust Deed and these Rules and of all amendments thereto of the annual Statement of accounts and balance sheet of the Fund and the auditor's report thereon and of the actuary's valuation report. Additional copies shall be made available on such terms as the Management Trustees decide.

⁺ i.e. the Minister for Civil Aviation as referred to in the Civil Aviation Act 1948.

* "Corporations" was originally defined as British Overseas Airways Corporation, British European Airways Corporation and British South American Airways Corporation. The rights and lights of British South American Airways Corporation under the Scheme were merged into British Overseas Airways Corporation by the Airways Corporations Act 1949. By section 3 of the Civil Aviation Act 1980, all property, rights, liabilities and obligations of the British Airways Board were passed to British Airways Plc. The British Airways Board was itself the statutory successor to the British Overseas Airways Corporation.

27. **Amendments and additions to Rules**

These Rules may be amended or added to in accordance with the provisions of the Trust Deed.

Additional Rule: National Insurance Act 1959

- (a) The amount of pension payable to a Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women shall in no event be less than the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 any provisions of these Rules to the contrary notwithstanding.
- (b) If any Member of the Scheme who is entitled under the Rules of the Scheme to receive if the Member so elects a deferred pension on withdrawal from the Scheme before normal retirement age nevertheless elects in lieu of such deferred pension to receive a refund of the Member's own contributions with interest thereon there shall be deducted from such refund the amount which bears to the amount of the refund the same proportionate relationship as the amount of the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 bears to the amount of the deferred pension to which the Member would otherwise have been entitled on withdrawal from the Scheme.
- (c) In all cases other than those referred to in paragraph (b) of this Rule there shall be deducted from any refund of a Member's contributions with interest one half of such sum as is equal in amount to the payment in lieu of contributions in respect of such Member contemplated in the provisions of Part II of the National Insurance Act 1959. The foregoing provisions of this paragraph shall not limit or restrict the Employer's right instead of making a payment in lieu of contributions in respect of the Member to make any of the other arrangements contemplated in the National Insurance Act 1959 in the case of the withdrawal of a Member from the Scheme or any other arrangements approved by the Registrar of Non-Participating Employments.
- (d) The Management Trustees shall if so requested by an Employer make arrangements to pay out of the Fund to a Member who has withdrawn from the Scheme before normal retirement age a pension payable from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women of an amount equal to the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 PROVIDED ALWAYS that the provisions of Rule 9 of Part II shall not apply to any such pension.

- (e) No action shall be taken pursuant to any of the Rules of the Scheme if and to the extent that the result of such action would be to reduce the amount of pension payable to or secured for the Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women to less than the maximum graduated pension that could be earned in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member.
- (f) For the purposes of this Rule the expression “**actual period of service**” shall include any period of service after 1 April 1961 in a non-participating employment within the meaning of the National Insurance Act 1959 in respect of which a transfer value has been received pursuant to Rule 28 of Part IV of the corresponding Rule of the other Parts of the Scheme.
- (g) Any reference in this Rule to the National Insurance Act 1959 shall be construed as a reference to that Act subject to any statutory modification or re-enactment thereof for the time being in force and shall include a reference to any orders or regulations made thereunder.
- (h) Any pension payable under paragraph (d) of this Rule may be commuted at, or after, the age of 50 years PROVIDED that the only pension to which the former Member is entitled under the Scheme is that which is payable under paragraph (d) of this Rule, by:
 - (a) the former Member so requesting by giving at least three months’ Notice to the Secretary, or such shorter notice period as the Management Trustees may agree from time to time; or
 - (b) the Management Trustees sending to the Member’s last known address written notice of their intention to commute his pension and no response being received from the Member before the end of the period of two months beginning with the date on which the notice was sent.

The amount of such lump sum shall be determined by multiplying the annual amount of such pension (reduced, if relevant, to take account of early payment) by such factors as may be determined by the Actuary from time to time.

Further Additional Rule

- (a) Pensions and allowances payable in respect of persons who ceased to be Members on or before 31 December 1973 shall with effect from 16 July 1973 be subject to adjustment as if the provisions of Rule 15 of Part VI applied to them *mutatis mutandis*. For the avoidance of doubt this includes the proviso to Rule 15 of Part VI and the provisions which follow that on “Further increases to pensions”. The related provisions of Rule 26(c) of Part VI also apply in respect of these pensions and allowances.

- (b) All pensions and allowances in payment on 1 April 1999 and all pensions still in deferment for former Members on 1 April 1999 will be subject to increase by 50% with effect on and from that date.

FIRST TABLE

Amount of Contributions per annum payable by Pilots by monthly instalments for 15 years from date of entry or from 1 June 1947 to date of retirement whichever is the shorter period.

Basic Pay (exclusive of Pension Contributions) per annum	Contributions	
	per annum	per month
	£	£.s.d.
Up to and including £700	35	£2.18. 4
Over £700 and up to 900	45	3.15. 0
Over £900 and up to 1180	55	4.11. 8
Over £1180 and up to 1480	65	5. 8. 4
Over £1480 and up to 1650	75	6. 5. 0

SECOND TABLE

Age at retirement last birthday	Pension per annum according to age next birthday at entry										
	25	26	27	28	29	30	31	32	33	34	35
	£	£	£	£	£	£	£	£	£	£	£
26	15										
27	30	15									
28	50	35	20								
29	65	55	40	20							
30	85	75	60	45	25						
31	105	95	80	65	50	25					
32	125	115	105	90	75	55	25				
33	150	140	130	115	100	85	55	25			
34	175	165	155	145	130	115	85	55	25		
35	200	190	185	175	160	150	115	85	55	25	
36	225	220	215	205	195	185	150	115	85	55	25
37	255	250	245	240	230	220	185	150	115	85	55
38	285	280	275	275	270	260	220	185	150	115	85
39	315	315	310	310	310	305	260	220	185	150	115
40							305	260	220	185	150
41								305	260	220	185
42									305	260	220
43										305	260
44											305

THIRD TABLE

Age at retirement (at last birthday)	Pension per annum according to age next birthday at entry					
	30 years or under	31 years	32 years	33 years	34 years	35 years
Years	£	£	£	£	£	£
40	350	305	260	220	185	150
41	365	350	305	260	220	185
42	385	365	350	305	260	220
43	410	385	365	350	305	260
44	435	410	385	365	350	305
45	465	435	410	385	365	350
46	495	465	435	410	385	365
47	530	495	465	435	410	385
48	565	530	495	465	435	410
49	605	565	530	495	465	435
50	650	605	565	530	495	465

FOURTH TABLE

Proportion of pensions if guaranteed period is extended to:-

Age last birthday at	Age 50 minus age last birthday at retirement per cent	Age 55 minus age last birthday at retirement per cent	Age 60 minus age last birthday at retirement per cent
40	98.5	96.2	93.0
41	98.8	96.5	93.2
42	99.1	96.8	93.5
43	99.4	97.1	93.7
44	99.7	97.5	94.0
45	-	97.8	94.3
46		98.2	94.7
47		98.6	95.1
48		99.0	95.5
49		99.5	96.0
50		-	96.5
51			97.1
52			97.8
53			98.5
54			99.2
55			-

AIRWAYS PENSION SCHEME

RULES - PART III Radio, Navigating and Engineer Officers

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PART III RULES - RADIO, NAVIGATING AND ENGINEER OFFICERS

1. Definitions

The following expressions have the following meanings unless inconsistent with the context -

“Officers” means full-time Employees of the Corporations who normally carry out the duties of Radio Officer, Navigating Officer or Engineer Officer of Aircraft.

“Officer's own Contributions” means such contributions as an Officer shall have made to the Scheme and where his interest in the British Overseas Airways Corporation Pension Fund and Staff Insurance Scheme or any other similar scheme has been transferred as provided in Rules 4(c) and 5(b) his contributions to that scheme.

“Pay” means remuneration designated by an Employer as pay.

“Pensionable Dependant” means in relation to a deceased Pensioner a person, other than a surviving spouse, Surviving Civil Partner or Dependent Child, who to the satisfaction of the Management Trustees was financially dependent upon the Member or Pensioner to a substantial extent at the date of the Pensioner's death, or who lived in a relationship with the Pensioner which closely resembled marriage and who to the satisfaction of the Management Trustees was financially interdependent with the Pensioner. In order to assist them in deciding whether or not a person qualifies as a Pensionable Dependant for the purposes of this definition, the Management Trustees may request such evidence of dependency or interdependency as they may consider necessary or appropriate.

“these Rules” means the Rules set forth in Part III of the Schedule.

“Scheme Pays Notice” means a valid notice served on the Management Trustees by a Member or Pensioner in accordance with section 237B of the Finance Act 2004).

“Service” means continuous service as an Officer with one or more of the Corporations immediately prior to retirement under these Rules.

2. Application

These Rules relate to Members who are Officers.

3. Membership

No Officer having attained the age of 35 years on the date on which he is appointed an Officer by his Employer shall be eligible to join the Scheme and (except as otherwise expressly provided by these Rules) it shall be a compulsory condition of service for all full-time Officers engaged by an Employer after 1 August 1946 where their age at the date of engagement as Officers did not exceed 35 years to join the Scheme under the terms of these Rules provided that this condition shall not apply in the case of Officers engaged outside the United Kingdom and who are not

domiciled within the United Kingdom. An Employer may however either at the request of an Officer or by the terms of any service agreement entered into between an Employer and an Officer agree to waive the requirements of this Rule as to that Officer.

4. Admission to the Scheme

- (a) Officers who are compelled under Rule 3 to join the Scheme will be admitted to the Scheme on the date on which they are appointed as Officers by their Employer.
- (b) Every Officer shall, as a condition of admission to Membership of the Scheme, sign an application for admission containing an undertaking in the form prescribed by the Management Trustees to be bound by the Trust Deed and these Rules. It is a condition of Membership that a birth certificate or other evidence of age satisfactory to the Management Trustees shall be produced to the Secretary within six months of the date of joining the Scheme.
- (c) Officers who are Members of the British Overseas Airways Corporation Pension Fund and Staff Insurance Scheme shall be admitted to the Scheme provided that they agree to the transfer to the Custodian Trustees of the whole of their interest in that Scheme.

5. Ante-dating of membership

- (a) In the case of any Officer (not being a Member of British Overseas Airways Corporation Pension Fund and Staff Insurance Scheme) who was at any time between the 1 August 1946 and the date on which this part of the Scheme comes into force in the service of any Employer the period of such previous service shall be reckoned for the purposes of the Scheme as a period of employment by that Employer provided that in respect of any period so to be reckoned there shall be paid by the Officer and by that Employer such sums or equivalent series of sums as may in accordance with these Rules be appropriate as contributions by the Officer and Employer respectively for such period.
- (b) In the case of any Officer (not being a Member of British Overseas Airways Corporation Pension Fund and Staff Insurance Scheme) who immediately before entering the service of any Employer was employed by any undertaking which has been acquired by any Employer the period of his service since the 1 January 1945 with such undertaking may be reckoned for the purposes of the Scheme as a period of employment by the Employer which acquired the undertaking provided that in respect of any period so reckoned there shall be paid by the Officer and by that Employer such sums or equivalent series of sums as may in accordance with these Rules be appropriate as Contributions by the Officer and Employer respectively for such period as the Officer transfers to the Custodian Trustees his interest in any other pension scheme or fund of which he may be a Member, but so that in the last mentioned event the length of the period to be so reckoned shall be limited to such period as the amount or value of the interest so

transferred is appropriate in accordance with these Rules to provide for, unless there is also paid by the Officer and that Employer such sums or equivalent series of sums as may in accordance with the Rules be appropriate as contributions by the Officer and Employer respectively in respect of the balance of such period.

6. Contributions

- (a) Contributions are payable by Officers for the purpose only of securing pension benefits from the date of their admission to the Scheme for a period of 20 years or a period ending on the date on which membership of the Scheme ceases, whichever is the shorter, at rates which depend upon the category or categories (as specified in the First Table) to which Officers may from time to time belong. Contributions payable by Officers shall be paid at the end of each calendar month and shall be calculated under the First Table hereof at the rate of pay current on the first day of each month.
- (b) The contributions of each Employer shall consist of -
 - (i) contributions at such rates certified by the Actuary from time to time as shall be required in addition to the contributions payable by the Officer to provide the balance of the pension benefits and the whole of the death and accident benefits of the Scheme, such contributions to be payable at such time, so far as possible, as the Officers' contributions are paid into the Fund PROVIDED ALWAYS that the Employer's contributions in respect of each Officer shall commence from the date of the admission of such Officer and shall be payable until he attains his fiftieth birthday in accordance with Rule 12 hereof and provided also that the Employers' Contributions shall cease on the date an Officer withdraws from the Scheme or retires on pension in accordance with the provisions of Rule 12 if such date is earlier than the date of the Officer's 50th birthday;
 - (ii) such deficiency contributions (if any) as may be required in accordance with the provisions of any Scheme made pursuant to Clause 11 of the Trust Deed.
- (c) If an Officer in the event of war or national emergency or under any scheme of conscription or national service joins H M Forces or undertakes any other national or emergency service (such service with the forces or other service unless compulsory to be with the consent of the Employer) but his contract of employment with the Employer has not been determined, he shall while continuing in such military or other service be deemed to remain a Member and any amount received by him in respect of such military or other service shall to the extent to which the same is taken into account in fixing or suspending his pay be deemed to form part (or as the case may be the whole) of his pay in respect of which the contributions of the Officer and the Employer are to be made but so that the Employer shall not be liable to make any contribution except subject to the prior payment of the appropriate contribution by the Officer.

7. Amount of pay on which contributions will be based

The amount of contribution of the Officer, whether in the United Kingdom or overseas, shall be calculated according to the amount of his annual pay taken to the nearest £ as shown in the First Table hereof. Allowances, overtime, bonuses, commissions and similar payments shall not in any circumstances be taken into account in fixing such contributions.

8. Minimum guaranteed pension

Pensions are payable on retirement during the remainder of the lifetime of the Officer. If a Pensioner dies within five years of retiring on pension the payments for the remainder of the five year period will be payable in one payment to the personal representatives of the deceased Pensioner PROVIDED THAT at the option of the Officer on retirement from the service of an Employer and having attained the age of 45 years (but subject to the requirements of the Management Trustees regarding the health of the Officer at the date of retirement) the guaranteed period may be extended, the pension being reduced in accordance with the Fourth Table hereof.

9. Optional forms of pension

- (a) Upon retirement (other than for reasons of ill-health) an Officer need not necessarily take his pension as provided under the Scheme but may at any time before retirement notify the Management Trustees of his intention to surrender a part of the pension to which he would become entitled in accordance with these Rules for the purpose of providing for a named dependant (being his spouse or any of his children or any dependant nominated by him for the purpose and approved by the Management Trustees) a pension to commence at the date of his death. Such a pension would be the amount certified by the Actuary as being the equivalent of the amount surrendered and would continue during the lifetime of the named dependant. If such notification is made by an Officer after he has attained the age of 45 years or if he retires before having attained the age of 50 years it shall be at the discretion of the Management Trustees subject to a medical examination by a doctor nominated by them whether such a part surrender of pension is granted. The Officer shall in his notification to the Management Trustees state the amount of pension which he desires to surrender. He may not surrender so much as would result in the pension payable to the named dependant being greater than the amount of the pension remaining to be paid to the Officer. Any notification given under this Rule will be revoked if the Officer leaves the service of the Corporation other than by retirement under the circumstances contemplated in Rule 12 hereof before attaining 50 years of age or if the Officer or the named dependant dies before the Officer's retirement (except as provided in paragraph (b) hereof). If a Pensioner's named dependant dies after the Pensioner's pension has commenced, the Pensioner may nominate another dependant, who must be approved by the Management Trustees for this purpose, to receive a pension on his death in place of the original nominee. The amount of the new dependant's contingent pension will be payable for life and its amount will be determined in accordance with criteria specified

by the Actuary as being the equivalent of the amount surrendered having regard in particular to the age of the dependant. A nomination may not otherwise be revoked or changed except with the consent of the Management Trustees who in giving their decision shall have regard to any exceptional circumstances which justify a request for revocation. The guaranteed period under Rule 8 applies only to the part of the pension not surrendered.

- (b) If the employment of an Officer is continued after the age of 50 years and such an Officer has surrendered a part of his pension for the purpose of providing a pension for a named dependant in accordance with paragraph (a) of this Rule then in the event of such an Officer dying before his retirement as an Officer such named dependant shall be entitled to receive a pension equivalent to the amount surrendered in accordance with the certificate of the Actuary and the personal representative of the deceased Officer shall be entitled to receive the amount by which the death benefit payable by virtue of Rule 10 exceeds the capitalised value of such pension at the date of death of the Officer as certified by the Actuary. If, however, the capitalised value of the pension surrendered exceeds the amount of the death benefit payable by virtue of Rule 10 the amount of the pension payable to the named dependant shall be reduced by such amount as is certified by the Actuary so that the capitalised value of the pension payable to the named dependant is equal to the appropriate death benefit payable under Rule 10.

10. **Death benefits**

- (a) In the event of the death of an Officer his own contributions plus compound interest thereon at the rate of 2.5% per annum to the date of death become repayable together with such amount as may be payable under either subparagraph (b) or (c) of this Rule.
- (b) Subject to paragraph (d) of this Rule in the event of death of an Officer from any cause other than a death arising as a result and within six months of an accident the death benefit shall be a sum equal to twice the annual pay of the Officer at the date of his death subject to a maximum payment of £10,000 in accordance with the scale set out in the First Table hereto.
- (c) Subject to paragraph (d) of this Rule in the event of death of an Officer arising as a result and within six months of an accident the death benefit shall be a sum equal to four times the annual pay of the Officer at the date of his death, subject to a maximum payment of £10,000 in accordance with the scale set out in the First Table hereto PROVIDED THAT the Management Trustees may extend the period of six months referred to in this paragraph by such period as they think fit either generally or in any particular case.
- (d) (i) The death of an Officer shall arise directly or indirectly from riding driving or flying on the part of that Officer in any race or record breaking attempt except where such race or record breaking attempt occurs in the course of his duties the death benefit provided

by paragraphs (b) and (c) shall not be payable but there shall be payable in lieu thereof a sum equal to twice the amount of the Officer's own contributions plus compound interest thereon at the rate of 2.5% per annum to the date of death provided that the amount payable shall not exceed the amount of the death benefit which would otherwise be payable under paragraph (b) or (c) as the case may be.

- (ii) If the death of an Officer shall arise directly or indirectly from any wilful and serious breach on the part of that Officer either of the criminal law or of the regulations of his Employer in force from time to time the death benefit provided by paragraphs (b) and (c) shall not be payable but there shall be payable in lieu thereof a sum equal to the amount of the Officer's own contributions plus compound interest thereon at the rate of 2.5% per annum to the date of death.
- (e) Any sums payable under this Rule to the estate of a deceased Officer shall be reduced by the amount paid, or payable under Rule 11 paragraph (a) or (b) hereof in respect of any accident which shall prove fatal within six months of the date of such accident.
- (f) The amounts referred to in this Rule shall be payable to the legal personal representative of the deceased Officer.

11. **Accident benefits**

- (a) In the event of the permanent total disablement, total loss of sight, total loss of two limbs or total loss of one limb and of the sight of one eye, caused by and arising within six months of an accident suffered by an Officer, the benefit shall be a sum equal to the amount payable under Rule 10(c).
- (b) In the event of the total loss of the sight of one eye or the total loss of one limb caused by and arising within six months of an accident suffered by an Officer, the benefit shall be one half of the amount payable under Rule 10(c).
- (c) Subject to a maximum of 52 consecutive weeks during any period in which an Officer is totally incapacitated from following his usual employment as the result of an accident occurring within six months prior to the date of commencement of incapacity there shall be paid a sum equivalent to the pay (exclusive of allowances and other payments mentioned in Rule 7) such Officer would normally have received during the period PROVIDED THAT for any period of such incapacity during which the Officer shall be receiving pay from his Employer, the payment to the Officer under this paragraph shall be reduced by the amount of such pay and the latter amount shall be paid to or in accordance with the directions of the Employer.
- (d) Any Officer in receipt of payments under the last preceding paragraph may engage in or undertake employment other than his usual employment during any period in which he is totally incapacitated from following his usual employment provided he informs the Management Trustees in

writing of his intention to engage in or undertake such employment whereupon the payment to the Officer under the last preceding paragraph shall be reduced by the amount of any emoluments or profits accruing to the Officer from such other employment and the latter amount shall be paid to or in accordance with the directions of the Employer.

- (e) At the request of an Employer the Management Trustees may extend the period of six months referred to in sub-paragraphs (a), (b) and (c) of this Rule by such period as they think fit either generally or in any particular case.
- (f) No sum shall be paid under paragraphs (a), (b) or (c) of this Rule in the event of the disablement being caused by or arising from an accident suffered by an Officer and arising directly or indirectly from any of the causes specified in paragraph (d) of Rule 10.
- (g) For the purpose of this Rule permanent total disablement means a disablement which shall cause the Officer to be permanently and totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private or domestic affairs) and loss of limb means loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle.

12. Retirement on pension

- (a) An Officer having completed 15 years' service with an Employer and having retired from flying duties shall provided he has attained at least the age of 45 years be entitled to an immediate pension in accordance with the Third Table hereof provided always that retirement from flying duties with an Employer before the Officer shall have attained the age of 50 years shall be with the prior consent of his Employer such consent not to be unreasonably withheld and to be given in all cases where the Officer ceases to be qualified to hold through reasons of health or accident such licence as an Officer as is required by his Employer to enable him to carry out his duties as an Officer with that Employer.
- (b) In any case where the employment of an Officer is continued after he attains his 55th birthday then the pension payable at retirement will be the actuarial equivalent of that payable to him at his 55th birthday PROVIDED THAT if such an Officer shall die or suffer injury before retiring on pension there shall be paid to him or to his legal personal representative the death or accident benefit payable in accordance with Rules 10 and 11 but the cost of such benefits shall not be taken into account in assessing the actuarial equivalent of the pension payable on his 55th birthday.

13. Withdrawals from service

- (a) An Officer who leaves the service of his Employer or changes his occupational category before becoming entitled to an immediate pension in accordance with the last preceding Rule and whose withdrawal arises through his ceasing to be qualified to hold as a consequence of health or

accident such licence as is required by his Employer to enable him to carry out his duties as an Officer with that Employer, will be paid an immediate pension, the amount of which shall be as set out in the Second Table hereof if his age at withdrawal is less than 45 years or as set out in the Third Table hereof if his age at withdrawal is 45 years or over.

- (b) An Officer who leaves the service of his Employer before becoming entitled to a pension under Rule 12 and is not entitled to an immediate pension under paragraph (a) of this Rule, but who has completed not less than 10 years' service as an Officer and is not a person to whom paragraph (d) of this Rule applies may if he so elects, receive in lieu of the return of contributions with compound interest as specified in paragraph (c) of this rule a deferred pension payable from age 50 in accordance with the Fifth Table hereof. The election to take such a Deferred Pension shall be notified by the Officer to the Management Trustees at or before the date of his leaving the service of his employer. In the event of the death before he attains age 50 of a former Officer who so elects, an amount equal to his own contributions together with compound interest thereon at the rate of 2.5% per annum up to the date of death shall be payable to his personal representatives.
- (c) In all other cases of withdrawal (other than by retirement in accordance with Rule 12 or paragraph (a), (b) or (d) of this Rule or through a change in occupational category) the retiring Officer will be repaid his own contributions plus compound interest thereon at the rate of 2.5% per annum up to the date of leaving.
- (d) Officers who are discharged from the service of their Employers for misconduct or dishonesty, or retire from such service in order in the opinion of the Employer to avoid such dismissal, will be repaid their own Contributions to the Scheme plus compound interest thereon at the rate of 2.5% per annum.
- (e) An Officer transferring directly from the service of one Employer to that of another shall not be deemed to have withdrawn from service for the purpose of this Rule and shall be entitled to count all service with any Employer in computing total service PROVIDED ALWAYS that service as an Officer in respect of which a pension is payable under these Rules shall not be counted as service with an Employer for purposes of other parts of the Scheme.
- (f) Any former Officer whose deferred pension has not yet commenced may postpone receipt of such deferred pension (or the balance remaining payable after any surrender of pension for the purposes of Rule 9) until no later than age 75 (or such later date as the Management Trustees may from time to time permit), in which event the actuarial equivalent of the amount of such deferred pension (less any amount allocated for the purposes of Rule 9) shall be payable from the date of commencement of payment. The person so entitled shall upon request submit evidence satisfactory to the Management Trustees of the continuation of circumstances which entitle him to postpone receipt of his deferred pension.

13A Adult survivors' pensions

- (a) The widow or surviving Civil Partner of a former Officer who left Service on retirement or otherwise before 19 June 1963 and who dies on or after 6 September 1996 in receipt of a pension under this Part III of the Rules, and the widow or surviving Civil Partner of a former Officer who having been in contributory service on 19 June 1963 dies on or after 2 March 1999 in receipt of a pension or entitled to a deferred pension under this Part III of the Rules, shall receive a pension payable for life from the death of the Pensioner of an amount subject to the provisions of paragraph (b) equal to one-half of the pension or deferred pension to which the Pensioner was entitled disregarding any adjustment made under Rule 9 PROVIDED ALWAYS that if the Pensioner is lawfully married to two or more persons the widow's pension payable in respect of his death shall be paid in such manner as the Management Trustees in their absolute discretion determine.
- (b) If the widow or surviving Civil Partner is at the date of the Pensioner's death more than ten years his junior, the amount of the widow's or surviving Civil Partner's pension shall be reduced by 1.25% for each complete year by which the difference in age exceeds ten years.
- (c) If a Pensioner dies without leaving a surviving spouse or surviving Civil Partner in circumstances where a surviving spouse's or surviving Civil Partner's pension would otherwise have been payable under one of the preceding paragraphs to this Rule 13A, but leaving a Pensionable Dependant, a pension will be payable to such Pensionable Dependant. The pension will be equal to the pension which would otherwise have been payable under the appropriate paragraph above had the Pensioner left a surviving spouse or surviving Civil Partner, and will be payable for life. Paragraph (b) will apply having regard to the age of the relevant Pensionable Dependant. If there are more than one such Pensionable Dependents the Management Trustees may allocate the pension between them in such shares as they may decide (with any adjustment by reference to paragraph (b) taking effect in relation to the pension so allocated to each Pensionable Dependant separately), or they may decide that a pension will be payable to only one such Pensionable Dependant. If payment is made to two or more Pensionable Dependents, when a Pensionable Dependant dies the Management Trustees may reallocate that pension to another Pensionable Dependant, but they shall not be obliged to do so. For the purposes of this paragraph (c) the Management Trustees may invite Pensioners to notify them of any individuals whom they would wish to be considered as potential Pensionable Dependents on death.

14. Taxation

- (a) Subject to Rule 14(b) below, in every case where the Management Trustees or the Custodian Trustees are liable to account to HM Revenue & Customs for income tax or the lifetime allowance charge on any payment made to any Officer under the provisions of this part of the Schedule, a sum equivalent to the amount for which the Management Trustees or the Custodian Trustees have accounted or are liable to account will be

deducted from such payment and if the Commissioners require any subsequent adjustment of the amount for which the Management Trustees or the Custodian Trustees account the necessary amount to effect such adjustment shall (as the case may be) be payable by or credited to the Officer.

- (b) In every case where the Management Trustees are liable to account to the Commissioners of HM Revenue and Customs for the annual allowance charge under the Finance Act 2004 having received a Scheme Pays Notice in respect of a Member, or Pensioner, or if the Management Trustees in their discretion otherwise agree to a Member's or Pensioner's request to meet all or part of his annual allowance charge from his benefits under the Scheme, the Management Trustees shall have power to reduce the benefits payable or prospectively payable to or in respect of such Member or Pensioner accordingly, in such manner as the Management Trustees deem appropriate. This may also apply to the benefits payable under the Scheme on the Member's or Pensioner's death.

15. Transfer to other schemes

The Management Trustees on the written request of an Officer shall pay any amount due from the Fund in respect of an Officer's own contributions under these Rules to any other pension or provident fund approved under section 32 of the Finance Act 1921 (as amended) to be used as an initial payment on his membership of such fund. The compliance with any such request shall be a full discharge to the Management Trustees of all their obligations under these Rules in respect of the Officer concerned.

16. Change in occupational category

- (a) If an Officer by reason of a change in his occupational category, ceases to be an Officer and becomes subject to the Rules contained in any other Part of the Schedule then upon the written request of the Officer his pension under Rule 12 or under Rule 13(a) hereof (other than any part thereof which he may have surrendered under Rule 9 hereof) may if his age at the date of any change in occupational category was 45 years or more be deferred until such date as the Officer may ultimately elect, from which date the pension will be payable at such higher rate as shall be certified by the Actuary.
- (b) If an Officer, by reason of a change in his occupational category ceases to be an Officer and becomes subject to the Rules contained in any other Part of the Schedule then his pension under Rule 13(a) if his age at the date of such change in occupational category was under 45 years may at the request of the Officer or his Employer be deferred until such date as the Officer may ultimately leave the service of his Employer, from which date such pension will be payable at such higher rate as shall be certified by the Actuary.
- (c) In the event of the death of such a former Officer, as is referred to in paragraphs (a) or (b) hereof, before his pension has commenced there shall

be paid to his personal representatives in one payment a sum equal to the total of the amounts he would have received by way of such pension but for deferment accumulated at compound interest at the rate of 2.5% per annum up to the date of death or the amount of such pension for five years, whichever is the greater.

- (d) If an Officer by reason of a change in his occupational category ceases to be an Officer and becomes subject to the Rules contained in any other Part of the Schedule, and if such Officer has no entitlement to pension under Rule 12 or under Rule 13(a) hereof, then his interest in the Fund at the date of such change in occupational category shall be transferred and become subject to the Rules contained in the other Part of the Schedule to which the Officer shall transfer, and in respect of such interest, the Officer shall receive such additional pension as shall be certified by the Actuary, from Normal Retirement Age in accordance with the Rules contained in the Part of the Schedule to which the Officer shall then be subject. In the event of the death of such an Officer whilst he is still in the service of the Employer a sum equal to the contributions paid by the Officer under this Part of the Schedule together with compound interest thereon at the rate of 2.5% per annum up to the date of death shall be payable to his personal representatives.
- (e) Any Officer admitted under the Rules of any other Part of the Schedule shall be entered thereunder as a new Member.

17. **Payment of pension**

- (a) The first payment of all pensions will be made on the last day of the month (or quarter in the case of pensions not exceeding £100 per annum) next following the date of retirement in respect of the period from the date of actual retirement. Thereafter payments will be made monthly or quarterly in arrears. The last payment is due up to the end of the calendar month in which death occurs. The Management Trustees may from time to time require production of evidence satisfactory to them of the existence of the person entitled to the Pension.
- (b) Pensions will be payable in sterling (United Kingdom currency) by cheque or draft on London, unless in exceptional circumstances the Management Trustees otherwise decide. Any such cheque or draft may be sent by post as a prepaid letter to the address notified by the recipient of the pension for the purpose and payment of any such cheque or draft if purporting to be endorsed by the person to whom the same was made payable shall be a good discharge to the Management Trustees.
- (c) If the Pensioner is in the opinion of the Management Trustees suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt they may at their option cause the pension to be paid for his benefit to any relatives or dependants of the Pensioner or to any institution and the receipt of the persons or Institutions so paid shall be a complete discharge to the Management Trustees for the money paid and they shall not be under any liability to see to the application thereof.

18. Benefits not assignable

Neither pensions nor other benefits under the Scheme may be assigned or borrowed against and any purported assignment thereof or charge thereon (whether made before or after the Member or Pensioner in respect of whom the same are payable became a Member) shall not be recognised by the Management Trustees.

In the event of any such purported assignment or charge or prior to 6 April 2002 if the beneficiary (being the Member or Pensioner or other person otherwise, but for this Rule, entitled to the pension or benefit) shall at any time prior to 6 April 2002 (whether before or after the Member or Pensioner in respect of whom the same is payable became a Member) have been adjudicated bankrupt or have made a composition with creditors:

- in the case of bankruptcy prior to 6 April 2002, the pension or other benefit to which the Member or Pensioner or other person would otherwise, but for this Rule, be entitled shall automatically be forfeited; and
- in any other case the Management Trustees shall be at liberty to determine that the pension or other benefit shall be treated as forfeited in whole or in part,

but the Management Trustees may in any such case (excluding bankruptcy on or after 6 April 2002) apply the same on a discretionary basis in whole or in part, for the benefit of any one or more of the following persons, viz. the beneficiary, the spouse, Civil Partner, Surviving Civil Partner, widow or widower of the beneficiary, any child of the beneficiary and any person who is or was immediately before the death of the beneficiary in any way dependent on the beneficiary. The provisions of this Rule shall not, however, operate to prevent the Management Trustees from complying with any option exercised under Rule 9, or with any order requiring re-direction of all or part of any pension or other benefit made by a United Kingdom court which the Management Trustees are reasonably satisfied has relevant jurisdiction (whether for the purposes of the Attachment of Earnings Act 1971, section 310 of the Insolvency Act 1986 (Income payments orders) or otherwise) in connection with such order, or with any arrangement or agreement which the Management Trustees are reasonably satisfied that they are required to comply with from time to time. Any other provisions under the Deed or Rules governing the provision of pensions or other benefits under the Scheme shall be read and construed subject to the provisions of this Rule 18.

Unless and until the Management Trustees receive written notice of any of the events referred to in this Rule and such evidence of that event as they reasonably require, the Management Trustees may act on the assumption that no such event has occurred and shall not be liable or accountable to anyone for doing so.

This Rule will apply to Scotland with the relevant terms interpreted as appropriate.

19. Lien on benefits for debts

All pensions and benefits of an Officer and other sums due in respect of an Officer shall be liable for and stand charged with the settlement of any debts due by such Officer to an Employer, or to cover any losses caused to an Employer through the dishonesty or misconduct of an Officer, and the Management Trustees are authorised to pay to an Employer out of the money available for such pensions or benefits the amount of such debts and losses (as to which the certificate of the chief accountant of an Employer or his authorised deputy shall be accepted as prima facie evidence) before making any payment to the Officer or to any persons deriving title through him.

20. No Officer to retire from the Scheme

Save as provided by these Rules no Officer shall have the right to withdraw from the Scheme or cease contributing to the Fund.

21. Saving rights of Employer

Nothing in the Trust Deed or in these Rules shall in any way restrict the right of an Employer to determine the employment of an Officer.

22. Meetings of Members

- (a) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Officers of the Scheme to whom these Rules apply may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 25 Officers.
- (b) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members and Pensioners may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 100 Pensioners and Members.
- (c) Not less than 35 clear days' notice of the time and place of a meeting to be convened pursuant to paragraphs (a) or (b) of this Rule or of a postal ballot to be taken pursuant to paragraphs (a) and (b) of this Rule and of the general nature of the business to be dealt with shall be given to the persons entitled to vote at such meeting or in such ballot by serving the same on them, such service to be effected, in the case of Members and Officers, through British Airways plc's usual communication channels and so that all notices so communicated shall be deemed to be served on the day following such posting PROVIDED NEVERTHELESS as follows:

- (i) The persons entitled to receive notice of a meeting or a postal ballot and to vote shall, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (a) of this Rule, be Officers and, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (b) of this Rule, be Members and Pensioners. An Officer may appoint any other Officer, a Member may appoint any other Member, and a Pensioner may appoint any other Pensioner, as proxy to vote for him in which case on a poll the Officer or Member or Pensioner so appointed shall have one vote for himself and one vote for every Officer or Member or Pensioner for whom he acts as proxy.
- (ii) Subject as aforesaid the Management Trustees shall prescribe the procedure to be adopted as to the service of notices and in connection with any such meeting or postal or written ballot, including power to make provision for the chairmanship of meetings and for the form and method of voting by proxy and for the taking of a poll and for delivery and counting of postal ballot papers outside the United Kingdom and the acceptance of cabled results of such count, and so that the accidental omission to serve by posting or otherwise a notice of meeting or of a resolution for determination by postal or written ballot or the non-receipt thereof by an Officer or Member or Pensioner shall not affect the validity of the proceedings in accordance with which the voting is taken.
- (iii) A minute signed by the Chairman of any meeting or a memorandum signed by the persons appointed to count the ballot papers as to the result of any postal ballot shall unless the contrary is proved be accepted as sufficient evidence that the meeting was duly convened and held and of the result of the meeting or of the result of the ballot as the case may be and the Corporations and the Management Trustees and the Custodian Trustees and others acting thereon in good faith shall be protected.
- (d) For the purposes of this Rule the term “Pensioners” shall mean any person who is in receipt of a pension from the Scheme (pursuant to any Part of the Schedule) other than any person whose entitlement under the Scheme is to benefit in respect of equivalent pension benefits as referred to in section 13(6) of the Pension Schemes Act 1993.

23. Renunciation of liability

In consideration of the benefits provided hereunder, each Officer agrees with his Employer as part of the terms of his employment and undertakes for himself and for his executors and administrators dependants and representatives and for any person who would but for this Rule become entitled to rights against his Employer as a result of the Officer's death to look only to the benefits provided under the Scheme in case of injury arising out of and in the course of his employment whether resulting in death or not and the Officer further undertakes and agrees that neither his Employer nor any of its servants shall be liable to him or to his

executors or administrators dependants or representatives or to any such person as aforesaid in respect of any default negligence act or omission of the Employer or its servants for which any claim might have been made either under the Employers' Liability Act 1880 or under the Fatal Accidents Act 1846 or at common law or in any way otherwise howsoever PROVIDED ALWAYS that if the appropriate benefits shall not become payable to the Officer or to his executors or administrators dependants or representatives for any reason whatsoever other than any act or omission of the Officer, then the Officer and his executors administrators dependants and representatives and any such person as aforesaid shall be entitled to all the rights (if any) against his Employer under either the Employers' Liability Act 1880 or under the Fatal Accidents Act 1846 or at Common Law or in any way otherwise howsoever to which they would respectively have been entitled but for the provisions of this Rule.

24. Requirements of insurers

Every Officer undertakes to comply with the reasonable requirements (if any) of Insurers (if any) with whom the Management Trustees may maintain or effect policies pursuant to Clause 6(a)(viii) of the Trust Deed.

25. Copies of Trust Deed and Rules to be supplied to Officers and others

The Minister and every Officer and person having rights in the Fund and any of the Corporations shall be entitled on demand made by him to receive one copy of the Trust Deed and these Rules, and of all amendments thereto, of the annual statement of accounts and balance sheet of the Fund and the auditor's report thereon and of the Actuary's valuation report. Additional copies shall be made available on such terms as the Management Trustees decide.

26. Amendments and additions to Rules

These Rules may be amended or added to in accordance with the provisions of the Trust Deed.

Additional Rule: National Insurance Act 1959

- (a) The amount of pension payable to a Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women shall in no event be less than the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 any provisions of these Rules to the contrary notwithstanding.
- (b) If any Member of the Scheme who is entitled under the Rules of the Scheme to receive if the Member so elects a deferred pension on withdrawal from the Scheme before normal retirement age nevertheless elects in lieu of such deferred pension to receive a refund of the Member's own contributions with interest thereon there shall be deducted from such refund the amount which bears to the amount of the refund the same proportionate relationship as the amount of the maximum graduated pension that would

be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 bears to the amount of the deferred pension to which the Member would otherwise have been entitled on withdrawal from the Scheme.

- (c) In all cases other than those referred to in paragraph (b) of this Rule there shall be deducted from any refund of a Member's contributions with interest one half of such sum as is equal in amount to the payment in lieu of contributions in respect of such Member contemplated in the provisions of Part II of the National Insurance Act 1959. The foregoing provisions of this paragraph shall not limit or restrict the Employer's right instead of making a payment in lieu of contributions in respect of the Member to make any of the other arrangements contemplated in the National Insurance Act 1959 in the case of the withdrawal of a Member from the Scheme or any other arrangements approved by the Registrar of Non-Participating Employments.
- (d) The Management Trustees shall if so requested by an Employer make arrangements to pay out of the Fund to a Member who has withdrawn from the Scheme before normal retirement age a pension payable from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women of an amount equal to the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 PROVIDED ALWAYS that the provisions of Rule 8 of Part III shall not apply to any such pension.
- (e) No action shall be taken pursuant to any of the Rules of the Scheme if and to the extent that the result of such action would be to reduce the amount of pension payable to or secured for the Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women to less than the maximum graduated pension that could be earned in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member.
- (f) For the purposes of this Rule the expression “**actual period of service**” shall include any period of service after 1 April 1961 in a non-participating employment within the meaning of the National Insurance Act 1959 in respect of which a transfer value has been received pursuant to Rule 28 of Part IV or the corresponding Rule of the other Parts of the Scheme.
- (g) Any reference in this Rule to the National Insurance Act 1959 shall be construed as a reference to that Act subject to any statutory modification or re-enactment thereof for the time being in force and shall include a reference to any orders or regulations made thereunder.
- (h) Any pension payable under paragraph (d) of this Rule may be commuted at, or after, the age of 50 years PROVIDED that the only pension to which the former Member is entitled under the Scheme is that which is payable

under paragraph (d) of this Rule, by:

- (a) the former Member so requesting by giving at least three months' Notice to the Secretary, or such shorter notice period as the Management Trustees may agree from time to time; or
- (b) the Management Trustees sending to the Member's last known address written notice of their intention to commute his pension and no response being received from the Member before the end of the period of two months beginning with the date on which the notice was sent.

The amount of such lump sum shall be determined by multiplying the annual amount of such pension (reduced, if relevant, to take account of early payment) by such factors as may be determined by the Actuary from time to time.

Further Additional Rule

- (a) Pensions and allowances payable in respect of persons who ceased to be Members on or before 31 December 1973 shall with effect from 16 July 1973 be subject to adjustment as if the provisions of Rule 15 of Part VI applied to them *mutatis mutandis*. For the avoidance of doubt this includes the proviso to Rule 15 of Part VI and the provisions which follow that on "Further increases to pensions". The related provisions of Rule 26(c) of Part VI also apply in respect of these pensions and allowances.
- (b) All pensions and allowances in payment on 1 April 1999 and all pensions still in deferment for former Members on 1 April 1999 will be subject to increase by 50% with effect on and from that date.

FIRST TABLE

Amount of contributions per annum payable by monthly instalments for 20 years from date of entry or from 1 June 1947 to date of retirement whichever is the shorter period and amount of death benefits payable in addition to the return of the Member's own contributions in accordance with Rule 10.

Basic pay (exclusive of pension contributions) per annum	Contributions payable under Rule 6		Death benefits payable under Rule 10	
	per annum	per month	under para (b)	under para (c)
£	£.s.d.	£.s.d.	£	£
Up to 550	27.10. 0	2. 5.10	1,100	2,200
551 - 575	28.15. 0	2. 7.11	1,150	2,300
576 - 600	30. 0. 0	2.10. 0	1,200	2,400
601 - 625	31. 5. 0	2.12. 1	1,250	2,500
626 - 650	32.10. 0	2.14. 2	1,300	2,600
651 - 675	33.15. 0	2.16. 3	1,350	2,700
676 - 700	35. 0. 0	2.18. 4	1,400	2,800
701 - 725	36. 5. 0	3. 0. 5	1,450	2,900
726 - 750	37.10. 0	3. 2. 6	1,500	3,000
751 - 775	38.15. 0	3. 4. 7	1,550	3,100
776 - 800	40. 0. 0	3. 6. 8	1,600	3,200
801 - 825	41. 5. 0	3. 8. 9	1,650	3,300
826 - 850	42.10. 0	3.10.10	1,700	3,400
851 - 875	43.15. 0	3.12.11	1,750	3,500
876 - 900	45. 0. 0	3.15. 0	1,800	3,600
901 - 925	46. 5. 0	3.17. 1	1,850	3,700
926 - 950	47.10. 0	3.19. 2	1,900	3,800
951 - 975	48.15. 0	4. 1. 3	1,950	3,900
976 - 1,000	50. 0. 0	4. 3. 4	2,000	4,000
1,001 - 1,025	51. 5. 0	4. 5. 5	2,050	4,100
1,026 - 1,050	52.10. 0	4. 7. 6	2,100	4,200
1,051 - 1,075	53.15. 0	4. 9. 7	2,150	4,300
1,076 - 1,100	55. 0. 0	4.11. 8	2,200	4,400
1,101 - 1,125	56. 5. 0	4.13. 9	2,250	4,500
1,126 - 1,150	57.10. 0	4.15.10	2,300	4,600
1,151 - 1,175	58.15. 0	4.17.11	2,350	4,700
1,176 - 1,200	60. 0. 0	5. 0. 0	2,400	4,800
1,201 - 1,225	61. 5. 0	5. 2. 1	2,450	4,900

SECOND TABLE

Age last birthday at withdrawal	Pensions payable under Rule 13(a) Age next birthday at entry																Age last Birthday at withdrawal
	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
21	6	-															21
22	9	6	-														22
23	15	9	6	-													23
24	21	15	12	6	-												24
25	27	21	18	12	6	-											25
26	33	27	24	18	12	6	-										26
27	39	33	30	24	21	15	6	-									27
28	45	42	36	33	27	21	15	9	-								28
29	54	48	45	39	36	30	21	15	9	-							29
30	60	57	51	48	42	36	30	24	18	19	-						30
31	69	66	60	57	51	45	39	33	27	18	9	-					31
32	75	72	69	63	60	57	51	42	30	30	21	12	-				32
33	84	81	78	72	69	66	60	54	45	39	33	24	12	-			33
34	93	90	87	81	78	75	69	63	57	51	45	36	24	12	-		34
35	102	99	96	93	90	87	81	75	69	63	57	48	39	27	15	-	35
36	114	111	108	105	102	99	93	87	84	78	72	63	54	42	30	18	36
37	123	120	120	117	114	111	105	102	96	93	87	78	69	57	48	36	37
38	135	132	129	129	126	123	120	114	111	105	99	93	84	75	66	57	38
39	147	144	141	141	138	135	132	129	123	120	114	108	102	93	87	78	39
40	159	159	156	153	153	150	147	144	138	135	132	126	120	114	108	99	40
41	174	174	171	168	165	165	162	159	156	153	150	144	141	135	129	123	41
42	186	186	186	183	180	180	177	177	174	171	168	165	162	159	153	150	42
43	201	201	201	198	198	198	195	195	192	192	189	186	183	183	180	177	43
44	216	216	216	216	216	216	213	213	213	213	210	210	207	207	207	204	44

THIRD TABLE

Pensions payable under Rule 12

Age at retirement (at last birthday)	Pension per annum
45	£234
46	249
47	264
48	279
49	294
50	312
51	330
52	351
53	375
54	399
55	426

FOURTH TABLE

Guaranteed pensions payable under Rule 8

Guaranteed pension payable to		
Age last birthday at retirement	age 55 per cent of normal pension	age 60 per cent of normal pension
45	97.8	94.3
46	98.2	94.7
47	98.6	95.1
48	99.0	95.5
49	99.5	96.0
50	-	96.5
51		97.1
52		97.8
53		98.5
54		99.2
55		-

FIFTH TABLE

Age last birthday at withdrawal	Pensions payable under Rule 13(b)																Age last birthday at withdrawal
	Age next birthday at entry																
	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
29	123	-															29
30	135	126	-														30
31	147	138	129	-													31
32	159	150	141	132	-												32
33	168	162	153	144	135	-											33
34	180	174	168	159	150	141											34
35	189	183	177	171	162	153	144	-									35
36	201	195	189	183	177	168	159	150	-								36
37	210	204	198	192	186	180	171	162	153	-							37
38	219	216	210	204	198	192	183	174	165	156	-						38
39	228	225	219	213	207	201	195	189	180	171	162	-					39
40	237	234	231	225	219	213	207	201	195	189	180	171	-				40
41	246	243	240	237	231	225	219	213	207	201	195	189	180	-			41
42	255	252	249	246	243	237	234	228	222	216	210	204	195	186	-		42
43	261	258	255	252	249	246	243	240	234	228	222	216	210	201	192	-	43
44	270	270	267	264	261	258	255	252	249	243	237	231	225	219	213	204	44
45	276	276	273	270	270	267	264	261	258	255	252	246	240	234	228	222	45
46	285	285	282	279	279	276	276	273	270	267	264	261	258	255	249	243	46
47	291	291	291	288	288	285	285	282	282	279	276	273	270	267	264	261	47
48	300	300	300	297	297	294	294	291	291	288	288	285	285	282	282	279	48
49	306	306	306	303	303	303	303	300	300	300	300	297	297	297	297	294	49

AIRWAYS PENSION SCHEME

RULES - PART IV

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PART IV RULES - GENERAL STAFF, PILOTS' OPTION A AND OFFICERS' OPTION A

1. Definitions

The following expressions have the following meanings unless inconsistent with the context -

“Accident” means an accidental event occurring after the Member enters the service of an Employer resulting in a bodily or mental injury or disability provided that such injury or disability shall not include any disease whether arising from a Member following his occupation or otherwise.

“Acquired undertaking” means any one of the following companies -

Channel Islands Airways Limited
Jersey Airways Limited
Guernsey Airways Limited
Great Western & Southern Air Lines Limited
Highlands Airways (1939) Limited
Isle of Man Air Services Limited
North Eastern Airways Limited
Railway Air Services Limited
Scottish Airways Limited
West Coast Air Services Limited
Western Isles Airways Limited
Allied Airways (Gandar Dower) Limited

“Actuarial equivalent” means such amount as the Actuary shall certify as being appropriate.

“Air Accident” means an accident which occurs to an aircraft moving under the power of its own engines in between the time of chocks removed for the commencement of a flight and chocks in place at the end of a flight.

“General Staff” means full-time employees of an Employer (other than Pilots and Officers) whose contracts of service are entered into within the United Kingdom.

“the Index” means the All Items Index of Retail Prices published by HM Government or such other index as may from time to time be agreed for the purposes of the Rules by the Commissioners of Inland Revenue.

“Normal retirement age” has the meanings assigned to it in Rule 4.

“Notional Contributions” means the contributions made by an Employer which are notionally made by a Salary Sacrifice Member under Rule 5(aa).

“Officers” means full-time employees of an Employer whose contracts of service are entered into within the United Kingdom and who are employed to serve as Navigating Officers, Radio Officers or Engineer Officers of aircraft.

“Part I”, “Part II”, “Part III” and “Part IV” mean respectively that part of the Scheme to which Part I, Part II, Part III or Part IV of the Rules respectively applies.

“Pay” means remuneration (or in the case of a Salary Sacrifice Member, what would have been remuneration but for the Salary Sacrifice) designated by an Employer as pay and does not include allowances, overtime, bonuses, commissions or any other payments unless specifically designated as pay.

“Pay for contribution purposes” has the meanings assigned to it in Rule 6.

“Pay for pension purposes” has the meanings assigned to it in Rule 6.

“Pensionable Dependant” means in relation to a deceased Pensioner a person, other than a surviving spouse, Surviving Civil Partner or Dependent Child, who to the satisfaction of the Management Trustees was financially dependent upon the Member or Pensioner to a substantial extent at the date of the Pensioner’s death, or who lived in a relationship with the Pensioner which closely resembled marriage and who to the satisfaction of the Management Trustees was financially interdependent with the Pensioner. In order to assist them in deciding whether or not a person qualifies as a Pensionable Dependant for the purposes of this definition, the Management Trustees may request such evidence of dependency or interdependency as they may consider necessary or appropriate.

“Pensionable pay” in the case of Pilots and Officers means the average of the Member's pay for pension purposes during the last five years of his service in respect of which contributions have been paid or during the actual period of his service if less than five years.

“Pensioner” means a person who is entitled to a pension or deferred pension under the provisions of Part IV.

“Pilots” means full-time employees of an Employer whose contracts of service are entered into within the United Kingdom and who are employed to serve as Pilots of aircraft.

“Predecessor of an Employer” means any one of the following undertakings -

British Overseas Airways Corporation *
British South American Airways Limited
Imperial Airways Limited
British Airways Limited.

“Retiring pay” in the case of General Staff means the average of the Member's pay for pension purposes during the best three consecutive years in the last six years of his service in respect of which contributions have been paid or during the actual period of his service if less than 3 years.

* By operation of the Airways Corporation Act 1949, and the amending Deed dated 13.09.50, any reference to the British South American Airways Corporation became a reference to the British Overseas Airways Corporation.

“Salary Sacrifice” means an arrangement by which a Member agrees to give up (sacrifice) part of his taxable pay (and as a consequence become a Salary Sacrifice Member) in exchange for a non-cash benefit from his Employer in the form of an additional contribution to the Scheme for the benefit of the Member which corresponds to the amount of taxable pay sacrificed by the Member.

From 1 October 2011 a Salary Sacrifice Member may agree to give up part of his taxable pay in exchange for a non-cash benefit from a Participating Employer in the form of additional contributions to the AVC Scheme for the benefit of the Member equal to the amount of taxable pay sacrificed by the Member, subject to the Member remaining from 1 October 2011 a Salary Sacrifice Member in relation to contributions due under Rule 5(aa) (except where the Member ceased contributions in accordance with Rule 5(a)).

“Salary Sacrifice Member” means a Member who has become a Salary Sacrifice Member under Rule 2A(a) and has not ceased to be a Salary Sacrifice Member under Rules 2A(b) or 2A(c).

“Scheme Pays Notice” means a valid notice served on the Management Trustees by a Member or Pensioner in accordance with section 237B of the Finance Act 2004).

“Year of continuous service” means each year during which the Member has been continuously under contract of service to an Employer or to a Predecessor of an Employer or after 1 January 1945 to an acquired undertaking and in respect of which contributions have been paid by or in respect of the Member either to the Scheme or to a pension scheme the Member's interest in which has been transferred directly or indirectly to the Scheme PROVIDED THAT each year during which contributions have been paid by or in respect of the Member at half rate to the Imperial Airways Pension Scheme shall count as one half-year of continuous service, unless further contributions in respect of that year have been paid to this Scheme in accordance with Rule 19(a).

1A. **Approval as exempt approved scheme under Finance Act 1970**

Notwithstanding anything to the contrary contained in these Rules -

- (a) Any benefit under these Rules which is to be afforded solely by reason of the disablement by accident of a Member occurring during his service or of the death by accident so occurring and for no other reason shall not be funded but shall be paid by the Management Trustees on behalf of the Employer.
- (b) No refund of his own contributions (including increased or additional contributions) plus compound interest thereon (if any) may be made⁺ under these Rules to any Member or former Member whose pay has at any time exceeded £5,000 per annum.*

⁺ The words “under these Rules” have been removed from the original text in accordance with the clear intention in Clause 1 of the Second Schedule to the Deed dated 12.08.77 which purported to delete the words “under Rule 13” from Rule 1A(b) of Part IV Rules, although those words were not in fact contained in Rule 1A(b).

^{*} All words after the words “per annum” deleted by virtue of Clause 1 of the Second Schedule to the Deed dated 12.08.77. This operates to remove a certification requirement (Rule 1A(b)(ii)) relating to transfers out for members whose earnings had at any time exceeded £5,000 per annum, although this requirement should in practice have operated until 1980 when it was abolished by the Inland Revenue, and now has no application to the Scheme.

- (c) After 31 March 1972 no option or election may be exercised by a Member under these Rules that would have the effect of increasing his contributions above 15% of his pay.
- (d) The amount of the pension payable at the normal retirement age of a Pilot or Officer or member of Air Cabin Crew in respect of service by a Member in any one or more of such occupations shall not exceed such amount as would not prejudice approval of the Scheme as an exempt approved scheme under Chapter II of Part II Finance Act 1970.
- (e) Neither Rule 6(g) nor the proviso to Rule 8(b) nor Rule 13 shall apply to any Member during or in respect of service as General Staff following previous service as a Pilot or Officer or member of Air Cabin Crew if the Member elects for a postponement under either of Rules 8(a) or 12(c)(i) unless such election has been made prior to 1 April 1972.
- (f) With effect from 1 April 1972 Rule 15(a) shall apply only to Members to whom it has previously been applied and to Members of the age of 50 or upwards on such date. Subject thereto a Member who is employed at different times as General Staff Pilot Officer or member of Air Cabin Crew without a break in service shall (unless within nine months after any change of category of employment he either commences to receive a pension in respect of service in the category from which he is transferring or being entitled so to do he elects for the purposes either of the proviso to Rule 8(a) or Rule 12(c)(i) to take a postponed or deferred pension in respect of such service) be deemed to have made an election for the purpose of Rule 15(c).
- (g) Clause 32 of the Trust Deed will apply for all purposes of benefit calculations under these Rules.

2. **Membership**

- (a) Subject as hereinafter provided the following persons are eligible to join Part IV -
 - (i) Members of the British Overseas Airways Corporation Pension Fund.
 - (ii) Members of Part I, Part II or Part III.
 - (iii) Former Members of Part I who ceased to be Members of the Scheme by reason of their having attained normal age of retirement under the Rules of Part I and who, at the date of the introduction of Part IV, are still in the employment of an Employer and not in receipt of a pension from the Scheme.
 - (iv) General Staff who, in the case of males were engaged by an Employer on or after 1 October 1956 and at the time of such engagement had not attained the age of 53 years or who, in the case of females, were engaged by an Employer on or after 1 April 1956 and at the time of such engagement had not attained the age of 50 years.

- (v) Pilots and Officers who were engaged by an Employer on or after 1 April 1957 and who at the date of such engagement had not attained the age of 38 years.
- (b) In the case of persons eligible to join the Scheme by virtue of sub-paragraphs (iv) or (v) of paragraph (a) of this Rule it shall, subject as hereinafter provided, be a compulsory condition of service that they join the Scheme.
- (c) An Employer may, by agreement with an employee waive the provisions of this Rule as to that employee, either by admitting to membership an employee who would not otherwise be eligible for membership, by excluding from membership an employee who would otherwise be compelled to join or by admitting an employee to membership on special conditions.

2A. **Salary Sacrifice**

- (a) A Member will become a Salary Sacrifice Member if his Employer so notifies the Management Trustees, with effect from the effective date of that notification.
- (b) A Member will cease to be a Salary Sacrifice Member if his Employer so notifies the Management Trustees.
- (c) A Member will cease to be a Salary Sacrifice Member on ceasing to be employed by his last Employer before reaching Normal Retirement Age.

3. **Admission to the Scheme**

- (a) Members of the British Overseas Airways Corporation Pension Fund shall be admitted to the Scheme on the date not later than 1 October 1957 upon which notification reaches the Secretary of their agreement to the transfer to the Custodian Trustees of their interest in the British Overseas Airways Corporation Pension Fund.
- (b) Members of Part I, Part II or Part III and former Members of Part I eligible to join Part IV by virtue of the provisions of Rule 2(a)(iii) shall be admitted to Part IV on the date not later than 1 April 1958 upon which notification reaches the Secretary of their intention to join Part IV PROVIDED ALWAYS that the Management Trustees may, in individual cases, where special circumstances warrant extend the period within which notification must reach the Secretary as aforesaid until a date not later than 1 April 1959.
- (c) General Staff eligible to join the Scheme by reason of the provisions of Rule 2(a)(iv) shall be admitted to the Scheme with effect from the date on which they commence service with an Employer or attain the age of 18 years whichever is the later.
- (d) Pilots and Officers who are eligible to join the Scheme by virtue of the provisions of Rule 2(a)(v) shall be admitted to the Scheme on the date on which they are appointed as Pilots or Officers by an Employer.

- (e) Every employee as a condition of admission to membership shall sign an application for admission containing an undertaking, in the form prescribed by the Management Trustees, to be bound by the Trust Deed and these Rules and shall produce to the Secretary, within six months of the date of joining the Scheme, a birth certificate or other evidence of age satisfactory to the Management Trustees.
- (f) The Management Trustees shall upon the written request of an Employer admit a person to membership of the Scheme with effect from a date earlier than the date of that person's commencement of service with the Employer and in any such case there shall be paid to the Fund by the Employer such sum or equivalent series of sums if any as may be necessary to secure the additional benefit accruing to the Member from such arrangement PROVIDED ALWAYS that such earlier date shall not be a date earlier than or during any period in respect of which such person is entitled to a pension from any pension or superannuation scheme to which the Employer is or is deemed to be a party. The period between the date of admission and the subsequent commencement of service with the Employer shall be deemed to be years or part years of continuous service for the purposes of computing pension entitlement.

4. Normal retirement age

- (a) Except where Rule 19(b) applies, the normal retirement age of General Staff who are Members on 1 December 1989 is the age attained at the end of the calendar month immediately following the Member's 60th birthday and the normal retirement age of all other General Staff is the age attained at the end of the calendar month immediately following the Member's 63rd birthday (men) and the Member's 60th birthday (women).
- (b) The normal retirement age of Pilots is the age of 48 years.
- (c) The normal retirement age of Officers is the age of 53 years.

5. Contributions

- (a) Subject to sub-Rule (aa) and as hereinafter provided, contributions of such amount as shall to the nearest penny be equal to 5% of the Member's pay for contribution purposes shall be payable by a Member for the purpose of securing pension benefits only. A Member's contributions shall commence on admission to the Scheme and cease at normal retirement age or actual retirement age if earlier PROVIDED ALWAYS that a Member who remains in the service of an Employer after normal retirement age may elect to continue his contributions until actual retirement or some earlier date, in which event Rule 8(d) shall not apply in his case or shall not apply until the selected earlier date.
- (aa) Each Salary Sacrifice Member will not be liable to contribute to the Fund under sub-Rule (a). Each Salary Sacrifice Member's Employer will contribute an amount in respect of the Member which, but for the Salary Sacrifice, he would have been liable to contribute under sub-Rule (a). For the purposes of the Trust Deed and these Rules, unless expressly stated otherwise, references to contributions by a Member shall be deemed to include contributions made by his Employer under

this sub-Rule. These contributions will be Notional Contributions.

- (b) The contributions of each Employer shall consist of -
 - (i) Contributions of such amounts as shall be certified by the Actuary from time to time as being required, in addition to the contributions payable by the Members, to provide the balance of the pension benefits and the whole of the death and accident benefits of the Scheme, such contributions to be payable at such times so far as possible as the Member's contributions are paid into the Fund.
 - (ia) Any Notional Contributions payable under sub-Rule (aa).
 - (ii) Such deficiency contributions if any as may be required in accordance with the provisions of any scheme made pursuant to Clause 11 of the Trust Deed.
- (c) Subject as hereinafter provided, if a Member is absent from work, the Employer shall, unless the Member during such absence is in receipt of full pay or disability benefit, maintain the Member's contributions, but recovery in whole or in part of the Employer's and the Member's contributions for such period may be effected by the Employer by deduction from the Member's pay or otherwise at the Employer's discretion having regard to individual circumstances. An Employer's contribution so repaid by the Member shall not become a Member's contribution for any purposes of the Scheme.
- (d) In all cases where it can be reasonably foreseen by the Management Trustees that the amount of any Member's pension may be in excess of the limit prescribed in Rule 7 then the contributions of the Member and the Employer shall be adjusted so that the resulting pension shall not exceed such limit.

6. **Pay for contribution purposes and pay for pension purposes**

- (a) Subject as hereinafter provided, pay for contribution purposes in the case of General Staff shall, in respect of each pension year commencing on 1 April, be the Member's annual pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) calculated as hereinafter provided less the sum of £100. For the purposes of this sub-paragraph only, the Member's annual pay shall be calculated by reference to his rate of pay on 1 January immediately preceding the commencement of the pension year PROVIDED ALWAYS that -
 - (i) if after 1 January in any year a Member receives an increase or suffers a decrease in his rate of pay which is applied retrospectively to a date on or before 1 January, the Member's rate of pay on 1 January shall be such rate as is finally ascertained after taking the increase or decrease into account;
 - (ii) if a person is admitted to Part IV after 1 January and on or before 31 March, his rate of pay at the date of admission shall be the rate of pay for the purposes of the aforesaid calculation in respect of the balance of the pension year in which he is admitted and in respect of the next succeeding

pension year;

- (iii) if a person is admitted after 1 April and on or before 31 December his rate of pay at the date of admission shall be his rate of pay for the purposes of the aforesaid calculation for the balance of the pension year in which he is admitted.

For the purpose of the aforesaid calculation, in the case of weekly-rated staff the weekly rate of pay shall be multiplied by 52 and in the case of hourly-rated staff the hourly rate of pay shall first be converted into a weekly rate by multiplying the hourly rate by the number of hours in the normal working week of the Member concerned and the weekly rate so calculated shall then be multiplied by 52.

- (b) Subject as hereinafter provided, pay for pension purposes in the case of General Staff shall be the Member's pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) in respect of each period of 12 months included in the calculation of retiring pay less the sum of £100.
- (c) Subject as hereinafter provided, pay for contribution purposes in the case of Pilots and Officers means the pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) of the Member.
- (d) Subject as hereinafter provided, pay for pension purposes in the case of Pilots and Officers means the pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) of the Member.
- (e) If a Member joins H M Forces or undertakes any other national or emergency service or is otherwise absent from work (such service with the Forces or other service or absence unless compulsory to be with the consent of the Employer) the Member's pay for contribution purposes and the Member's pay for pension purposes throughout the period of such service or absence shall be the same as at the time of his joining the Forces or commencing such other service or absence unless some other rate is agreed between the Employer and the Member.
- (f) With the concurrence of the Member the Employer may, at his discretion, in any case where circumstances appear to warrant, fix the amount of a Member's pay for pension purposes at a figure differing either from the actual pay or from the amount calculated in accordance with the preceding paragraphs, in which event such Member's pay for contribution purposes shall, subject to the provisions of paragraph (g) of this Rule, likewise be the amount so fixed.
- (g) (i) During such period or periods of time as a Member is serving on permanent posting in such territory outside Europe as may, having regard to the climatic conditions there obtaining, be designated from time to time by his Employer for the purposes of this sub-paragraph, the Member's pay for contribution purposes shall in the case of General Staff be the Member's annual pay less £100 and shall in the case of Pilots and Officers be the Member's pay increased however in the case of all Members by 25% PROVIDED THAT, in individual cases, the Employers may by joint agreement at their discretion extend the facility to other Members serving

overseas. For the purposes of this sub-paragraph Europe shall be deemed to include the United Kingdom, the Mediterranean Islands, Tangier and Istanbul.

- (ii) When a Member ceases to be within the provisions of the preceding sub-paragraph his pay for contribution purposes shall if he is General Staff be calculated on the basis that references to his so ceasing were substituted for references to admission in paragraph (a) of this Rule.

7. **Limitation of amount of pension**

A Member shall not be entitled to pensions in respect of more than a total of 40 years' service whether actual or notional PROVIDED THAT if such Member has exercised the option referred to in Rule 5(a) then the limit of 40 years referred to above shall be extended by one year for each year of contributory service after each relevant normal retirement age up to a maximum of five additional years.

8. **Normal pension**

- (a) A Member shall receive a pension payable from actual retirement on or after reaching normal retirement age for the remainder of the Member's life PROVIDED ALWAYS that a Pilot or Officer who remains in the service of an Employer as General Staff may postpone receipt of such pension (or the balance remaining payable after any surrender of pension for the purposes of Rule 9) in which event the actuarial equivalent of the amount thereof will be payable commencing from the date selected by the Member not later than the date of the Member's leaving the service of an Employer.
- (b) The amount of pension to which General Staff who are members on 1 December 1989 are entitled is such sum per annum as is equal to 1/56th of the Member's retiring pay for each year of continuous service as General Staff (with months and odd days counting proportionately) PROVIDED THAT Service in respect of which an increased contribution has been paid under Rule 6(g) will also be increased by 25% for the purpose of calculating pension entitlement. The amount of pension to which all other General Staff Members are entitled is as stated above except for substitution of 1/60th for 1/56th.
- (c) The amount of pension to which Pilots and Officers are entitled shall be such sum per annum as is equal to £1.10.6d.% of the Member's pensionable pay for each year of continuous service as a Pilot or Officer and proportionately for any part of a year PROVIDED ALWAYS that service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25% for the purpose of computing pension entitlement.
- (d) If the employment of a Member is continued after normal retirement age without a change in occupational category and if he ceases to make contributions to the Scheme the amount of the pension payable at retirement shall be the actuarial equivalent of that payable at the normal retirement age.
- (e) At any time before retirement General Staff may elect to receive a higher rate of pension during the first years after normal retirement age and a lower pension

thereafter so as to provide approximately a level rate of pension throughout retirement after taking into account any retirement pension under the National Insurance Acts 1946 to 1956 or any statutory modification or re-enactment thereof for the time being in force.

8A Special provisions applicable where staying in service with an Employer after normal retirement age

(a) Notwithstanding any other provisions of the Rules which may be inconsistent with this Rule 8A, the following options shall be available from 1 January 2003 where a Member remains in service with an Employer after normal retirement age (any such person being referred to in this Rule 8A as a “**Late Stayer**”):-

(i) **Transfers**

A transfer under Clause 25B of the Trust Deed shall be available on request in respect of a Late Stayer whose benefits under the Scheme have not yet come into payment and who so elects having opted-out of the Scheme under Rule 33(c).

(ii) **Commencement of benefits without leaving service with an Employer**

If a Late Stayer so elects having opted-out of the Scheme under Rule 33(c), his or her benefits under the Scheme may commence in payment from such date on or after normal retirement age as the Late Stayer may arrange with the Management Trustees notwithstanding that he or she is remaining in service.

(iii) **Elections**

All elections under this Rule 8A must be made in writing to the Management Trustees and shall be subject to such period of notice (expiring no later than the date on which his Service terminates) as the Management Trustees may from time to time prescribe for this purpose. To be effective an election under paragraph (i) above must be accompanied by such information about the transfer and be in such form as the Management Trustees may require in order to enable them to effect the transfer.

(iv) **Restrictions**

As soon as a Late Stayer ceases to qualify as such by ceasing to be in Service, his or her benefits shall immediately come into payment unless either:

- (i) the Management Trustees are in the process of effecting a transfer in accordance with a request validly made under paragraph (i) above; or
- (ii) the Late Stayer elects to defer his or her benefits under Rule 8A(b).

- (b) (i) A Late Stayer who leaves Service may with the agreement of the Management Trustees elect to defer payment of his or her benefits until such date as he or she may agree with the Management Trustees which shall not be later than the date of the Late Stayer's 75th birthday.
- (ii) The benefits of a Late Stayer who defers payment of his or her benefits under paragraph (i) above shall be calculated as if Rule 8 applied but related to his Retiring Pay at, and contributory service completed to, the date of leaving Service (or, in the case of such a Late Stayer who has previously ceased payment of contributions (including Notional Contributions) under Rule 5(a), to the date of leaving contributory service and then actuarially increased in accordance with that Rule). They will then be adjusted so that, when the pension comes into payment, it is the actuarial equivalent of the amount that would have been payable if that part of the pension had been paid at the date of leaving Service.
- (iii) A transfer under Clause 25B shall be available on request in respect of a Late Stayer who elects to defer his benefits under this Rule 8A(b) and whose benefits under the Scheme have not yet come into payment.

9. **Dependant's pension**

- (a) At any time before the commencement date of his pension a Member may notify the Secretary of his intention to make provision for a pension to commence on the date of his death for his surviving spouse, Surviving Civil Partner or any other dependant named by him and approved by the Management Trustees such pension to be payable during the remainder of the lifetime of such spouse or named dependant PROVIDED ALWAYS that the Management Trustees may at their discretion prescribe either generally or in a particular case that the proposed provision shall only be permitted after a medical examination of the Member by a doctor nominated by the Management Trustees.
- (b) To provide the pension for the spouse or named dependant the Member shall surrender such part of his pension as he desires PROVIDED ALWAYS that he may not surrender so much as would result in the pension payable to the spouse or named dependant being greater than the amount of the pension remaining to be paid to the Member before any commutation of pension under the provisions of Rule 13A. The amount of pension payable to the spouse or named dependant shall be the actuarial equivalent of the amount of pension so surrendered by the Member.
- (c) Any notification given under this Rule shall be revoked -
 - (i) if the Member leaves the service of an Employer before attaining normal retirement age for reasons of ill-health affecting expectation of life; or
 - (ii) in relation to a notification made before 10 January 2008, if he withdraws from service and becomes entitled to a return of his own contributions in accordance with Rule 14; or

- (iii) in relation to a notification made on or after 10 January 2008, if the Member or named dependant dies before the commencement date of the Member's pension.
- (d) A Member may cancel or, subject to the aforementioned limitations and conditions, amend the notification to the Secretary referred to in paragraph (a) of this Rule by further notice to the Secretary at any time before midnight on the date of his retirement. If a Pensioner's named dependant dies after the Pensioner's pension has commenced, the Pensioner may nominate another dependant, who must be approved by the Management Trustees for this purpose, to receive a pension on his death in place of the original nominee. The amount of the new dependant's contingent pension will be payable for life and its amount will be determined in accordance with criteria specified by the Actuary as being the equivalent of the amount surrendered having regard in particular to the age of the dependant. A nomination may not otherwise be revoked or changed.

10. **Ill-health pension - General Staff**

- (a) A Member being General Staff who retires or is discharged from the service of an Employer before attaining normal retirement age in consequence of incapacity to perform his normal duties arising from accident or mental or physical infirmity not resulting from his own wilful misconduct, shall be entitled -
 - (i) if he has been in the continuous service of an Employer for less than 10 years to receive an immediate pension being the actuarial equivalent of the pension he would have been entitled to receive had he retired at normal retirement age with the same period of service as he has in fact completed calculated on the assumption that his retiring pay at normal retirement age was the same amount as his retiring pay at the date of his actual retirement; or
 - (ii) if he has been in the continuous service of an Employer or Predecessor of an Employer for 10 years or more to receive an immediate pension equal in amount to the pension he would have been entitled to receive had he retired at normal retirement age with the same period of service as he has in fact completed calculated on the assumption that his retiring pay at normal retirement age was the same amount as his retiring pay at the date of his actual retirement PROVIDED ALWAYS that such pension shall not be less than 1/6th of his pay at the date of his retirement or discharge or £52 per annum whichever is the greater and PROVIDED FURTHER that any period of service as a Pilot or Officer in respect of which a Member is entitled to a pension whether or not payment thereof has been deferred shall not count as service for the purpose of this Rule.
- (b) While any person who is in receipt of a pension by virtue of paragraph (a)(ii) of this Rule is under normal retirement age -
 - (i) the Management Trustees may at any time require him to furnish such evidence as they shall deem satisfactory of his continued incapacity to follow full employment and if he shall not furnish such evidence they may vary suspend or revoke his pension;

- (ii) if he recovers sufficiently to be able to earn an income the Management Trustees may from time to time vary suspend or revoke his pension as they think the circumstances justify PROVIDED ALWAYS that such pension shall not be reduced below an amount which when added to the income being earned and the amount of any pension commuted under Rule 13A would result in a sum less than his pay immediately before retirement on ill-health pension;
 - (iii) if he recovers sufficiently to be able to perform his normal duties and is re-engaged by an Employer to perform such duties his pension shall cease but he shall forthwith be re-admitted to the Scheme and in calculating his entitlement to pension his service with an Employer before retiring on ill-health pension shall be added to his service thereafter and such allowance as the Actuary may determine shall be made in respect of any lump sum paid under Rule 13A.
- (c) Except in cases falling within paragraph (b)(iii) of this Rule, if a person's pension has been varied suspended or revoked as aforesaid he shall on attaining normal retirement age be entitled either to a continuation of the ill-health pension or to a pension calculated according to Rule 8 (reduced however to the extent determined by the Actuary to take account of any lump sum paid under Rule 13A) whichever is the greater, whether his incapacity continues or not and whether or not he is earning an income.
- (d) Except in cases falling within paragraph (b)(iii) of this Rule, and provided he ceased to be employed by his last employer prior to 6 April 1980, if a person's pension has been varied suspended or revoked he may as an alternative to any future entitlement under the Scheme request repayment of such part of the amount of his own contributions (plus interest thereon at the rate of 2.5% compounded annually up to the date of his retirement on ill-health pension) as remains after deducting the amount of ill-health pension already received and any lump sum paid under Rule 13A.
- (e) For the purposes of this Rule service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25%.
- (f) No pension may be paid under this Rule 10 on the grounds of mental or physical infirmity to any person who is below age 50 unless and until the ill-health condition set out in Schedule 28 to the Finance Act 2004 is met.

11. **Ill-health pension - Pilots and Officers**

- (a) A Pilot or Officer who retires or is discharged from the service of an Employer before attaining normal retirement age by reason of his ceasing to be qualified to hold the appropriate licence to enable him to perform his normal duties with an Employer -
 - (i) after completion of 5 years' service as a Pilot or Officer as a consequence of ill-health or accident; or

- (ii) at any time whilst acting in the course of his duties with an Employer as an operating member of the crew of an aircraft involved in an Air Accident

shall be entitled to an immediate pension the amount of which shall be equal to £1.13.4d% of his pensionable pay for each year of continuous service and proportionately for any part of a year PROVIDED ALWAYS that the pension shall not be less than it would have been if the Pilot or Officer had completed one half of the number of years of service which would have been completed if he had remained in the service of his Employer up to the age of 50 in the case of Pilots or 53 in the case of Officers, nor more than his normal pension had he remained in the service of an Employer until normal retirement age and on the assumption that his pensionable pay at normal retirement age was the same amount as his pensionable pay at the date of his actual retirement.

- (b) While any person who is in receipt of a pension by virtue of paragraph (a) of this Rule is under normal retirement age -
 - (i) the Management Trustees may at any time require him to furnish such evidence as they shall deem satisfactory of his continued incapacity to follow full employment and if he shall not furnish such evidence they may vary suspend or revoke his pension;
 - (ii) if he recovers sufficiently to be able to earn an income the Management Trustees may from time to time vary suspend or revoke his pension as they think the circumstances justify PROVIDED ALWAYS that such pension shall not be reduced below an amount which when added to the income being earned and the amount of any pension commuted under Rule 13A would result in a sum less than his pay immediately before retirement on ill-health pension;
 - (iii) if he recovers sufficiently to be able to obtain such licence as aforesaid and is re-engaged by an Employer as a Pilot or Officer to perform such duties his pension shall cease but he shall forthwith be re-admitted to the Scheme and in calculating his entitlement to pension his service with an Employer before retiring on ill-health pension shall be added to his service thereafter and such allowance as the Actuary may determine shall be made in respect of any lump sum paid under Rule 13A.
- (c) Except in cases falling within paragraph (b)(iii) of this Rule, if a person's pension has been varied suspended or revoked as aforesaid he shall on attaining normal retirement age be entitled either to a continuation of the ill-health pension or to a pension calculated according to Rule 8 (reduced however to the extent determined by the Actuary to take account of any lump sum paid under Rule 13A) whichever is the greater, whether his incapacity continues or not and whether or not he is earning an income.
- (d) Except in cases falling within paragraph (b)(iii) of this Rule, and provided he ceased to be employed by his last employer prior to 6 April 1980 if a person's pension has been varied suspended or revoked he may as an alternative to any future entitlement under the Scheme request repayment of such part of the amount of his own contributions (plus interest thereon at the rate of 2.5%

compounded annually up to the date of his retirement on ill-health pension) as remains after deducting the amount of ill-health pension already received and any lump sum paid under Rule 13A.

- (e) For the purposes of this Rule service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25%.
- (f) No pension may be paid under this Rule 11 on the grounds of mental or physical infirmity to any person who is below age 50 unless and until the ill-health condition set out in Schedule 28 to the Finance Act 2004 is met.

12. Deferred pension

- (a) A Member ceasing to be employed by his last Employer before reaching normal retirement age shall be entitled to receive a deferred pension commencing at normal retirement age equal in amount to the pension he would have been entitled to receive had he retired at normal retirement age with the same period of service he has in fact completed calculated on the assumption that his retiring pay or pensionable pay at normal retirement age was the same amount as his retiring pay or pensionable pay at the date on which he in fact ceased to be employed by his last Employer PROVIDED FURTHER that no deferred pension payable under this Rule shall be less than such amount as would in the opinion of the Actuary compare reasonably with the amount of the Member's contributions.
- (b) A Member may advance payment of such deferred pension in which event a pension which is the actuarial equivalent thereof shall be payable commencing from the date selected by the Member not earlier than age 40 in the case of Pilots, age 43 in the case of Officers, or an age within ten years of normal retirement age in the case of General Staff.
- (c)
 - (i) A Pilot or Officer who remains in the employment of an Employer as General Staff may postpone receipt of such deferred pension, in which event the actuarial equivalent of the amount thereof shall be payable commencing from the date selected by the Member not later than the date of the Member's leaving the employment of an Employer.
 - (ii) Any Pensioner payment of whose deferred pension was not due to commence before 1 April 1966 may postpone receipt of such deferred pension (or the balance remaining payable after any surrender of pension for the purposes of Rule 9) until no later than age 75 (or such later date as the Management Trustees may from time to time permit), in which event the actuarial equivalent of the amount of such deferred pension (less any amount allocated for the purposes of Rule 9) shall be payable from the date of commencement of payment. The Pensioner shall upon request submit evidence satisfactory to the Management Trustees of the continuation of circumstances which entitle him to postpone receipt of his deferred pension.
- (d) The pension actuarially adjusted in accordance with paragraphs (b) or (c) of this Rule shall except as otherwise provided be the Member's pension for all purposes

of these Rules.

- (e) For the purpose of calculating the amount of pension payable under this Rule service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25%.
- (f) Where a former Member who ceased to be employed by his last Employer prior to 6 April 1980 has (being entitled) elected to receive a deferred pension and at a subsequent date before his pension has commenced wishes to receive a return of his own contributions in lieu of such deferred pension then the Management Trustees may at their discretion after considering the reasons for such request and subject to the Additional Rule (“National Insurance Act 1959”) grant a repayment of the former Member's contributions plus interest thereon at the rate of 2.5% compounded annually up to the date of his so ceasing to be employed.
- (g) Any former Member who has elected to receive a deferred pension, but who subsequently becomes incapacitated before the date on which the deferred pension could otherwise come into payment, may elect to have the deferred pension put into payment immediately at a rate which is the actuarial equivalent of the deferred pension which would have commenced at normal retirement age. For the purposes of this Rule 12(g), an individual will be regarded as incapacitated if he is suffering from physical or mental deterioration which is sufficiently serious to prevent him from following his normal employment or which seriously impairs his earning capacity. The decision of the Management Trustees as to whether he is so incapacitated will be final.
- (h) The option under Rule 8(e) to receive a higher rate of pension during the first years after normal retirement age shall also apply to a deferred pension payable under this Rule, other than a deferred pension which has come into payment early under Rule 12(g) before the earliest date from which the Member could advance payment of his pension as specified under Rule 12(b).

12A. Pension augmentation at early retirement

- (a) If the Employer (in its absolute discretion) by notice in writing to the Secretary before 15 November 1989 requests the augmentation by a specified augmentation element (subject always to the provisions of Rule 7) of the pension of any Member about to retire before Normal Retirement Age who has elected under Rule 12(b) that his pension commence immediately following his retirement the pension of such Member (as determined prior to the application of this Rule) shall be augmented by the said specified augmentation element.
- (b) Augmentation under this Rule shall apply only to the Member's pension and not to any Dependent Child's allowance associated therewith.
- (c) The augmentation element shall not qualify for commutation under Rule 13A and in a winding up of the Scheme shall rank in priority after the Scheme's liability for provision for Members in service on the date of commencement of the winding up but subject thereto and to paragraph (b) of this Rule such element shall constitute part of the Member's pension under Rule 12 for the purposes of these Rules.

- (d) Within four weeks after the commencement of a pension augmented under paragraph (a) of this Rule the Employer shall pay to the Management Trustees by way of contribution to the Scheme a sum that is the actuarial equivalent of the augmentation element of such pension.
- (e) Upon receipt from the Employer of a sum that is the actuarial equivalent on the last day of the month on which such sum is paid of the balance of any additional pension then in course of payment by the Employer to any Pensioner under the Employer's Augmentation Scheme (Ref. SF No. 2/43366) and subject always to the provisions of Rule 7 the said additional pension shall thereafter be deemed an augmentation element payable under this Rule to which the provisions of paragraphs (b) and (c) of this Rule shall specifically apply.

13. Increased pension

- (a) A Member who has not attained an age within 10 years of normal retirement age may, at his option, pay increased contributions for the purpose of securing an increased pension PROVIDED ALWAYS that a member who joins the Scheme or transfers to Part IV may elect, at the date of such joining or transfer, to pay increased contributions whether or not at that time he has attained an age within 10 years of normal retirement age. Such option shall be exercised by the Member giving notice in writing to the Secretary of his intention to pay increased contributions PROVIDED ALWAYS that a Member once having elected to pay increased contributions shall not be entitled to discontinue or reduce the rate of such contributions before reaching normal retirement age without the consent of the Management Trustees, such consent only to be given in cases where it can reasonably be foreseen that the pension would exceed the limit prescribed in Rule 7 or where exceptional hardship would be caused to the Member by continuing to pay such increased contributions. A Member who has not attained an age within 10 years of normal retirement age may however by a subsequent notice to the Secretary increase the amount of his additional contributions.
- (b) The increase in a Member's contribution over the amount of normal contribution shall in no circumstances exceed 10% of his pay for contribution purposes and a Member shall not be entitled by paying increased contributions to secure a pension in excess of the limit prescribed by Rule 7.
- (c) The amount of increased contribution, expressed as a percentage of the Member's pay for contribution purposes, required to purchase the pension attracted by one additional year of service shall vary, according to the age of the Member at the time of the commencement of payment by him of the additional contribution, as shown in Tables to be issued from time to time by the Management Trustees on the advice of the Actuary for the information of Members PROVIDED ALWAYS that no revision increasing such percentage shall be effective until six months after the date of issue. The Table current at the time of the Member's notification to the Secretary referred to in paragraph (a) of this Rule shall govern the amount of increased contribution payable by him notwithstanding any subsequent revision of the Tables.
- (d) The amount of increased pension to which a Member is entitled by virtue of having paid increased contributions shall be calculated according to the formulae

expressed in Rule 8, according to whether the Member is General Staff, Pilot or Officer, the number of notional years of service resulting from the payment of increased contributions being added to the number of actual years of service for the purpose of the calculation.

- (e) A Member who is paying increased contributions under this Rule and who retires before reaching normal retirement age shall be entitled, at his option, to receive in respect of his additional contributions either a refund of the amount so paid or such sum by way of increased pension as the Actuaries shall certify as being the actuarial equivalent of the increased contributions in fact paid PROVIDED ALWAYS that such Member shall not be entitled to a refund of increased contributions if he is entitled to a pension under Rule 10 or 11 or if he has exercised the option under Rule 12 to take a deferred pension and provided further that an Employer may, entirely at his discretion, having regard to the special circumstances of any case, agree that in respect of any Member who retires before attaining normal retirement age but who has attained an age within 10 years of normal retirement age and is paying increased contributions under this Rule at the date of his retirement, there shall without cost to the Member be added to the Member's pension secured by virtue of contributions made in pursuance of Rule 5 such additional sum as is appropriate on the basis that additional contributions had continued until normal retirement age and that, for the purposes of such calculation only the Member's service had likewise continued until normal retirement age, or such lesser additional sum as the Employer shall determine PROVIDED no Member may pay additional contributions under this Rule after 31 August 1987.

13A. **Commutation of pension**

- (a) A Member or former Member may commute (that is exchange) the whole or part of his pension payable under Rules 1A, 8, 10, 11 or 12 (but before making any adjustment under Rule 8(e)) for a cash sum as follows -
 - (i) The election may be exercised only by the Member or former Member giving notice to reach the Secretary within 3 months immediately before his pension comes into payment.
 - (ii) Any election will be revoked by the death of the Member or former Member before his pension comes into payment but otherwise the cash sum will be paid to the Pensioner on the day his pension commences.
 - (iii) The amount of the cash sum must not, when combined with any other cash sum received under this Rule or any other pension or arrangement, exceed the Member's maximum Pension Commencement Lump Sum.
 - (iv) The amount of pension to be commuted to provide a particular cash sum will be decided by the Actuary.
 - (v) The remaining pension must not be less than the graduated pension (if any) payable to the Member or former Member under the Additional Rule.

- (vi) The Management Trustees may at their discretion choose not to recover any element of a cash sum under this sub-Rule 13A(a) that is overpaid or paid in error, but only to the extent that the overpayment or payment in error is an authorised member payment for the purposes of the Finance Act.
- (b) Where a Pensioner has commuted part of his pension under this Rule the full amount of pension before commutation shall nevertheless be taken for the purpose of calculating the death benefit under Rule 17(i)(i) but the lump sum payable under this Rule shall be deducted therefrom.
- (c) A Member or Pensioner who retires through Serious Ill-Health may, if he has given prior notice in writing to the Management Trustees and subject to their consent, and the conditions set out in paragraph 4(1)(a) to (e) of Schedule 29 to the Finance Act 2004 apply, convert on a basis which is the actuarial equivalent all of his pension under the Scheme into a Serious Ill-Health Lump Sum

PROVIDED THAT exercise of this option shall be subject to such restriction as the Management Trustees determine to be appropriate to ensure that there shall, to the extent required by law, remain payable to or in respect of the Member or Pensioner any associated pension payable on his death.

- (d) The Management Trustees may exchange all or part of a Member, Pensioner or other person's pension entitlement under the Scheme for a lump sum, before the exercise of any option under Rule 9 or this Rule 13A, where the lump sum would be:
 - (i) a trivial commutation lump sum under paragraphs 7 to 9 of Schedule 29 to the Finance Act 2004; or
 - (ii) a lump sum payment under Regulation 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009/1171; or
 - (iii) a trivial commutation lump sum death benefit under paragraph 20 of Schedule 29 to the Finance Act 2004.

The Management Trustees will use the actuarial equivalent of the Member, Pensioner or other person's pension entitlement to calculate the lump sum payable.

PROVIDED THAT, on the payment of any such lump sum, any benefits contingently payable under the Scheme on the death of the Member, Pensioner or other person shall cease to be payable and any such cesser shall be taken into account by the Management Trustees and the Actuary in determining the amount of such lump sum payment;

AND PROVIDED FURTHER THAT where a Member or Pensioner has a guaranteed minimum in relation to the pension to be provided for him under the Scheme in accordance with the provisions of the GMP Rule, in respect of which the basis of revaluation described in Rule 33.5(c)(i)(2) applies, no lump sum may

be paid under this paragraph (d) unless and until he attains pensionable age for the purposes of the GMP Rule.

14. Withdrawal from service

[Rule deleted by Deed dated 4 December 1991 with effect from 6 April 1988.]

15. Change in occupation or Employer

- (a) Where a Member serves an Employer at different times as General Staff, Pilot or Officer without a break in service, his pension shall be calculated according to the length of his service in each capacity. Appropriate actuarial adjustments shall be made to give effect to the differences in normal retirement age for service in each capacity PROVIDED ALWAYS that the amount of any such actuarial adjustments shall be disregarded for the purposes of the limitation of amount of pension prescribed in Rule 7. There shall be deemed to be a break in service if the Member has an immediate pension entitlement or elects to take a deferred pension in respect of service in the capacity from which he is transferring.
- (b) A Member transferring from the service of one Employer to that of another shall not be deemed to have withdrawn from service and shall be entitled to count all service with either Employer in computing total service.
- (c) A Member in the service of an Employer on or after 1 May 1967 who has been employed at different times as General Staff, Pilot or Officer and is not in receipt of a pension under the Scheme may elect within nine months after 1 May 1967 or within nine months after the date of change of category whichever date is the later to receive in lieu of a pension calculated in accordance with paragraph (a) of this Rule a pension calculated in accordance with the Rules applicable to the category of service in which the Member is employed at the date of leaving the service of an Employer, his service in other categories being taken into account by crediting him with such additional notional period of service in his final category as the Actuary may determine.

16. Payment of pension

- (a) The first payment of pension shall be made on the last day of the month next following the date of retirement in respect of the period from the date of actual retirement. Thereafter payments will be made monthly in arrears. The last payment is due up to the end of the calendar month in which death occurs. The Management Trustees may from time to time require production of evidence satisfactory to them of the existence of the person entitled to the pension.
- (b) Pensions shall be payable in sterling (United Kingdom currency) by cheque or draft on London unless in exceptional circumstances the Management Trustees otherwise decide. Any such cheque or draft may be sent by post as a prepaid letter to the address notified by the recipient of the pension for the purpose and payment of any such cheque or draft, if purporting to be endorsed by the person to whom the same was made payable, shall be a good discharge to the Management Trustees.

- (c) If the Pensioner is, in the opinion of the Management Trustees, suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt, they may, at their option, cause the pension to be paid for his benefit to any relatives or dependants of the Pensioner or to any institution concerned with the care or welfare of the Pensioner and the receipt of such person or institution shall be a complete discharge to the Management Trustees for the money paid and the Management Trustees shall not be under any liability to see to the application thereof.
- (d) Notwithstanding the provisions of paragraph (a) of this Rule, the Management Trustees may if in their opinion a pension is trivial in amount pay such pension whether in advance or in arrear at such intervals of time not exceeding one year as they may deem appropriate.

17. **Death benefit**

- (a) Subject as hereinafter provided, in the event of the death of a Member before reaching normal retirement age from any cause, other than death arising as a result and within six months of an accident, a death benefit shall be payable equal to the total of the following sums -
 - (i) twice the annual pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) of the Member at the date of his death subject to a minimum payment hereunder of £500 and a maximum payment of £10,000; and
 - (ii) such amount as shall be equivalent to the Member's own contributions (as defined in Rule 17(k)) (plus Notional Contributions) with interest thereon at the rate of 2.5% compounded annually calculated to the date of death.
- (b) Subject as hereinafter provided, in the event of the death of a Member before reaching normal retirement age arising as a result of and within six months of an accident, a death benefit shall be payable equal to the total of the following sums -
 - (i) four times the annual pay of the Member at the date of the accident subject to a minimum payment hereunder of £1,000 and a maximum payment of £10,000; and
 - (ii) such amount as shall be equivalent to the Member's own contributions (as defined in Rule 17(k)) (plus Notional Contributions) with interest thereon at the rate of 2.5% compounded annually calculated to the date of death.
- (c) Subject as hereinafter provided, in the event of the death of a Member who, without a break in service, has remained in the service of an Employer after reaching normal retirement age in the capacity in which he is then employed and who has not exercised the option accorded to him in accordance with Rule 9, a death benefit shall be payable which shall be the greater of the following two amounts, that is to say either -
 - (i) five times the amount of the annual pension to which such Member would have been entitled had he retired on the day before his death; or

- (ii) the benefit which would have been payable in the case of the Member under paragraphs (a) or (b) of this Rule on the assumption that such paragraphs apply to deaths of Members after normal retirement age.
- (d) Subject as hereinafter provided, in the event of the death of a Member who, without a break in service, has remained in the service of an Employer after reaching normal retirement age in the capacity in which he is then employed and who has exercised the option accorded to him in accordance with Rule 9, a death benefit shall be payable which shall be the total of the following two amounts that is to say -
 - (i) five times the amount of the annual pension which would have remained payable to the Member if he had retired on the day before his death, that is to say, as reduced after taking into account the amount surrendered in order to provide a pension for a spouse, Surviving Civil Partner or named dependant and in addition;
 - (ii) the amount if any by which the benefit which would have been payable in the case of the Member under paragraphs (a) or (b) of this Rule on the assumption that such paragraphs apply to deaths of Members after normal retirement age exceeds five times the amount of the annual pension which would have been payable to the Member had he retired on the day before his death and on the assumption that he had not exercised his option in accordance with Rule 9.
- (e) In the event of the death of a Member whilst paying contributions increased by 25% in accordance with the provisions of Rule 6(g) the Member's death benefit under paragraphs (a)(i) or (b)(i) of this Rule shall likewise be increased by 25% subject however to the same minimum and maximum payments as are referred to in the said paragraphs.
- (f) At the request of an Employer the Management Trustees may extend the period of six months referred to in this Rule by such period as they think fit either generally or in any particular case.
- (g) If the death of a Member shall arise directly or indirectly from -
 - (i) riding, driving or flying on the part of the Member in any race or record breaking attempt, except where such race or record breaking attempt occurs in the course of his duties; or
 - (ii) any wilful and serious breach on the part of a Member either the criminal law or of the Regulations of his Employer in force from time to time,

the death benefit provided by paragraphs (a) (b) (c) or (d) of this Rule shall not be payable but there shall be payable in lieu thereof a sum equivalent to three times the Member's own contributions (as defined in Rule 17(k)) with interest as aforesaid PROVIDED THAT the amount payable shall not exceed the death benefit payable under paragraphs (a) or (b) as the case may be. Nevertheless in any case arising under this Rule the Management Trustees may, in their absolute

discretion and by a Resolution passed by a majority of at least two thirds of all the Management Trustees for the time being (or if a sole Corporate Trustee is appointed, a majority of at least two-thirds of all the directors of the sole Corporate Trustee for the time being), award such benefit as they think fit in addition to a sum equivalent to three times the Member's own contributions (as defined in Rule 17(k)) with interest as aforesaid PROVIDED such benefit shall not exceed the benefit otherwise payable under paragraphs (a), (b), (c) or (d) of this Rule as the case may be.

- (h) Any sum payable under this Rule shall be reduced by any amount paid in accordance with Rule 18 paragraph (a) or (b) in respect of the same accident PROVIDED ALWAYS that in any case where amounts have become payable in accordance with Rule 18 paragraph (a) or (b) but have not been paid to the Member whose death ultimately occurs as a result of the same accident no payment shall be made under Rule 18 hereof but the benefit provided by this Rule shall be paid in full in lieu thereof.
- (i) If a Pensioner dies before he has been in receipt of pension for five years then the following death benefit shall be payable in addition to any benefit payable under paragraphs (a), (b), (c) or (d) of this Rule -
 - (i) if the Pension had been payable by virtue of Rule 8, Rule 12 or Rule 13, the amount of the death benefit shall be the difference between the total amount of pension actually received by the Pensioner, if any, and the amount he would have received (disregarding any adjustment made in accordance with Rule 8(e) or in accordance with Rule 12(b) if in the latter case the Member had died before payment of the deferred pension had commenced) had he been in receipt of pension for 5 years;
 - (ii) if the pension had been payable by virtue of Rule 10 or Rule 11 then the amount of the death benefit shall be such sum, if any, as the Management Trustees on the advice of the Actuary consider just and reasonable having regard to the amount of pension paid, if any, and to the Employer's and the Pensioner's contributions

PROVIDED ALWAYS that in the case of a Pensioner whose pension has been deferred in accordance with the provisions of Rule 8(a) or 12(c) and who dies before payment of such deferred pension has commenced, then for the purposes of calculation of the amount of the death benefit payable in accordance with the provisions of this Rule it shall be assumed that such pension had become payable on the day of his death.

- (j) The death benefit shall be paid or applied as permitted by Rule 21 in such manner as the Management Trustees in their absolute discretion think fit.
- (k) For the purposes of this Rule 17 the Member's own contributions include only those of his contributions to the Scheme (and to any other scheme if the Member's interest in that scheme has been transferred to the Scheme) in respect of which no pension (immediate or deferred) has been awarded.

17A. **Dependent Child's allowance**

- (a) On the death of a deceased Pensioner leaving one or more Dependent Children an allowance shall be paid at a rate per annum equal for each Dependent Child to 25% of the pension or deferred pension to which the Pensioner was entitled, disregarding any adjustments made under Rules 8(e), 9, 12A, 13 or 13A hereof and any actuarial reduction on early commencement of a deferred pension made under Rules 12(b) or 12(g) hereof, subject to a maximum total allowance for all Dependent Children of 100% of such pension PROVIDED THAT where there is more than one Dependent Child the Management Trustees will not be obliged to attribute payment of the allowance to each Dependent Child individually but may make such arrangements as they may from time to time consider appropriate as regards the allocation of the allowance in respect of all or any of them and in particular shall be under no obligation to pay part of the allowance in respect of each one of them.
- (b) On the death of a deceased Member leaving one or more Dependent Children an allowance shall be paid at a rate per annum equal for each Dependent Child to 25% of the deferred pension to which the Member would have been entitled had he or she been discharged from the service of an Employer for reasons other than misconduct on the day before death disregarding any adjustments made under Rules 8(e), 9, 12A, 13 or 13A hereof and any actuarial reduction on early commencement of a deferred pension made under Rules 12(b) or 12(g) hereof, subject to a maximum total allowance for all Dependent Children of 100% of such pension PROVIDED THAT the amount of the allowance payable by reference to each Dependent Child shall not be less than 25% of the deferred pension which would have accrued had the Member completed one-half of the potential years of continuous service from the date of last entering the service of an Employer to normal retirement age subject to a maximum total allowance for all Dependent Children of 100% of such pension PROVIDED FURTHER THAT where there is more than one Dependent Child the Management Trustees will not be obliged to attribute payment of the allowance to each Dependent Child individually but may make such arrangements as they may from time to time consider appropriate as regards the allocation of the allowance in respect of all or any of them and in particular shall be under no obligation to pay part of the allowance in respect of each one of them.
- (c) Dependent Child's allowance shall be payable from the date of death of the Member or Pensioner for so long as the Dependent Child is under the age of 16 years or, if receiving full-time instruction at any university college school or other educational establishment or full-time training for any profession vocation or trade or if unable to earn his or her own living due to a serious and permanent illness or disability, is under the age of 21 years.
- (d) **“Dependent Child”** means a person under the age of 21 years who in the opinion of the Management Trustees was at the date of the death of the Member or Pensioner substantially dependent on him or her for the ordinary necessities of life PROVIDED ALWAYS that in the case of such a person dependent on a Pensioner that person was so dependent whilst the Pensioner was a Member.

- (e) The receipt of the surviving parent or person standing in loco parentis to the Dependent Child shall be a sufficient discharge to the Management Trustees for any payment made under this Rule.
- (f) For the purposes of this Rule “**Pensioner**” means a former Member in receipt of a pension or entitled to a deferred pension pursuant to Rule 8, 10 or 12 hereof.

17B Adult survivors’ pensions

- (a) The widow or surviving Civil Partner of a male Pensioner who became a Pensioner before 19 June 1963, and the widow or surviving Civil Partner of a male Pensioner or of a male Member who having in either case been in contributory service on 19 June 1963 otherwise dies on or after 2 March 1999, shall receive a pension payable for life from the death of the Pensioner of an amount subject to the provisions of paragraph (b) equal to one-half of the pension or deferred pension to which the Pensioner was entitled disregarding any adjustments made under Rule 9, 12(b), 12(g), 12A, 13 or 13A hereof PROVIDED ALWAYS that if the Pensioner is lawfully married to two or more persons the widow’s pension payable in respect of his death shall be paid in such manner as the Management Trustees in their absolute discretion determine.
- (b) If the widow or surviving Civil Partner is at the date of the Pensioner’s death more than ten years his junior, the amount of the widow’s or surviving Civil Partner’s pension shall be reduced by 1.25% for each complete year by which the difference in age exceeds ten years.
- (c) Paragraphs (a) and (b) shall also apply in relation to the widower or surviving Civil Partner of a female Pensioner who became a Pensioner before 1 December 1987 in the same way as they apply in relation to the widow or surviving Civil Partner of a male Member except that the pension by reference to which the widower’s or surviving Civil Partner’s pension will be calculated (before disregarding any adjustments as specified in paragraph (a)) will be restricted to that part of the Pensioner’s pension which was attributable to one-half of her contributory service before 1 December 1987.
- (d) If a Pensioner dies without leaving a surviving spouse or surviving Civil Partner in circumstances where a surviving spouse’s or surviving Civil Partner’s pension would otherwise have been payable under one of the preceding paragraphs to this Rule 17B, but leaving a Pensionable Dependant, a pension will be payable to such Pensionable Dependant. The pension will be equal to the pension which would otherwise have been payable under the appropriate paragraph above had the Pensioner left a surviving spouse or surviving Civil Partner, and will be payable for life. Paragraph (b) will apply having regard to the age of the relevant Pensionable Dependant. If there are more than one such Pensionable Dependents the Management Trustees may allocate the pension between them in such shares as they may decide (with any adjustment by reference to paragraph (b) taking effect in relation to the pension so allocated to each Pensionable Dependant separately), or they may decide that a pension will be payable to only one such Pensionable Dependant. If payment is made to two or more Pensionable Dependents, when a Pensionable Dependant dies the Management Trustees may reallocate that pension to another Pensionable Dependant, but they shall not be

obliged to do so. For the purposes of this paragraph (d) the Management Trustees may invite Pensioners to notify them of any individuals whom they would wish to be considered as potential Pensionable Dependants on death.

18. Accident benefits

- (a) In the event of permanent total disablement, total loss of sight, total loss of two limbs, or total loss of one limb and of the sight of one eye, caused by and arising within six months of the date of an accident suffered by a Member, the benefit shall subject to the provisions of Rule 17(h) hereof be a sum equal to four times the annual pay of the Member at the date of the occurrence of the accident, subject to a minimum payment of £1,000 and a maximum payment of £10,000.
- (b) In the event of total loss of the sight of one eye, or total loss of one limb, caused by and arising within six months of an accident suffered by a Member, the benefit shall subject to the provisions of Rule 17(h) hereof be a sum equal to twice the annual pay of the Member at the date of the occurrence of the accident, subject to a minimum payment of £500 and a maximum payment of £10,000.
- (c) If a Member is totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private and domestic affairs) as the result of an accident occurring within six months prior to the commencement of incapacity, there shall be paid for each week (or part thereof) of incapacity occurring within the period of one year from the date of commencement of incapacity a sum equivalent to the pay such Member would normally have received in respect of such week (or part thereof) of incapacity (less any sums due to the Member under the National Insurance Acts, 1946 to 1956 or the National Insurance (Industrial Injuries) Acts, 1946 to 1954 or any statutory modification or re-enactment of either for the time being in force in respect of an incapacity arising otherwise than as a result of an Air Accident and exclusive of allowances, overtime, bonuses, commissions and similar payments normally excluded from pay for the purposes of this Scheme) PROVIDED THAT for any period of such incapacity during which the Member shall be receiving pay from his Employer the payment to the Member under this paragraph shall be reduced by the amount of such pay and the latter amount shall be paid to or in accordance with the directions of the Employer.
- (d) At the request of an Employer the Management Trustees may extend the period of six months referred to in paragraphs (a) (b) and (c) of this Rule by such period as they think fit either generally or in any particular case.
- (e) No sum shall be paid under paragraphs (a) (b) or (c) of this Rule in the event of the disablement being caused by or arising from an accident suffered by a Member and arising directly or indirectly from any of the causes specified in paragraph (g) of Rule 17.
- (f) No ill-health pension in accordance with Rules 10 or 11 shall be payable to a Member during any period of disablement in respect of which he is receiving benefit in accordance with paragraph (c) above.

- (g) For the purposes of this Rule permanent total disablement means a disablement which shall cause the Member to be permanently and totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private or domestic affairs) and loss of limb means loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle.

19. **Guarantees and options to Members transferring from Part I, Part II or Part III**

- (a) If any Member who immediately prior to the date of his admission to Part IV was a Member or former Member of Part I has contributed (or had contributions paid in respect of him) to the Scheme or to any other pension scheme of an Employer or of a Predecessor of an Employer for less than his total period of service with an Employer or Predecessor of an Employer since attaining the age of 20 years, or has contributed to such pension scheme for part of such service at half the normal rate of contribution, such Member may pay contributions in respect of the period of service for which he has not previously contributed or had contributed at half rate by making contributions to this Scheme equal to 5% of his pay for contribution purposes at the rate appropriate to the time at which such Member was not paying contributions, or equal to 2.5% of his pay for contribution purposes at the rate appropriate to the time at which such Member was paying contributions at half rate, together with interest in either case at the rate of 3% compounded annually. Any Member who gives written notice to the Secretary of his desire to pay contributions in respect of service for which he has not previously contributed or for which he has previously contributed at half the normal rate may in such notice and subject to his giving details thereof satisfactory to the Management Trustees elect to have any break in employment of less than 12 months duration and specified in the notice treated as not breaking his service continuity but in no case shall any such break itself be included in any calculation of service or of contributory service. In any such case the Member shall pay the sum that thereby becomes payable in a single lump sum within three months after the date of the notice failing which the aforesaid election shall be void.
- (b) In the case of Members who were Members of Part I, Part II or Part III or former Members of Part I on 1 January 1954 the expression “normal retirement age” as used in Part IV in relation to General Staff shall mean the age attained at the end of the calendar month immediately following attainment of the age of 60 in the case of men and 55 in the case of women. Unless the Employer otherwise determines, the provisions of this paragraph shall not apply in respect of any period of membership after an actual break in service after 1 January 1954 PROVIDED THAT transfer of employment from one Employer to another shall not for the purpose of this paragraph be deemed to constitute a break in service.
- (c) Former Members of Part I, Part II and Part III who left the service of an Employer after 1 January 1954 in the case of General Staff, 1 July 1953 in the case of Pilots and 1 July 1953 in the case of Officers, may if they so desire elect to receive in lieu of the pension immediate or deferred or other sum payable to them under the Rules of Part I, Part II and Part III a pension calculated in accordance with the Rules of Part IV payable from normal retirement age or other date selected by the former Member in accordance with the Rules of the Scheme for the remainder of

the life of such former Member PROVIDED THAT payment of pension under the provisions of this paragraph shall not commence from a date earlier than 1 April 1957. Appropriate action on the analogy of this paragraph may be taken by or in favour of dependants nominated by such former Members.

- (d) Members who immediately prior to 1 July 1953 were Members of Part II or Part III shall receive as their pension under the provisions of Part IV either -
 - (i) such sum as they would have been entitled to had they remained in membership of Part II or Part III increased by 30%; or
 - (ii) such sum as they are entitled to in accordance with the Rules of Part IV whichever is the greater PROVIDED ALWAYS that in the case of Members who entered the service of an Employer on or after 1 January 1952 they shall have attained the age of 48 years in the case of Pilots and 53 years in the case of Officers at the date of actual retirement. For the purposes of the said comparison the amount of a pension under the provisions of Part II or Part III shall first be actuarially adjusted on the basis that it would be payable from the date on which the Part IV pension is to commence. Unless the Employer otherwise determines the provisions of this paragraph shall not apply in respect of any period of membership after an actual break in service after 1 July 1953 PROVIDED ALWAYS that transfer of employment from one Employer to another shall not for the purposes of this paragraph be deemed to constitute a break in service.
- (e) Pilots who -
 - (i) immediately prior to the date of their admission to Part IV were Members of Part II;
 - (ii) entered the service of an Employer prior to 1 January 1952; and
 - (iii) have completed not less than 10 years' service with an Employer, may with the consent of their Employer, which consent shall not be unreasonably withheld, retire from the service of such Employer at any time after attaining the age of 40 years and receive an immediate pension the amount of which shall be ascertained in accordance with the provisions of paragraph (d) of this Rule.
- (f) Officers who -
 - (i) immediately prior to the date of their admission to Part IV were Members of Part III;
 - (ii) entered the service of an Employer prior to 1 January 1952; and
 - (iii) have completed not less than 15 years' service with an Employer, may with the consent of their Employer, which consent shall not be unreasonably withheld, retire from the service of such Employer at any time after attaining the age of 45 years and receive an immediate pension the amount of which shall be ascertained in accordance with the

provisions of paragraph (d) of this Rule.

20. Notices to the Secretary

Notices to the Secretary shall be in writing signed by the Member and shall be in such form as the Management Trustees may from time to time prescribe.

21. Application of lump sum death benefit

- (a) Any lump sum benefit becoming payable under Rule 17 may within a period of 24 months after the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the death of the Member or Pensioner, be paid or applied by the Management Trustees to or for the benefit of any one or more of a class consisting of -
 - (i) the Member's or Pensioner's children, grandchildren, parents and grandparents, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (ii) a widow or widower or former spouse of the Member or Pensioner, the children, grandchildren, parents and grandparents of that widow, widower or former spouse, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (iii) any individual who is or was, in the opinion of the Management Trustees, at the date of the Member's or Pensioner's death either financially dependent on the Member or Pensioner or financially interdependent with the Member or Pensioner;
 - (iv) any individual or individuals, charity, society or club nominated by the Member or Pensioner by notice in writing addressed to or received by the Management Trustees during the Member's or Pensioner's lifetime;
 - (v) the Member's or Pensioner's legal personal representatives; and
 - (vi) a Surviving Civil Partner or former Civil Partner of the Member or Pensioner, the children, grandchildren, parents and grandparents of that Surviving Civil Partner or former Civil Partner, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or for Civil Partners of any such persons or descendants.
- (b) Any part of such lump sum benefit which remains unpaid or unapplied under Rule 21(a) 24 months after the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the date of the Member's or Pensioner's death shall be paid to the Member's or Pensioner's legal personal representatives except that, if such payment would result in the Crown, the Duchy of Lancaster, the Duke of Cornwall or any other State or Governmental Agency becoming entitled to that part of the lump sum benefit, it shall cease to be payable as a benefit and shall remain part of the Fund.

- (c) Any notice under Rule 21(a)(iv) shall be in writing in a form prescribed by the Management Trustees.
- (d) The Management Trustees shall have power to delegate such of their powers duties and discretions under this Rule as they may think fit from time to time to any person or persons or body of persons and such delegation shall be subject to any conditions consistent with this Rule which the Management Trustees may think fit to impose.
- (e) Any nomination made by a Member or Pensioner in force on 31 March 1987 shall no longer be binding on the Management Trustees.

22. **Lien on benefits**

[Rule deleted by Deed dated 12 August 1977.]

22A. **Benefits non-assignable**

Neither pensions nor other benefits under the Scheme may be assigned or borrowed against and any purported assignment thereof or charge thereon (whether made before or after the Member or Pensioner in respect of whom the same are payable became a Member) shall not be recognised by the Management Trustees.

In the event of any such purported assignment or charge or prior to 6 April 2002 if the beneficiary (being the Member or Pensioner or other person otherwise, but for this Rule, entitled to the pension or benefit) shall at any time prior to 6 April 2002 (whether before or after the Member or Pensioner in respect of whom the same is payable became a Member) have been adjudicated bankrupt or have made a composition with creditors:

- in the case of bankruptcy prior to 6 April 2002, the pension or other benefit to which the Member or Pensioner or other person would otherwise, but for this Rule, be entitled shall automatically be forfeited; and
- in any other case the Management Trustees shall be at liberty to determine that the pension or other benefit shall be treated as forfeited in whole or in part,

but the Management Trustees may in any such case (excluding bankruptcy on or after 6 April 2002) apply the same on a discretionary basis in whole or in part, for the benefit of any one or more of the following persons, viz. the beneficiary, the spouse, Civil Partner, Surviving Civil Partner, widow or widower of the beneficiary, any child of the beneficiary and any person who is or was immediately before the death of the beneficiary in any way dependent on the beneficiary. The provisions of this Rule shall not, however, operate to prevent the Management Trustees from complying with any option exercised under Rule 9, or with any order requiring re-direction of all or part of any pension or other benefit made by a United Kingdom court which the Management Trustees are reasonably satisfied has relevant jurisdiction (whether for the purposes of the Attachment of Earnings Act 1971, section 310 of the Insolvency Act 1986 (Income payments orders) or otherwise) in connection with such order, or with any arrangement or agreement which the Management Trustees are reasonably satisfied that they are

required to comply with from time to time. Any other provisions under the Deed or Rules governing the provision of pensions or other benefits under the Scheme shall be read and construed subject to the provisions of this Rule 22A.

Unless and until the Management Trustees receive written notice of any of the events referred to in this Rule and such evidence of that event as they reasonably require, the Management Trustees may act on the assumption that no such event has occurred and shall not be liable or accountable to anyone for doing so.

This Rule will apply to Scotland with the relevant terms interpreted as appropriate.

23. No Member to retire from the Scheme

Save as provided by these Rules, no Member shall have the right to resign from the Scheme or cease contributing to the Fund.

24. Requirements of insurers

The Member shall comply with the reasonable requirements, if any, of the Insurers, if any, with whom the Management Trustees maintain or effect policies.

25. Meetings of Members

- (a) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 50 Members.
- (b) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members and Pensioners may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 100 Pensioners and Members.
- (c) Not less than 35 clear days' notice of the time and place of a meeting to be convened pursuant to paragraphs (a) or (b) of this Rule or of a postal ballot to be taken pursuant to paragraphs (a) and (b) of this Rule and of the general nature of the business to be dealt with shall be given to the persons entitled to vote at such meeting or in such ballot by serving the same on them, such service to be effected, in the case of Members, through British Airways plc's usual communication channels and so that all notices so communicated shall be deemed to be served on the day following such posting PROVIDED NEVERTHELESS as follows:
 - (i) The persons entitled to receive notice of a meeting or a postal ballot and to vote shall, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (a) of this Rule, be Members and, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (b) of this Rule, be Members and Pensioners. A Member may appoint any other

Member may appoint any other Member, and a Pensioner may appoint any other Pensioner, as proxy to vote for him, in which case on a poll the Member or Pensioner so appointed shall have one vote for himself and one vote for every Member or Pensioner for whom he acts as proxy.

- (ii) Subject as aforesaid, the Management Trustees may prescribe the procedure to be adopted as to the service of notices and in connection with any such meeting or postal or written ballot, including power to make provision for the chairmanship of meetings and for the form and method of voting by proxy and for the taking of a poll and for delivery and counting of postal ballot papers outside the United Kingdom and the acceptance of cabled results of such count, and so that the accidental omission to serve by posting or otherwise a notice of meeting or of a resolution for determination by postal or written ballot, or the non-receipt thereof by a Member or Pensioner shall not affect the validity of the proceedings in accordance with which the voting is taken. The accidental inclusion or omission of a Member's or a Pensioner's name in the voting list in a ballot shall not invalidate the ballot.
- (iii) A minute signed by the Chairman of any meeting or a memorandum signed by the persons appointed to count the ballot papers as to the result of any postal ballot shall, unless the contrary is proved, be accepted as sufficient evidence that the meeting was duly convened and held and of the result of the meeting or of the result of the ballot as the case may be and the Employers and the Management Trustees and the Custodian Trustees and others acting thereon in good faith shall be protected.
- (d) A meeting of such of the Members as are in one of the occupational categories referred to in Clause 12(a) of the Trust Deed or a postal ballot of such Members may be taken subject to and in accordance with the provisions of paragraphs (a) and (c) of this Rule *mutatis mutandis*.
- (e) For the purposes of this Rule the term "Pensioners" shall mean any person who is in receipt of a pension from the Scheme (pursuant to any Part of the Schedule) other than any person whose entitlement under the Scheme is to benefit in respect of equivalent pension benefits as referred to in section 13(6) of the Pension Schemes Act 1993.

26. Taxation

- (a) Subject to Rule 26(b), in every case where the Management Trustees or the Custodian Trustees are liable to account to the Commissioners of HM Revenue & Customs for income tax, the lifetime allowance charge or estate duty or any other tax or duty in respect of any amounts paid to any Member or other person pursuant to these Rules the amount of such tax or duty shall be recoverable by the Management Trustees or the Custodian Trustees from such Member or from such other person either by way of deduction from the payment to the Member or such other person or in such other way as the Management Trustees deem appropriate.
- (b) In every case where the Management Trustees are liable to account to the Commissioners of HM Revenue and Customs for the annual allowance charge

under the Finance Act 2004 having received a Scheme Pays Notice in respect of a Member, or Pensioner, or if the Management Trustees in their discretion otherwise agree to a Member's or Pensioner's request to meet all or part of his annual allowance charge from his benefits under the Scheme, the Management Trustees shall have power to reduce the benefits payable or prospectively payable to or in respect of such Member or Pensioner accordingly, in such manner as the Management Trustees deem appropriate. This may also apply to the benefits payable under the Scheme on the Member's or Pensioner's death.

27. Savings

- (a) Nothing contained in the Trust Deed or in the Rules shall be construed as limiting the functions of the National Joint Council for Civil Air Transport in the negotiations of the wages and conditions of employment of persons employed by an Employer.
- (b) Nothing in the Trust Deed or in the Rules shall in any way restrict the right of an Employer to determine the employment of a Member.

28. Transfers to and from other schemes

[Rule deleted by Deed dated 4 December 1991 with effect from 6 April 1988.]

29. Availability of copies of Trust Deed and Rules

The Minister, an Employer and Members shall each be entitled upon request to receive one copy of the annual statement of accounts and balance sheet of the Fund, the auditors' report thereon and the Actuary's valuation report. Members shall also be entitled upon request to receive one copy of the Trust Deed and the Rules and of all amendments thereto. Additional copies shall be made available on such terms as the Management Trustees decide.

30. Amendments and additions to Rules

These Rules may be amended or added to in accordance with the provisions of the Trust Deed.

31. Special requirements - Inland Revenue

No arrangements shall be made under the provisions of Rule 2(c), 3(f), 6(f) or 13 until confirmation has been obtained from the Commissioners of Inland Revenue that the proposed arrangements would not affect the approval of the Scheme as an exempt approved scheme under Chapter II of Part II Finance Act 1970.

32. Additional voluntary contributions

A Member may make additional voluntary contributions in accordance with Clauses 26 to 31 of the Trust Deed.

33. **Opting-out**

- (a) A Member may elect before normal retirement age while remaining in the service of an Employer, that he will cease to be a Member. On making this election, he will cease to pay contributions to the Scheme and will be entitled to benefits under Rule 12 as if he had left service (except that Rule 12(b) will not apply to him while he remains in the service of any Employer).
- (b) A Member who wishes to exercise the option under Rule 33(a) must give the Management Trustees at least one month's notice in writing. The option will then take effect at the start of the calendar month next following the month in which the notice expires.
- (c) In order to become eligible to elect for a transfer to be made or for payment of benefits to commence on or after normal retirement age in the circumstances described in paragraphs (i) and (ii) of Rule 8A, a Member who remains in service with an Employer after normal retirement age may elect, while remaining in such service, to cease to be a Member, subject to the following terms and conditions-
 - (i) The notice for such an election shall be as described in paragraph (iii) of Rule 8A (unless the Management Trustees in any particular case permit a shorter period of notice for the purposes of effecting the opt-out), with the date of cessation of membership for all the purposes of the Scheme (including the provision of death benefits under Rule 17) being the date of expiry of the relevant notice period, and the calculation of the benefits applicable being as described in paragraph (ii) below.
 - (ii) The benefits to which the transfer relates, or the benefits which will come into payment, will be determined by reference to the benefits which would have become payable if the Member had retired from service as described in Rule 8(a) on the date of expiry of the relevant notice of election under paragraph (iii) of Rule 8A, so that the benefits which will come into payment (where the Member so elects) will be the actuarial equivalent of the benefits which would otherwise have come into payment at that date, and so that in the case of a transfer its value shall be determined by the Management Trustees having taken actuarial advice by reference to the value of the benefits which would otherwise have come into payment (if the Member had so elected) at the relevant date selected by the Management Trustees for calculation of the transfer value.
- d) A Member exercising the option under this Rule will not be permitted to become a Member of any Part of the Scheme again.

Additional Rule: National Insurance Act 1959

This rule was introduced by Deed dated 2 March 1961. Part IV is to be read and construed subject to the provisions of this rule.

National Insurance Act 1959

- (a) The amount of pension payable to a Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women shall in no event be less than the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 any provisions of these Rules to the contrary notwithstanding.
- (b) If any Member of the Scheme who is entitled under the Rules of the Scheme to receive if the Member so elects a deferred pension on withdrawal from the Scheme before normal retirement age nevertheless elects in lieu of such deferred pension to receive a refund of the Member's own contributions with interest thereon there shall be deducted from such refund the amount which bears to the amount of the refund the same proportionate relationship as the amount of the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 bears to the amount of the deferred pension to which the Member would otherwise have been entitled on withdrawal from the Scheme PROVIDED ALWAYS that the amount to be deducted shall not exceed the maximum permissible deduction under the provisions of the National Insurance Act 1959.
- (c) In all cases other than those referred to in paragraph (b) of this Rule there shall be deducted from any refund of a Member's contributions with interest one-half of such sum as is equal in amount to the payment in lieu of contributions in respect of such Member contemplated in the provisions of Part II of the National Insurance Act 1959. The foregoing provisions of this paragraph shall not limit or restrict the Employer's right instead of making a payment in lieu of contributions in respect of the Member to make any of the other arrangements contemplated in the National Insurance Act 1959 in the case of the withdrawal of a Member from the Scheme or any other arrangements approved by the Registrar of Non-Participating Employments.
- (d) The Management Trustees shall if so requested by an Employer make arrangements to pay out of the Fund to a Member who has withdrawn from the Scheme before normal retirement age a pension payable from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women of an amount equal to the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 PROVIDED ALWAYS that the provisions of Rule 17 of Part IV including both Part IV Rules - Pilots' Option A and Part IV Rules - Pilots' Option B shall not apply to any such pension.
- (e) No action shall be taken pursuant to any of the Rules of the Scheme if and to the extent that the result of such action would be to reduce the amount of pension payable to or secured for the Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women to less than the maximum graduated pension that could be earned in accordance with the provisions of the National Insurance Act 1959 for a period of service

corresponding to the actual period of service of the Member.

- (f) For the purposes of this Rule the expression “**actual period of service**” shall include any period of service after 1 April 1961 in a non-participating employment within the meaning of the National Insurance Act 1959 in respect of which a transfer value has been received pursuant to Clause 25 of the Trust Deed.
- (g) Any reference in this Rule to the National Insurance Act 1959 shall be construed as a reference to that Act subject to any statutory modification or re-enactment thereof for the time being in force and shall include a reference to any orders or regulations made thereunder.
- (h) Any pension payable under paragraph (d) of this Rule may be commuted at, or after, the age of 50 years PROVIDED that the only pension to which the former Member is entitled under the Scheme is that which is payable under paragraph (d) of this Rule, by:
 - (a) the former Member so requesting by giving at least three months’ Notice to the Secretary, or such shorter notice period as the Management Trustees may agree from time to time; or
 - (b) the Management Trustees sending to the Member’s last known address written notice of their intention to commute his pension and no response being received from the Member before the end of the period of two months beginning with the date on which the notice was sent.

The amount of such lump sum shall be determined by multiplying the annual amount of such pension (reduced, if relevant, to take account of early payment) by such factors as may be determined by the Actuary from time to time.

- (i) Notwithstanding anything aforesaid this Rule shall not apply to any Member or former Member who had no service prior to 6 April 1975 nor in respect of any service of any other Member or former Member after 5 April 1975.

Rule A

- (a) Pensions and allowances payable in respect of persons who ceased to be Members on or before 31 December 1973 shall with effect from 16 July 1973 be subject to adjustment as if the provisions of Rule 15 of Part VI applied to them mutatis mutandis. For the avoidance of doubt this includes the proviso to Rule 15 of Part VI and the provisions which follow that on “Further increases to pensions”. The related provisions of Rule 26(c) of Part VI also apply in respect of these pensions and allowances.
- (b) The Management Trustees shall on receipt from the Employer of such sum as the Actuary shall certify assume responsibility for future payments of all ex-gratia pension and allowance supplements prior to 1 January 1974 authorised by an Employer.

- (c) Members who retire after 31 December 1973 shall have no entitlement to pension adjustments ex-gratia from an Employer or otherwise.
- (d) On or after its commencement each pension or allowance becoming payable under Rules 9, 17A or 17B in respect of any Member or Pensioner whose last or only period of contributory service under the Scheme ended on or after 1 January 1974 and who died on or after 2 March 1999 shall be increased at each Pensions Increase Date by a yearly amount equal to whichever is the lesser of:-
 - (i) 5 per cent; and
 - (ii) the percentage which would apply if the rates of increase specified in the Pensions Increase (Review) Orders made in exercise of the powers conferred by section 59 of the Social Security Pensions Act 1975 were applicable thereto

of the yearly amount of such pension or allowance immediately prior to such Pensions Increase Date PROVIDED THAT should such Pensions Increase (Review) Orders cease to be made and no other orders be made in lieu thereof the reference thereto shall be replaced by a reference to the Index. In addition to the above prospective increases, when the relevant pension or allowance commences it shall immediately be increased to any higher level which it would have attained had the pension or allowance in fact commenced on the date on which the relevant Pensioner's or Member's contributory service under the Scheme ended whether by withdrawal from service, retirement, or otherwise, and had the pension or allowance been subject to increase throughout that period as aforesaid. For the purposes of this sub-Rule "**Pensions Increase Date**" means the effective date of application of annual review orders issued as described in (ii) above.

The proviso to Rule 15 of Part VI and the provisions which follow that on "Further increases to pensions" and the related provisions of Rule 26(c) of Part VI shall also apply to pensions which are increased under this Rule but, for the avoidance of doubt, this will not result in an overall increase to pension on a Pensions Increase Date that is in excess of the 5 per cent cap noted in this Rule above.

PART IV RULES - PILOTS' OPTION B

1. General

Subject to the exceptions adaptations and modifications hereinafter specified the Part IV Rules - Pilots' Option A (hereinafter in this Schedule referred to as "**the said Rules**") shall constitute Part IV Rules - Pilots' Option B. *The last two sentences of Rule 19(a), which were inserted into Part IV Rules (General Staff, Pilots' Option A and Officers' Option A) by Deed dated 19 June 1979, do not apply to Part IV Rules - Pilots' Option B.*⁺

2. Definitions

In Rule 1 of the said Rules the definition of pensionable pay shall be deleted and the following definition substituted therefor -

“Pensionable pay” in the case of Pilots means the average of the Member's pay for pension purposes during the best three consecutive years in the last six years of his service in respect of which contributions have been paid or during the actual period of his service if less than 3 years.”

3. Normal Retirement Age

In Rule 4(b) of the said Rules for the reference to 48 years there shall be substituted a reference to 50 years.

4. Contributions

In Rule 5(a) of the said Rules for the reference to 5% of the Member's pay for contribution purposes there shall be substituted a reference to 6% of the Member's pay for contribution purposes.

5. Normal pension

In Rule 8(c) of the said Rules for the reference to £1.10s.6d% of the Member's Pensionable pay there shall be substituted a reference to £1.15s.9d% of the Member's Pensionable pay and the references to Officers shall be deleted.

6. Ill-health pension

In Rule 11 of the said Rules all references to Officers shall be deleted and in paragraph (a) thereof for the reference to £1.13s.4d% there shall be substituted a reference to £1.15s.9d% and for the reference to the age of 50 there shall be substituted a reference to the age of 55.

⁺ Words in italics not in original.

7. Transitional provisions

- (a) The following additional proviso shall be inserted at the end of the first sentence of Rule 6(g)(i) of the said Rules -

“PROVIDED FURTHER that Pilots may if on or before the date six months after the date on which this Deed comes into force they so elect make contributions in respect of any period or periods of time prior to 1 April 1957 during which they have served on permanent posting in any such designated territory the rate of annual contribution to be 6% payable in respect of the 25% increase in pay for contribution purposes such pay for contribution purposes to be calculated with reference to the pay of the Member at the time of such overseas service.”

- (b) Each Pilot who elected to become subject to the Part IV Rules - Pilots’ Option B pursuant to the arrangements introduced in 1961* shall be required to pay by way of further contributions such sum as is equal to 1% of his pay in each year (or part year) included in his years of continuous service prior to the date of such election.
- (c) Each Pilot who was a Member of the Scheme on 30 June 1953 and who by reason of his age on the date of his admission to the Scheme will not have completed 28 years of continuous service prior to attaining the age of 50 may on or before the date six months after the date on which this Deed comes into force elect to pay contributions in respect of an additional period of time not exceeding three years in or towards completion of a maximum of 28 years of continuous service by the age of 50 the rate of annual contribution to be 6% of the Member’s pay for contribution purposes such pay for contribution purposes to be calculated with reference to the pay of the Member at the date of his first appointment as a Pilot by an Employer or by a Predecessor of an Employer in which event the period of time in respect of which contributions are made by virtue of this paragraph shall constitute notional years (or part years) of service and the Member’s pension shall be calculated in the manner specified in Rule 13(d) of the said Rules.
- (d) For the purposes of paragraphs (b) and (c) of this Rule in ascertaining the amount of the Member’s pay in any year or part of a year between 1 June 1947 and 30 June 1953 (during which his remuneration consisted of basic pay exclusive of pension contributions) the amount of the pension contributions set out in the First Table of Part II⁺ of the Scheme appropriate to the Member’s basic pay shall be added to the amount of such basic pay.
- (e) For the purposes of paragraphs (b) and (c) of this Rule any adjustments to years of service pursuant to Rules 6(g) or 13 shall be ignored.
- (f) If a Pilot so elects he may instead of making any contributions in accordance with the provisions of this Rule make an increased annual contribution of such amount as the Management Trustees shall determine during the period between the date of his election under Clause 3 of this Deed* and the date of his attaining normal retirement age or the date of his actual retirement not later than age 55 if service

* See Clause 3 of Deed dated 1 March 1961.

+ See Schedule to Deed dated 16 February 1951.

after normal retirement age can reasonably be foreseen provided always that if as a result of such election the Pilot's total contributions as a result of such election the Pilot's total contributions would exceed 15% of his remuneration in any year then the total contributions shall nevertheless be limited to a sum equal to 15% of such remuneration in that year and any excess shall be paid as a lump sum either immediately or by instalments over such period as may be agreed by the Management Trustees.

- (g) Pensioners, who, being so eligible, elected to become subject to the Part IV Rules - Pilots' Option B pursuant to the arrangements introduced in 1961* shall in all respects be subject to the provisions of this Rule as if they were Pilots.

8. Elections

Any election to be made pursuant to Part IV Rules - Pilots' Option B shall be made by notice to the Secretary.

* See Clause 3 of Deed dated 1 March 1961.

PART IV RULES - OFFICERS' OPTION B

1. General

Subject to the exceptions adaptations and modifications hereinafter specified the Part IV Rules - Officers' Option A (hereinafter in this Schedule referred to as "the said Rules") shall constitute Part IV Rules - Officers Option B. *The last two sentences of Rule 19(a), which were inserted into Part IV Rules (General Staff, Pilots' Option A and Officers' Option A) by Deed dated 19 June 1979, do not apply to Part IV Rules - Pilots' Option B.*⁺

2. Definitions

In Rule 1 of the said Rules the definition of pensionable pay shall be deleted and, the following definition substituted therefor -

“**Pensionable pay**” in the case of Officers means the average of the Member's pay for pension purposes during the best three consecutive years in the last six years of his service in respect of which contributions have been paid or during the actual period of his service if less than three years.”

3. Normal Retirement Age

In the Rule 4(c) of the said Rules for the reference to 53 years there shall be substituted a reference to 55 years.

4. Contributions

In Rules 5(a) of the aid Rules for the reference to 5% of the Member's pay for contribution purposes there shall be substituted a reference to 6% of the Member's pay for contribution purposes.

5. Normal pension

In Rule 8(c) of the said Rules for the reference to £1.10s.6d% of the Member's pensionable pay there shall be substituted a reference to £1.15s.9d% of the Member's pensionable pay.

6. Ill health pension

In Rule 11(a) of the said Rules for the reference to £1.13s.4d% there shall be substituted a reference to £1.15s.9d% and for the reference to the age of 53 there shall be substituted a reference to the age of 55.

7. Transitional provisions

- (i) Delete the heading of Rule 19 of the said Rules and substitute therefor the words “Transitional provisions”.

⁺ Words in italics not in original.

(ii) Add the following paragraphs to the said Rule 19 -

- (g) Each Officer who elects to become subject to these Rules shall be required to pay by way of further contribution such sum as is equal to 1% of his pay in each year (or part year) included in his years of continuous services as an Officer prior to the date of such election.
- (h) Each Officer who was a Member of the Scheme on 30 June 1953 and who by reason of his age on the date of his admission to the Scheme will not have completed 28 years of continuous service as an Officer prior to attaining the age of 55 may on or before the date six months after the date on which these Rules came into force elect to pay contributions in respect of an additional period of time not exceeding three years in or towards completion of a maximum of 28 years of continuous service by the age of 55 the rate of annual contribution to be 6% of the member's pay for contribution purposes such pay for contribution purposes to be calculated with reference to the pay of the Member at the date of his first appointment as an Officer by an Employer or by a Predecessor of an Employer in which event the period of time in respect of which contributions are made by virtue of this paragraph shall constitute notional years (or part years) of service and the Member's pension shall be calculated in the manner specified in Rule 13(d).
- (i) For the purposes of paragraphs (g) and (h) of this Rule in ascertaining the amount of the Member's pay in any year or part of a year between 1 June 1947 and 31 March 1957 (during which his remuneration consisted of basic pay exclusive of pension contributions) the amount of the pension contribution set out in the First Table of Part III of the Scheme* appropriate to the Member's basic pay shall be added to the amount of such basic pay.
- (j) For the purposes of paragraphs (g) and (h) of this Rule any adjustments to years of service pursuant to Rules 6(g) or 13 shall be ignored.
- (k) If with the consent of his Employer an Officer so elects he may instead of making any contribution in accordance with the provisions of paragraph (g) of this Rule make an increased annual contribution of such amount as the Management Trustees shall determine during the period between the date of his election to transfer to Part IV Rules - Officers' Option N and the date of actual retirement not later than age 60 if service after normal retirement age can reasonably be foreseen provided always that if as a result of such election the Officer's total contributions would exceed 15% of such remuneration in that year then the total contributions shall nevertheless be limited to a sum equal to 15% of his remuneration in that year and any excess shall be paid as a lump sum either immediately or by instalments over such period as may be agreed by the Management Trustees.

* See Schedule to Deed dated 7 August 1953.

* See Clause 5 of Deed dated 1 March 1965.

- (l) Pensioners who, being so eligible, elected to become subject to Part VI Rules - Offices' Option B pursuant to the arrangements introduced in 1965* shall in all respects be subject to the provisions of (g) and (k) inclusive of this Rule as if they were Officers.

8. **Elections**

Any election to be made pursuant to these Rules shall be made by notice to the Secretary.

AIRWAYS PENSION SCHEME

RULES - PART V

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PART V RULES - GENERAL STAFF, PILOTS' OPTION A AND OFFICERS' OPTION A

1. Definitions

The following expressions have the following meanings unless inconsistent with the context -

“Accident” means an accidental event occurring after the Member enters the employment of an Employer resulting in a bodily or mental injury or disability PROVIDED THAT such injury or disability shall not include any disease whether arising from a Member following his occupation or otherwise.

“Acquired undertaking” means any one of the following Companies -

Channel Islands Airways Limited
 Jersey Airways Limited
 Guernsey Airways Limited
 Great Western and Southern Air Lines Limited
 Highlands Airways (1939) Limited
 Isle of Man Air Services Limited
 North Eastern Airways Limited
 Railway Air Services Limited
 Scottish Airways Limited
 West Coast Air Services Limited
 Western Isles Airways Limited
 Allied Airways (Gandar Dower) Limited

“Actuarial equivalent” means such amount as the Actuary shall certify as being appropriate.

“Air Accident” means an accident occurring to a Member while embarking on or disembarking from an aircraft in connection with a flight therein or while on board an aircraft during a flight between the time of embarkation and the time of disembarkation.

“Certified Amount” means the amount calculated by the Management Trustees in accordance with section 61(2) of the Pension Schemes Act 1993 to be the difference between:

- (i) the amount of Class 1 national insurance contributions that would have been payable by the Member had his employment not been contracted-out; and
- (ii) the amount of Class 1 national insurance contributions that were paid by the Member during his contracted-out employment.

“Dependant” means in relation to a deceased Member or Pensioner a person, other than a surviving spouse, Surviving Civil Partner or Dependent Child, who to the satisfaction of the Management Trustees was financially dependent upon the Member or Pensioner to a substantial extent at the date of the Member’s or Pensioner’s death, or who lived in a relationship with the Member or Pensioner which closely resembled marriage and who to the satisfaction of the Management Trustees was financially interdependent with the Member or Pensioner. In order to assist them in deciding whether or not a person

qualifies as a Dependant for the purposes of this definition, the Management Trustees may request such evidence of dependency or interdependency as they may consider necessary or appropriate.

“Dependent Child” means:-

- (i) a child (including a legally adopted child) of a Member or Pensioner who is under the age of 16 years; or
- (ii) a person under the age of 16 years who in the opinion of the Management Trustees was at the date of the death of the Member or Pensioner substantially dependent on him for the ordinary necessities of life; or
- (iii) a person who has attained age 16 but who otherwise fulfils the requirements of paragraphs (i) or (ii) above and who:-
 - (1) is under the age of 23 years; and
 - (2) is receiving full-time instruction at any university, college, school or other educational establishment, or full-time training for any profession, vocation or trade, or is unable to earn his or her own living due to a serious and permanent illness or disability.

“General Staff” means employees of an Employer (other than Pilots, Officers and Air Cabin Crew) who are employed under contracts of employment entered into within the United Kingdom either as full-time employees or who for the purpose of the Scheme are designated by the Employer as employed in Part-time Service.

“Higher Rate Contributor” and **“Lower Rate Contributor”** respectively mean a Member who at any date pays contributions (including Notional Contributions) to the Scheme (other than to the AVC Scheme, as defined in Clause 26) at the same rate as is currently specified under Column A to the Table set out in Rule 5 (in the case of a Higher Rate Contributor) or under Column B to the Table set out in Rule 5 (in the case of a Lower Rate Contributor).

“the Index” means the All Items Index of Retail Prices published by HM Government or such other index as may from time to time be agreed for the purposes of the Rules by the Commissioners of Inland Revenue.

“Normal retirement age” has the meanings assigned to it in Rule 4.

“Notional Contributions” means the contributions made by an Employer which are notionally made by a Salary Sacrifice Member under Rule 5(aa).

“Notional Voluntary Contributions” has the meaning given in Clause 26.

“Officers” means employees of an Employer who are employed under contracts of employment entered into within the United Kingdom to serve as navigating officers, radio officers or engineer officers of aircraft and who are either full-time employees or who for the purpose of the Scheme are designated by the Employer as employed in Part-time Service.

“**Part I**”, “**Part II**”, “**Part III**”, “**Part IV**” and “**Part V**” mean respectively that part of the Scheme to which Part I, Part II, Part III, Part IV or Part V of the Rules respectively applies.

“**Part-time Service**” means in relation to an employee Service in the employment of any Employer on the basis of a contract of service entered into within the United Kingdom and which has been designated by the Employer for the purposes of the Scheme as a permanent part-time employment contract.

“**Pay**” means remuneration (or, in the case of a Salary Sacrifice Member, what would have been remuneration but for the Salary Sacrifice) designated by an Employer as pay for the purposes of these Rules and does not include allowances overtime bonuses commissions or any other payments unless specifically designated as pay for the purposes of these Rules.

“**Pay for Contribution Purposes**” has the meanings assigned to it in Rule 6.

“**Pay for Pension Purposes**” has the meanings assigned to it in Rule 6.

“**Pensionable Dependant**” means in relation to a deceased Member or Pensioner a person, other than a surviving spouse, Surviving Civil Partner or Dependent Child, who to the satisfaction of the Management Trustees was financially dependent upon the Member or Pensioner to a substantial extent at the date of the Member’s or Pensioner’s death, or who lived in a relationship with the Member or Pensioner which closely resembled marriage and who to the satisfaction of the Management Trustees was financially interdependent with the Member or Pensioner. In order to assist them in deciding whether or not a person qualifies as a Pensionable Dependant for the purposes of this definition, the Management Trustees may request such evidence of dependency or interdependency as they may consider necessary or appropriate.

“**Pensioner**” means a person who was a Member and is entitled to a pension or deferred pension under the provisions of Part V.

“**Pilots**” means employees of an Employer who are employed under contracts of employment entered into within the United Kingdom to serve as pilots of aircraft and who are either full-time employees or who for the purpose of the Scheme are designated by the Employer as employed in Part-time Service.

“**Predecessor of an Employer**” means any one of the following undertakings -

British Overseas Airways Corporation *
British South American Airways Limited
Imperial Airways Limited
British Airways Limited

“**Qualifying Service**” means in relation to a Member ceasing to be employed by his last Employer the aggregate of the following periods, namely -

* By operation of the Airways Corporations Act 1949 and the amending Deed dated 13.09.50, any reference to the British South American Airways Corporation became a reference to the British Overseas Airways Corporation.

- (i) service with the Employer (whether or not continuous) that forms part or all of a period of continuous contributory service ending at date of cessation of employment;
- (ii) years of service whilst a member of another scheme in respect of which additional rights to pension have been granted under Clause 25 of the Trust Deed in substitution for accrued rights under such other scheme;
- (iii) previous Qualifying Service of not less than five years that ceased after 5 April 1975 and before 4 April 1988 and of not less than two years that ceased after 5 April 1988 (excluding however service in respect of which the Member's accrued rights have been transferred to another scheme);
- (iv) previous Service with the Employer that ceased after 5 April 1975 followed after a break of not more than one month by Service with the Employer under (i) above

PROVIDED HOWEVER that no period shall be reckoned more than once.

“Retiring pay” means the average of the Member's pay for pension purposes during the best three consecutive years in the last six years of his service in respect of which contributions have been paid or during the actual period of his service if less than three years.

“Salary Sacrifice” means an arrangement by which a Member agrees to give up (sacrifice) part of his taxable pay (and as a consequence become a Salary Sacrifice Member) in exchange for a non-cash benefit from his Employer in the form of an additional contribution to the Scheme for the benefit of the Member which corresponds to the amount of taxable pay sacrificed by the Member.

From 1 October 2011 a Salary Sacrifice Member may agree to give up part of his taxable pay in exchange for a non-cash benefit from a Participating Employer in the form of additional contributions to the AVC Scheme for the benefit of the Member equal to the amount of taxable pay sacrificed by the Member, subject to the Member remaining from 1 October 2011 a Salary Sacrifice Member in relation to contributions due under Rule 5(aa) (except where the Member ceased contributions in accordance with Rule 5(a)).

“Salary Sacrifice Member” means a Member who has become a Salary Sacrifice Member under Rule 2A(a) and has not ceased to be a Salary Sacrifice Member under Rules 2A(b) or 2A(c).

“Scheme Pays Notice” means a valid notice served on the Management Trustees by a Member or Pensioner in accordance with section 237B of the Finance Act 2004).

“Service” means the period during which the Member has been continuously under contract of employment to an Employer or to a Predecessor of an Employer or after 1 January 1945 to an acquired undertaking or to two or more such undertakings, Predecessors or Employers successively and **“contributory service”** means subject to Rule 20A service in respect of which contributions have been paid by or in respect of the Member either to the Scheme or to a pension scheme the Member's interest in which has been transferred directly or indirectly to the Scheme

PROVIDED THAT each year during which contributions have been paid by or in respect of the Member at half rate to the Imperial Airways Pension Scheme shall count as one half-year of contributory service, subject to Rule 20A, unless further contributions in respect of that year have been paid to this Scheme in accordance with the Rules;

PROVIDED FURTHER that any break in employment of less than 12 months duration shall not be regarded as breaking the continuity of the Member's service on condition that any refund of contributions made to the Member are repaid to the Scheme and in these circumstances in calculating his entitlements under this Scheme his contributory service with an Employer before the break in employment shall be added to his contributory service thereafter.

"Specified Contributions" refers to the contributions paid by a Higher Rate Contributor under Rule 5 to the extent representing 1.5% of Pay for contribution purposes".

1A. Approval as exempt approved scheme under Finance Act 1970

Notwithstanding anything to the contrary contained in these Rules -

- (a) Any benefit under these Rules which is to be afforded solely by reason of the disablement by accident of a Member occurring during his service or of the death by accident so occurring and for no other reason shall not be funded but shall be paid by the Management Trustees on behalf of the Employer.
- (b) The amount of the pension payable at the normal retirement age of a Pilot or Officer or member of Air Cabin Crew in respect of service by a Member in any one or more of such occupations shall not exceed such amount as would not prejudice approval of the Scheme as an exempt approved scheme under Chapter II of Part II Finance Act 1970.
- (c) Neither Rule 6(g) nor the proviso to Rule 8(b) shall apply to any Member during or in respect of service as General Staff following previous service as a Pilot or Officer or member of Air Cabin Crew if the Member elects for a postponement under either of Rules 8(a) or 14(c)(i) unless such election has been made prior to 1 April 1972.
- (d) With effect from 1 April 1972 Rule 16(a) shall apply only to Members to whom it has previously been applied and to Members of the age of 50 or upwards on such date. Subject thereto a Member who is employed at different times as General Staff Pilot Officer or member of Air Cabin Crew without a break in service shall (unless within nine months after any change of category of employment he either commences to receive a pension in respect of service in the category from which he is transferring or being entitled so to do he elects for the purposes either of the proviso to Rule 8(a) or Rule 14(c)(i) to take a postponed or deferred pension in respect of such service) be deemed to have made an election for the purpose of Rule 16(c).
- (e) No pension may be postponed or deferred for more than five years after normal retirement age for the category of employment for which the pension is payable except in the following cases -

- (i) where on 1 April 1972 the pension is already a deferred pension and the Member entitled to it is either in the employment of an Employer as General Staff or is in employment elsewhere; or
- (ii) where on 1 April 1972 the Member entitled to the pension has already passed the normal retirement age for the category of employment for which such pension is payable; or
- (iii) where the Member entitled to the pension has had ten or more years' contributory service and the pension if commencing five years after the said normal retirement age would be less than two thirds of the retiring pay or pensionable pay (as the case may be) by reference to which such pension was determined in which case (subject to the Rules) postponement may be permitted to the point of time at which as a consequence of actuarial increase the pension would equal two-thirds of the said retiring pay or pensionable pay; or
- (iv) Rule 14(c) applies.

2. Membership

- (a) Subject as hereinafter provided the following persons are eligible to join Part V -
 - (i) Members of the British Overseas Airways Corporation Pension Fund.
 - (ii) Members of Part I, Part II, Part III or Part IV.
 - (iii) General Staff who in the case of men were engaged by an Employer on or after the date on which *the Deed of Amendment dated 20 May 1963 came into force** and at the time of such engagement had not attained the age of 53 years or who in the case of women were engaged by an Employer on or after the date on which this Deed comes into force and at the time of such engagement had not attained the age of 50 years.
 - (iv) Pilots and Officers who were engaged by an Employer on or after the date on which *the Deed of Amendment dated 20 May 1963 came into force** and who at the date of such engagement had not attained the age of 40 years.
 - (v) permanent part-time employees (as defined under the terms of the rules then in force) first employed by an Employer as such on or after 1 February 1977 immediately following a period of full-time service in membership of Part V.
- (b) In the case of persons eligible to join the Scheme by virtue of sub-paragraph (iii) or (iv) of paragraph (a) of this Rule it shall, subject as hereinafter provided, be a compulsory condition of employment that they join the Scheme.

* "this Deed comes into force" in original.

- (c) An Employer may by agreement with an Employee waive the provisions of this Rule as to that Employee either by admitting to membership an Employee who would not otherwise be eligible for membership or by excluding from membership an Employee who would otherwise be compelled to join or by admitting an Employee to membership on special conditions.

2A. **Salary Sacrifice**

- (a) A Member will become a Salary Sacrifice Member if his Employer so notifies the Management Trustees, with effect from the effective date of that notification.
- (b) A Member will cease to be a Salary Sacrifice Member if his Employer so notifies the Management Trustees.
- (c) A Member will cease to be a Salary Sacrifice Member on ceasing to be employed by his last Employer before reaching Normal Retirement Age.

3. **Admission to the Scheme**

- (a) Members of the British Overseas Airways Corporation Pension Fund shall be admitted to the Scheme on the date not later than 31 March 1964 upon which notice reaches the Secretary of their agreement to the transfer to the Custodian Trustees of their interest in the British Overseas Airways Corporation Pension Fund.
- (b) Members of Part I, Part II, Part III or Part IV shall become subject to the Rules of Part V on the date not later than 31 March 1964 upon which notice reaches the Secretary of their intention to join Part V.
- (b)(i)(a) Members of the British Overseas Airways Corporation Pension Fund (subject to their transferring their interest in that Fund to the Custodian Trustees) and members of Part I Part IV and Part IV (Pilots Option B) on 1 October 1971 and while still a member shall be entitled by giving notice to reach the Secretary on or before 1 April 1972 to elect to become subject to Part V Rules.
- (b)(i)(b) Part V (Officers' Option A)

Members of Part IV (Officers Option A) on 1 October 1971 and while still a member shall be entitled by giving notice to reach the Secretary on or before the date six months after 1 October 1971 to elect to become subject to Part V Rules (Officers Option A).
- (b)(i)(c) Part V (Officers' Option B)

Members of Part IV (Officers' Option B) on 1 October 1971 and while still a member shall be entitled by giving notice to reach the Secretary on or before the date six months after 1 October 1971 to elect to become subject to Part V Rules (Officers' Option B).

PROVIDED THAT any member electing to exercise the option contained in this Rule shall be required to pay for past service a sum representing in the case of

males a contribution of 2% (no part of which shall be treated as specified contributions) and in the case of females one half of one per centum of his or her pay for contribution purposes at 1 October 1971 in respect of each year or part of a year of pensionable service from 1 April 1964 to the date when notice reaches the Secretary of his or her intention to join Part V

PROVIDED ALSO if with the consent of his Employer a member so wishes he may instead of making payment in one sum in accordance with this paragraph make an increased annual contribution of such amount as the Management Trustees shall determine during the period between the date of his or her election to transfer and the date of attaining normal retirement age or actual retirement if earlier PROVIDED ALWAYS that if as a result of such election the members total contributions would exceed 15% of his remuneration in any year then the total contributions shall nevertheless be limited to a sum equal to 15% of such remuneration in that year and any excess shall be paid as a lump sum either immediately or by instalments over such period as may be agreed by the Management Trustees

PROVIDED ALSO former members of the British Overseas Airways Corporation Pension Fund and former members of Part I Part IV Part IV (Pilots' Option B) Part IV (Officers' Option A) and Part IV (Officers' Option B) who between the date of the signing of this Deed and the date the Deed comes into force leave the service of an Employer on or after reaching normal retirement age under the part of the Scheme of which they were a member or by reason of ill health and were accordingly granted an ill health pension by the Management Trustees may if they so desire elect to receive in lieu of the pension payable to them under the rules of the scheme of which they were previously a member a pension calculated in accordance with the Rules of that part of the Scheme to which they would have been entitled to transfer had they not retired provided notice of election under the provisions of this Rule is notified to the Secretary within six months after the date on which this Deed comes into force and payment is made for past service of a sum representing in the case of males 2% (no part of which shall be treated as specified contributions) and in the case of females 0.5% of his or her pay for pension purposes at date of leaving the service of an Employer in respect of each year or part of a year of pensionable service from 1 April 1964 to the date of leaving the service of an Employer

PROVIDED ALSO that in the case of former members of the British Overseas Airways Corporation Pension Fund and former members of Part I Part IV Part IV (Pilots' Option B) Part IV (Officers' Option A) and Part IV (Officers' Option B) who die between the date of the signing of this Deed and the date the Deed comes into force appropriate action may be taken by the Management Trustees at their discretion and in their special consideration in favour of the Widows and dependants of such deceased members in accordance with the relevant provisions of that Part of the Scheme to which the deceased members could have transferred.

- (c) General Staff eligible to join the Scheme by reason of the provisions of Rule 2(a)(iii) shall be admitted to the Scheme with effect from the date on which they commence employment with an Employer or attain the age of 18 years whichever is the later.

- (d) Pilots and Officers who are eligible to join the Scheme by virtue of the provisions of Rule 2(a)(iv) shall be admitted to the Scheme on the date on which they are appointed as Pilots or Officers by an Employer.
- (e) Every employee as a condition of admission to membership shall sign an application for admission containing an undertaking in the form prescribed by the Management Trustees to be bound by the Trust Deed and these Rules and shall produce to the Secretary within six months of the date of joining the Scheme a birth certificate or other evidence of age satisfactory to the Management Trustees.
- (f) The Management Trustees shall upon the written request of an Employer admit a person to membership of the Scheme with effect from a date earlier than the date of that person's commencement of employment with the Employer and in any such case there shall be paid to the Fund by the Employer such sum or equivalent series of sums if any as may be necessary to secure the additional benefit accruing to the Member from such arrangement PROVIDED ALWAYS that such earlier date shall not be a date earlier than or during any period in respect of which such person is entitled to a pension from any pension or superannuation scheme to which the Employer is or is deemed to be a party. The period between the date of admission and the subsequent commencement of employment with the Employer shall be deemed to be contributory service for the purposes of computing pension entitlement.
- (g) PROVIDED THAT a person eligible to join the Scheme by reason of the provisions of Rule 2(a)(v) shall submit application in form prescribed by the Management Trustees and duly completed which reaches the Secretary during the period of one month immediately following the date on which his employment as a permanent part-time employee (as defined under the terms of the rules then in force) commenced he shall remain subject to the Rules of Part V but in default of any such notice he shall cease to be so eligible upon the expiry of such month.

4. **Normal retirement age**

- (a) Except where Rule 20(b) applies, the normal retirement age of General Staff who are Members on 1 December 1989 is the Member's 60th birthday and the normal retirement age of all other General Staff Members is a male Member's 63rd birthday and a female Member's 60th birthday.
- (b) The normal retirement age of Pilots is the age of 50.
- (c) The normal retirement age of Officers is the age of 53.

5. **Contributions**

- (a) Subject to sub-Rule (aa), a Member's contributions will commence on admission to the Scheme and cease at normal retirement age or actual retirement age if earlier. The appropriate rate is determined by reference to the Table below according to whether the Member is a Higher Rate Contributor or a Lower Rate Contributor PROVIDED ALWAYS that a Member who remains in the employment of an Employer after normal retirement age may elect to continue

the contributions until actual retirement or some earlier date in which event Rule 8(e) will not apply in his case or will not apply until the selected earlier date. All such contributions shall be payable by a Member for the purpose of securing pension benefits only.

TABLE

	Percentage of Pay for Contribution Purposes	
Category of Member	Column A: Higher Rate Contributions	Column B: Lower Rate Contributions
Officers (Option A), General Staff	6.5	5.0
Pilots	7.5	6.0

NOTES TO TABLE:

- (1) The contribution rates specified above are subject to the subsequent provisions of this Part V and to any adjustments necessary as a consequence of the Member having exercised any options or powers of election or having been admitted to the Scheme on special conditions whether under the provisions of Part 1, Part II, Part III, Part IV or Part V.
 - (2) Contributions are calculated to the nearest penny.
- (aa) Each Salary Sacrifice Member will not be liable to contribute to the Fund under sub-Rule (a). Each Salary Sacrifice Member's Employer will contribute an amount in respect of the Member which, but for the Salary Sacrifice, he would have been liable to contribute under sub-Rule (a). For the purposes of the Trust Deed and these Rules, unless expressly stated otherwise, references to contributions by a Member shall be deemed to include contributions made by his Employer under this sub-Rule. These contributions will be Notional Contributions.
- (b) The contributions of each Employer will consist of:-
- (i) contributions of such amounts as shall be certified by the Actuary from time to time as being required in addition to the contributions payable by the Members to provide the balance of the pension benefits and the whole of the Dependent Child's Allowances and the death and accident benefits of the Scheme;
 - (ia) any Notional Contributions payable under sub-Rule (aa); and

- (ii) such deficiency contributions if any as may be required in accordance with the provisions of any scheme made pursuant to Clause 11 of the Trust Deed.
- (c) If a Member not being on unpaid additional maternity leave, unpaid shared parental leave or unpaid adoption leave is absent from work the Employer must (unless the Member during such absence is in receipt of full pay) maintain the Member's contributions but recovery in whole or in part of the Employer's and the Member's contributions for such period may be effected by the Employer by deduction from the Member's pay or otherwise at the Employer's discretion having regard to individual circumstances. An Employer's contributions so repaid by the Member shall not become a Member's contribution for any purposes of the Scheme. Where a Member returns to employment following a period of unpaid additional maternity leave, unpaid shared parental leave or unpaid adoption leave, he or she will be entitled to exercise such options in relation to such period of leave and payment of contributions in respect thereof as the Employer makes available for the time being.
- (d) A Higher Rate Contributor may elect to become a Lower Rate Contributor and vice versa, but no such election can have retrospective effect. The following provisions apply to such an election -
 - (i) the election must be in such written form, and will take effect only subject to such period of notice, as the Management Trustees may from time to time prescribe;
 - (ii) no election may be made during a period when the relevant Member is not paying contributions to the Scheme pursuant to sub-rule (a);
 - (iii) in the case of a Lower Rate Contributor who has completed at least five years' Service, in respect of any election (other than an election made before 2 January 1995 or an election made after an interruption in Service) the Management Trustees may require such person to undergo a medical examination by a doctor nominated by them before any election to become a Higher Rate Contributor is accepted. If the result of the examination is not satisfactory to the Management Trustees, they may refuse to accept the election; and
 - (iv) once a former Higher Rate Contributor has become a Lower Rate Contributor by exercising the right of election, the Lower Rate Contributor may elect to become a Higher Rate Contributor again only once in respect of the same continuous period of Service.
- (e) In all cases where it can be reasonably foreseen by the Management Trustees that the amount of any Member's pension may be in excess of the limits set out in Clause 32, then the contributions of the Member and the Employer will be adjusted so that the resulting pension does not exceed that limit.

6. Pay for Contribution Purposes and Pay for Pension Purposes

- (a) Subject as hereinafter provided Pay for Contribution Purposes in the case of General Staff shall in respect of each pension year commencing on 1 April be the Member's annual pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice), calculated as hereinafter provided, less the sum of £100. For the purposes of this sub-paragraph only, the Member's annual pay shall be calculated by reference to his rate of pay on 1 January immediately preceding the commencement of the pension year PROVIDED ALWAYS that -
- (i) if after 1 January in any year a Member receives an increase or suffers a decrease in his rate of pay which is applied retrospectively to a date on or before 1 January the Member's rate of pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) on 1 January shall for the purposes of the aforesaid calculation be such rate as is finally ascertained after taking the increase or decrease into account;
 - (ii) if a person is admitted to the Scheme after 1 January and on or before 31 March, his rate of pay at the date of admission shall be the rate of pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) for the purposes of the aforesaid calculation in respect of the balance of the pension year in which he is admitted and in respect of the next succeeding pension year;
 - (iii) if a person is admitted to the Scheme on or after 1 April and on or before 31 December his rate of pay at the date of admission shall be his rate of pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) for the purposes of the aforesaid calculation for the balance of the pension year in which he is admitted.

For the purpose of the aforesaid calculation in the case of weekly-rated staff the weekly rate of pay shall be multiplied by 52 and in the case of hourly-rated staff the hourly rate of pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) shall first be converted into a weekly rate by multiplying the hourly rate by the number of hours in the normal working week of the Member concerned and the weekly rate so calculated shall then be multiplied by 52.

- (b) Subject as hereinafter provided and in particular subject to Rule 20A (Part-time Service), Pay for Pension Purposes in the case of General Staff shall be the Member's pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) in respect of each period of 12 months included in the calculation of retiring pay less the sum of £100. For the purpose of the aforesaid calculation in the case of weekly-rated staff the weekly rate of pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) shall be multiplied by 52 and in the case of hourly-rated staff the hourly rate of pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) shall first be converted into a weekly rate by multiplying the hourly rate by the number of hours in the normal working week of the Member concerned and the weekly rate so calculated shall then be

multiplied by 52.

- (c) Subject as hereinafter provided and in particular subject to Rule 20A (Part-time Service), Pay for Contribution Purposes in the case of Pilots and Officers means the pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) of the Member.
- (d) Subject as hereinafter provided and in particular subject to Rule 20A (Part-time Service), Pay for Pension Purposes in the case of Pilots and Officers means the pay (or, in the case of a Salary Sacrifice Member, what would have been pay but for the Salary Sacrifice) of the Member.
- (e) If a Member joins H M Forces or undertakes any other national or emergency service or is otherwise absent from work (such service with the Forces or other service or absence unless compulsory to be with the consent of the Employer) the Member's pay for contribution purposes and the Member's pay for pension purposes throughout the period of such service or absence shall be the same as at the time of his joining the Forces or commencing such other service or absence unless some other rate is agreed between the Employer and the Member.
- (f) With the concurrence of the Member but subject always to the provisions of Rule 7 the Employer may at its discretion in any case where circumstances appear to warrant fix the amount of a Member's pay for pension purposes and/or his pay for contribution purposes at a figure or at figures differing from each other and/or from the amount or amounts calculated in accordance with the other paragraphs of this Rule.
- (g) During such period or periods of time as a Member is serving on permanent posting in such territory outside Europe as may, having regard to the climatic conditions there obtaining, be designated from time to time by his Employer for the purposes of this sub-paragraph the Member's pay for contribution purposes shall in the case of General Staff be the Member's annual pay less £100 and shall in the case of Pilots and Officers be the Member's pay increased however in the case of all Members by 25% PROVIDED THAT in individual cases the Employers may by joint agreement at their discretion extend the facility to other Members serving overseas. For the purposes of this sub-paragraph Europe shall be deemed to include the United Kingdom, the Mediterranean Islands, Tangier and Istanbul.

7. Statutory requirements

Clause 32 of the Trust Deed will apply for all purposes of benefit calculations under these Rules.

8. Normal pension

- (a) A Member shall receive a pension payable from actual retirement on or after reaching normal retirement age for the remainder of the Member's life PROVIDED ALWAYS that a Pilot or Officer who remains in the employment of an Employer as General Staff may postpone receipt of such pension (or the balance remaining payable after any surrender of pension for the purposes of Rule 9) in which event the actuarial equivalent of the amount thereof will be payable

commencing from the date selected by the Member not later than the date of the Member's leaving the employment of an Employer.

- (b) The amount of pension to which General Staff who are Members on 1 December 1989 are entitled is such sum per annum as is equal to 1/56th of the Member's retiring pay for each year of contributory service as General Staff (with months and odd days counting proportionately). The amount of pension to which all other General Staff are entitled is as stated above except for substitution of 1/60th for 1/56th PROVIDED ALWAYS that contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25% for the purpose of commuting pension entitlement and the contributory service of a Member in Part-time Service shall be ascertained in accordance with Rule 20A.
- (c) The amount of pension to which Pilots are entitled shall be such sum per annum as is equal to £1.15.9d.% of the Member's retiring pay for each year of contributory service as a Pilot and proportionately for any part of a year PROVIDED ALWAYS that contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25% for the purpose of computing pension entitlement.
- (d) The amount of pension to which Officers are entitled shall be such sum per annum as is equal to £1.10.6d% of the Member's retiring pay for each year of contributory service as an Officer and proportionately for any part of a year PROVIDED ALWAYS that contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25% for the purpose of computing pension entitlement.
- (e) If the employment of a Member is continued after normal retirement age without a change in occupational category and if he ceases to make contributions to the Scheme the amount of the pension payable at retirement shall be the actuarial equivalent of that payable at the normal retirement age.

8A Special provisions applicable where staying in Service with an Employer after normal retirement age

- (a) Notwithstanding any other provisions of the Rules which may be inconsistent with this Rule 8A, the following options shall be available from 1 January 2003 where a Member remains in service with an Employer after normal retirement age (any such person being referred to in this Rule 8A as a "**Late Stayer**") –

- (i) **Transfers**

A transfer under Clause 25B of the Trust Deed shall be available on request in respect of a Late Stayer whose benefits under the Scheme have not yet come into payment and who so elects having opted-out of the Scheme under Rule 35(c).

(ii) **Commencement of benefits without leaving service with an Employer**

If a Late Stayer so elects having opted-out of the Scheme under Rule 35(c), his or her benefits under the Scheme may commence in payment from such date on or after normal retirement age as the Late Stayer may arrange with the Management Trustees notwithstanding that he or she is remaining in Service.

(iii) **Elections**

All elections under this Rule 8A must be made in writing to the Management Trustees and shall be subject to such period of notice (expiring no later than the date on which his Service terminates) as the Management Trustees may from time to time prescribe for this purpose. To be effective an election under paragraph (i) above must be accompanied by such information about the transfer and be in such form as the Management Trustees may require in order to enable them to effect a transfer.

(iv) **Restrictions**

As soon as a Late Stayer ceases to qualify as such by ceasing to be in Service, his or her benefits shall immediately come into payment unless either:

- (i) the Management Trustees are in the process of effecting a transfer in accordance with a request validly made under paragraph (i) above; or
 - (ii) the Late Stayer elects to defer his or her benefits under Rule 8A(b).
- (b)
- (i) A Late Stayer who leaves Service may with the agreement of the Management Trustees elect to defer payment of his or her benefits until such date as he or she may agree with the Management Trustees which shall not be later than the date of the Late Stayer's 75th birthday.
 - (ii) The benefits of a Late Stayer who defers payment of his or her benefits under paragraph (i) above shall be calculated as if Rule 8 applied but related to his Retiring Pay at, and contributory service completed to, the date of leaving Service (or, in the case of such a Late Stayer who has previously ceased payment of contributions (including Notional Contributions) under Rule 5(e), to the date of leaving contributory service and then actuarially increased in accordance with that Rule). They will then be adjusted so that, when the pension comes into payment, it is the actuarial equivalent of the amount that would have been payable if that part of the pension had been paid at the date of leaving Service.
 - (iii) A transfer under Clause 25B shall be available on request in respect of a Late Stayer who elects to defer his benefits under this Rule

8A(b) and whose benefits under the Scheme have not yet come into payment.

9. Dependant's pension

- (a) At any time before the commencement date of his pension a Member may notify the Secretary of his intention to make provision for a pension to commence on the date of his death for his surviving spouse, Surviving Civil Partner or any other dependant named by him and approved by the Management Trustees in line with paragraphs 2.2 and 4 of Schedule 1 to the supplemental deed (Benefits for same sex spouses) dated 10 July 2014, such pension to be payable during the remainder of the lifetime of such spouse or named dependant or Surviving Civil Partner PROVIDED ALWAYS that the Management Trustees may at their discretion prescribe either generally or in a particular case that the proposed provision shall only be permitted after a medical examination of the Member by a doctor nominated by the Management Trustees.
- (b) To provide the pension for the spouse or named dependant or Surviving Civil Partner the Member shall surrender such part of his pension as he desires PROVIDED ALWAYS that he may not surrender so much as would result in the pension payable to the spouse or named dependant or Surviving Civil Partner being greater after taking into account any pension payable under Rule 10 hereof than the amount of the pension remaining to be paid to the Member before any commutation of pension under the provisions of Rule 14A. The amount of pension payable to the spouse or named dependant or Surviving Civil Partner shall be the actuarial equivalent of the amount of pension so surrendered by the Member.
- (c) Any notification given under this Rule shall be revoked -
 - (i) if the Member leaves the employment of an Employer before attaining normal retirement age for reasons of ill-health affecting expectation of life; or
 - (ii) in relation to a notification made before 10 January 2008, if the Member leaves the employment of an Employer and becomes entitled to a return of his own contributions in accordance with Rule 15; or
 - (iii) in relation to a notification made on or after 10 January 2008, if the Member or named dependant dies before the commencement date of the Member's pension.
- (d) A Member may cancel or subject to the aforementioned limitations and conditions amend the notification to the Secretary referred to in paragraph (a) of this Rule by further notice to the Secretary at any time before midnight on the date of his leaving the employment of his last Employer. If a Pensioner's named dependant dies after the Pensioner's pension has commenced, the Pensioner may nominate another dependant, who must be approved by the Management Trustees for this purpose, to receive a pension on his death in place of the original nominee. The amount of the new dependant's contingent pension will be payable for life and its amount will be determined in accordance with criteria specified by the Actuary

as being the equivalent of the amount surrendered having regard in particular to the age of the dependant. A nomination may not otherwise be revoked or changed.

10. **Adult survivors' pensions**

(a) **Entitlement to surviving spouses pension**

The surviving spouse of a Member or Pensioner who in either case has been a Higher Rate Contributor will receive a yearly pension payable for life from the date of the Member's or Pensioner's death. No pension entitlement will be payable to the surviving spouse of a Member or Pensioner who has never been a Higher Rate Contributor unless Rule 32A or 34 applies (if the Member or Pensioner has been in contracted-out employment by reference to the Scheme).

(b) **Calculation of surviving spouse's pension: Higher Rate Contributors only**

The yearly amount of the surviving spouse's pension for Higher Rate Contributors will be determined by reference to the following table:-

TABLE

Category	Category description	surviving spouse's pension to be one-half of the following relevant pension (subject to Notes below)
A	Member who dies before normal retirement age	The deferred yearly pension to which the Member would have been entitled under Rule 14(a) had he or she left Service on the day before the date of death disregarding any period(s) during which the Member was a Lower Rate Contributor.
B	Member who dies on or after normal retirement age	The yearly pension to which the Member would have been entitled had the Member retired on the day before the date of death, but (subject to Note 2) calculated as if

Category	Category description	surviving spouse's pension to be one-half of the following relevant pension (subject to Notes below)
		any period of Service as a Lower Rate Contributor was disregarded for the purposes of the calculation to be made under Rule 8 (other than where applicable for the determination of retiring pay).
C	Pensioner	The immediate or deferred pension to which the Pensioner would have been entitled if (subject to Note 2) contributory service (other than where applicable for the determination of retiring pay) disregarded any period(s) of Service as a Lower Rate Contributor.

NOTES TO TABLE:

- (1) When calculating the relevant pension, any adjustments to the Member's or Pensioner's pension made under Rules 9, 13(b)(i) and (ii), 14A, 14B, 14C (or any earlier rule to like effect), 20(i) or 34, and any actuarial reduction or early commencement of a deferred pension made under Rule 14(b) or 14(g) hereof, are to be disregarded. Any adjustments under Clause 24 are to be likewise disregarded unless the adjustment was implemented on terms that it would not be so disregarded.
- (2) For the purpose of calculating any pension payable to a surviving spouse on the death of a female Member or female Pensioner who:-

- I
 - (i) was a Higher Rate Contributor; and
 - (ii) ceased to be in contributory service by retirement or otherwise between 1 December 1987 and 30 November 1989 (both dates inclusive); or
- II
 - (i) was a Member on 1 December 1989; and
 - (ii) became a Higher Rate Contributor by election effective on 1 December 1987 or 1 April 1990 (or, if she was then on maternity leave, on such later date at which her election became effective following her return to normal contributory service)

the relevant contributory service also includes one-half of any period of Service as a Lower Rate Contributor before 1 December 1987 which formed part of the last or only period of contributory service.

- (3) If the surviving spouse was at the date of the death of the Member or the Pensioner more than ten years younger than the Member or Pensioner, the amount of the surviving spouse's pension will be reduced by 1.25% for each complete year by which the difference in age exceeds ten years.

(c) Contributions guarantee

If on the cessation of all pensions payable in respect of a Member or Pensioner under this Rule 10 the total amount of:-

- (i) pension payments to any surviving spouse or Pensionable Dependants under this Rule; and
- (ii) all pension payments to the relevant Member or Pensioner under the Rules;

is less than the aggregate of -

- (iii) the amount of the contributions the Member or Pensioner has paid to the Scheme as a Higher Rate Contributor pursuant to Rule 5 (including Notional Contributions) together with interest thereon at 2.5% per annum compound to the date on which the Member or Pensioner died or the date on which (in the case of a Pensioner) the pension commenced (whichever is the earlier),

then the difference between the two sums will be paid to the legal personal representative of the surviving spouse (if applicable) or otherwise to the legal personal representative of the Pensionable Dependant (or, if more than one, of

the last Pensionable Dependant to die).

(d) Discretionary reinstatement following cessation on remarriage

Where a pension formerly payable to the surviving spouse of a Member or Pensioner who died before 17 May 1995 ceased upon the surviving spouse's remarriage before that date in accordance with the Rules in force at that time, the Management Trustees may at their discretion reinstate the payment of such pension at the written request of such surviving spouse. Requests made in respect of a surviving spouse who has died are not valid. Any such reinstatement shall take effect as from the date upon which such written request is received by the Secretary or, if the Management Trustees so specify, from an earlier date (but not earlier than 17 May 1995). If the Management Trustees so specify, the pension shall recommence at the rate which would have applied had the pension continued to be payable notwithstanding the remarriage. Otherwise, the pension shall re-commence at the rate applicable at the date of discontinuance.

(e) Pensions for other adult survivors

If a Member or Pensioner who in either case has been a Higher Rate Contributor dies without leaving a surviving spouse but leaving a Pensionable Dependant, a pension will be payable to such Pensionable Dependant. Subject to any restriction as may be necessary to ensure that when aggregated with any Dependant Child's allowances in payment at any time under Rule 11 the pension under this sub-rule (e) will not exceed the maximum approvable benefits which the Scheme could have provided before 6 April 2006 under the requirements of HM Revenue & Customs, the pension will be equal to the pension which would otherwise have been payable under sub-rule (b) above had the Member or Pensioner left a surviving spouse and will be payable for life. Notes 1 and 2 to the Table in sub-rule (b) will apply in the calculation of the amount of the pension, and Note 3 will apply having regard to the age of the relevant Pensionable Dependant. If there are more than one such Pensionable Dependents the Management Trustees may allocate the pension between them in such shares as they may decide (with any adjustment by reference to Note 3 to the Table taking effect in relation to the pension so allocated to each Pensionable Dependant separately), or they may decide that a pension will be payable to only one such Pensionable Dependant. If payment is made to two or more Pensionable Dependents, when a Pensionable Dependant dies the Management Trustees may re-allocate that pension to another Pensionable Dependant, but they shall not be obliged to do so. For the purposes of this sub-rule (e) the Management Trustees may invite Higher Rate Contributors to notify them of any individuals whom the High Rate Contributors would wish to be considered as potential Pensionable Dependents on death.

(f) Concessionary spouses' pensions

The surviving spouse of a female Pensioner who became a Pensioner before 1 December 1987 will also receive a yearly pension payable for life from the date of the Pensioner's death. The pension will be calculated in the same way as specified in (b) above, but by reference to that part of the relevant pension which is attributable only to one-half of the period of Service as a Lower Rate Contributor (before 1 December 1987) which formed part of the last or only period of

contributory service.

(g) **Surviving Civil Partner**

Except in Rule 10(d), this Rule 10 shall apply in respect of a Surviving Civil Partner as if the words “Surviving Civil Partner” were substituted for the words “surviving spouse” and “spouse” and all related terms shall be construed accordingly.

11. **Dependent Child's allowance**

(a) **Qualification for Dependent Child's allowance**

On the death of a Member or Pensioner, an allowance will become payable in respect of any Dependent Children of the Member or Pensioner. Where the relevant Dependent Child giving rise to the payment of the allowance is born after the date of death of the Member or Pensioner, the allowance will become payable from the date of the Dependent Child's birth. The Dependent Child's allowance will be payable for so long as a person qualifies as a Dependent Child.

(b) **Calculation of Dependent Child's allowance**

The yearly amount of the Dependent Child's allowance to be allocated in respect of the Dependent Children will be the appropriate percentage (determined by reference to the table set out below according to the number of Dependent Children there are at any time) of the following pension, disregarding any adjustments made to such pension under Clause 24, Rules 9, 13(b)(i) and (ii), 14A, 14B, 14C or (or any earlier rule to like effect), 20(i) or 34, and any actuarial reduction on early commencement of a deferred pension made under Rule 14(b) or 14(g) hereof:-

- (i) in the case of the death of a Pensioner: the yearly pension or deferred pension to which the Pensioner was entitled at the date of death;
- (ii) in the case of the death of a Member: the yearly deferred pension to which the Member would have been entitled had he or she died on the day before the date of death.

TABLE

Number of Dependent Children at any time	Percentage of pension under (i) or (ii) above:	
	(1) all cases except those under Column (2)	(2) for so long as no pension is payable to a surviving spouse under Rule 10: Higher Rate Contributor only (but see note 1

		below)
1	12.5%	25.0%
2	25.0%	50.0%
3	37.5%	75.0%
4 or more	50.0%	100.0%

NOTES TO TABLE:

- (1) If a Member or Pensioner has at any time been a Lower Rate Contributor, the pension to which the percentage in Column (2) is to be applied will be calculated disregarding the period of contributory service as a Lower Rate Contributor (other than where applicable for the determination of retiring pay).
- (2) In the event of an actual break in service of 12 months or more, only contributory service after the break will be taken into account for the purpose of computing the minimum allowance payable in respect of a Dependent Child.
- (3) Where there is more than one Dependent Child the Management Trustees may make such arrangements as they may from time to time consider appropriate as regards the allocation of the allowance in respect of all or any of them, and in particular shall be under no obligation to pay part of the allowance in respect of each one of them.

(c) Receipts

The receipt of the surviving parent or person standing in loco parentis to a Dependent Child will be a sufficient discharge to the Management Trustees for any payment made in respect of such Dependent Child under this Rule 11.

12. Ill-health pension - General Staff

- (a) A Member being General Staff who ceases to be employed by an Employer before attaining normal retirement age in consequence of incapacity to perform his normal duties arising from accident or mental or physical infirmity not resulting from his own wilful misconduct shall be entitled -
 - (i) if he has less than ten years service, to receive an immediate pension being the actuarial equivalent of the pension he would have been entitled to receive had he retired at normal retirement age with the same period of contributory service as he has in fact completed calculated on the assumption that his retiring pay at normal retirement age was the same amount as his retiring pay at the date on which he in fact ceased to be employed by his last Employer; or

- (ii) if he has ten years service or more, to receive an immediate pension equal in amount to the pension he would have been entitled to receive had he retired at normal retirement age with the same period of contributory service as he has in fact completed calculated on the assumption that his retiring pay at normal retirement age was the same amount as his retiring pay at the date on which he in fact ceased to be employed by his last Employer PROVIDED ALWAYS that such pension shall not be less than 1/6th of his pay at the date of his leaving the employment of his last Employer and PROVIDED FURTHER that any period of service as a Pilot or Officer in respect of which a Member is entitled to a pension whether or not payment thereof has been deferred shall not count as service for the purpose of this Rule.
- (b) While any person who is in receipt of a pension by virtue of paragraph (a)(ii) of this Rule is under normal retirement age -
 - (i) the Management Trustees may at any time require him to furnish such evidence as they shall deem satisfactory of his continued incapacity and if he shall not furnish such evidence they may vary suspend or revoke his pension;
 - (ii) if he recovers sufficiently to be able to earn an income the Management Trustees may from time to time vary suspend or revoke his pension as they think the circumstances justify PROVIDED ALWAYS that such pension shall not be reduced below an amount which when added to the income being earned and the amount of any pension commuted under Rule 14A would result in a sum less than his pay immediately before retirement on ill-health pension;
 - (iii) if he recovers sufficiently to be able to perform his normal duties and is re-engaged by an Employer to perform such duties his pension shall cease but he shall forthwith be re-admitted to the Scheme and in calculating his entitlement to pension his contributory service with an Employer before retiring on ill-health pension shall be added to his contributory service thereafter and such allowance as the Actuary may determine shall be made in respect of any lump sum paid under Rule 14A.
- (c) Except in cases falling within paragraph (b)(iii) of this Rule if a person's pension has been varied suspended or revoked as aforesaid he shall on attaining normal retirement age be entitled either to a continuation of the ill-health pension or to a pension calculated according to Rule 8 (reduced however to the extent determined by the Actuary to take account of any lump sum paid under Rule 14A) whichever is the greater whether his incapacity continues or not and whether or not he is earning an income.
- (d) Except in cases falling within paragraph (b)(iii) of this Rule if a person's pension has been varied suspended or revoked he may if his Qualifying Service at the date of cessation of employment with his last Employer was less than five years and subject to the provisions of Rule 15(c) and Rule 32 hereof require payment of such part of the amount of his own contributions (plus interest thereon at the rate of 2.5% compounded annually up to the date of his retirement on ill-health pension)

as remains after deducting the amount of ill-health pension already received and any lump sum paid under Rule 14A in which event no other payments shall be made under any of the Rules of the Scheme in respect of his membership.

- (e) For the purposes of this Rule contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25%.
- (f) No pension may be paid under this Rule 12 on the grounds of mental or physical infirmity to any person who is below age 50 unless and until the ill-health condition set out in Schedule 28 to the Finance Act 2004 is met.

13. **Ill-health pension - Pilots and Officers**

- (a) A Pilot or Officer who ceases to be employed by an Employer before attaining normal retirement age by reason of his ceasing to be qualified to hold the appropriate licence to enable him to perform his normal duties with an Employer -
 - (i) after completion of five years' service as a Pilot or Officer as a consequence of ill-health or accident; or
 - (ii) at any time as a consequence of his suffering an Air Accident in the course of his duties with an Employer

shall be entitled to an immediate pension the amount of which shall be equal to £1.15.9d% of his retiring pay if he is a Pilot and £1.13.4d% of his retiring pay if he is an Officer for each year of contributory service and proportionately for any part of a year PROVIDED ALWAYS that the pension shall not be less than it would have been if the Pilot or Officer had completed one-half of the number of years of service which would have been completed if he had remained in the employment of his Employer up to the age of 55 in the case of Pilots or 53 in the case of Officers nor more than his normal pension had he remained in the employment of an Employer until normal retirement age and on the assumption that his retiring pay at normal retirement age was the same amount as his retiring pay at the date on which he in fact ceased to be employed by his last employer.

- (b) While any person who is in receipt of a pension by virtue of paragraph (a) of this Rule is under normal retirement age -
 - (i) the Management Trustees may at any time require him to furnish such evidence as they shall deem satisfactory of his continued incapacity and if he shall not furnish such evidence they may vary suspend or revoke his pension;
 - (ii) if he recovers sufficiently to be able to earn an income the Management Trustees may from time to time vary suspend or revoke his pension as they think the circumstances justify PROVIDED ALWAYS that such pension shall not be reduced below an amount which when added to the income being earned and the amount of any pension commuted under Rule 14A would result in a sum less than his pay immediately before retirement on ill-health pension;

- (iii) if he recovers sufficiently to be able to obtain such licence as aforesaid and is re-engaged by an Employer as a Pilot or Officer to perform such duties his pension shall cease but he shall forthwith be re-admitted to the Scheme and in calculating his entitlement to pension his contributory service with an Employer before retiring on ill-health pension shall be added to his contributory service thereafter and such allowance as the Actuary may determine shall be made in respect of any lump sum paid under Rule 14A.
- (c) Except in cases falling within paragraph (b)(iii) of this Rule if a person's pension has been varied suspended or revoked as aforesaid he shall on attaining normal retirement age be entitled either to a continuation of the ill-health pension or to a pension calculated according to Rule 8 (reduced however to the extent determined by the Actuary to take account of any lump sum paid under Rule 14A) whichever is the greater whether his incapacity continues or not and whether or not he is earning an income.
- (d) Except in cases falling within paragraph (b)(iii) of this Rule if a person's pension has been varied suspended or revoked he may if his Qualifying Service at the date of cessation of employment with his last Employer was less than five years and subject to the provisions of Rule 15(c) and Rule 32 hereof require repayment of such part of the amount of his own contributions (plus interest thereon at the rate of 2.5% compounded annually up to the date of his retirement on ill-health pension) as remains after deducting the amount of ill-health pension already received and any lump sum paid under Rule 14A in which event no other payments shall be made under any of the Rules of the Scheme in respect of his membership.
- (e) For the purposes of this Rule contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25%.
- (f) No pension may be paid under this Rule 13 on the grounds of mental or physical infirmity to any person who is below age 50 unless and until the ill-health condition set out in Schedule 28 to the Finance Act 2004 is met.

14. **Deferred pension**

- (a) A Member ceasing to be employed by his last Employer before reaching normal retirement age who at the date of such cessation either -
 - (i) had accrued two or more years' Qualifying Service; or
 - (ii) had accrued less than two years Qualifying Service but was discharged (or who in the opinion of his Employer resigned in order to avoid discharge) from the employment of an Employer for reasons other than misconduct

shall be entitled to receive a deferred pension commencing at normal retirement age equal in amount to the pension he would have been entitled to receive had he retired at normal retirement age with the same period of contributory service he has in fact completed calculated on the assumption that his retiring pay at normal

retirement age was the same amount as his retiring pay at the date on which he in fact ceased to be employed by his last Employer PROVIDED HOWEVER that in relation to a Member who is entitled in the alternative to a refund of contributions under Rule 15(a) entitlement to a deferred pension under this Rule shall not arise until the Member has elected to receive such a deferred pension in lieu of such refund and PROVIDED FURTHER that no deferred pension payable under this Rule shall be less than such amount as would in the opinion of the Actuary compare reasonably with the amount of the Members' contributions.

- (b) A Member may advance payment of such deferred pension in which event a pension which is the actuarial equivalent thereof shall be payable commencing from the date selected by the Member not earlier than age 40 in the case of Pilots age 43 in the case of Officers or an age within ten years of normal retirement age in the case of General Staff

PROVIDED THAT this option shall not be available in any case in which the Management Trustees determine that the pension payable to the Member at the date of his attainment of pensionable age would be or might be less in weekly rate than the weekly rate of the guaranteed minimum pension appropriate to the Member under Rule 34 at that date except that the Management Trustees may agree to the payment to the Member of an immediate pension equal to -

- (i) until pensionable age a pension which is the actuarial equivalent of the deferred pension after deducting the actuarial equivalent of the guaranteed minimum pension; and
 - (ii) from pensionable age no less than the minimum guaranteed pension subject to the amount of the pension under (i) not being less than such amount as the Management Trustees prescribe from time to time for this purpose. The term “**pensionable age**” shall have the same meaning as in the Pension Schemes Act 1993.
- (c)
 - (i) A Pilot or Officer who remains in the employment of an Employer as General Staff may postpone receipt of such deferred pension in which event the actuarial equivalent of the amount thereof shall be payable commencing from the date selected by the Member not later than the date of the Member's leaving the employment of an Employer.
 - (ii) Any Pensioner payment of whose deferred pension was not due to commence before 1 April 1966 may postpone receipt of such deferred pension (or the balance remaining payable after any surrender of pension for the purposes of Rule 9) until no later than age 75 (or such later date as the Management Trustees may from time to time permit), in which event the actuarial equivalent of the amount of such deferred pension (less any amount allocated for the purposes of Rule 9) shall be payable from the date of commencement of payment. The Pensioner shall upon request submit evidence satisfactory to the Management Trustees of the continuation of circumstances which entitle him to postpone receipt of his deferred pension.
- (d) The pension actuarially adjusted in accordance with paragraphs (b) or (c) of this Rule shall except as otherwise provided be the Member's pension for all purposes

of these Rules.

- (e) For the purpose of calculating the amount of pension payable under this Rule contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25%.
- (f) Unless his pay has at any time exceeded £5,000 in any one year where a former Member who ceased to be employed by his last Employer prior to 6 April 1978 has (being entitled) elected to receive a deferred pension and at a subsequent date before his pension has commenced wishes to receive a return of his own contributions in lieu of such deferred pension the Management Trustees may at their discretion after considering the reasons for such request and subject to Rule 32 grant a repayment of the former Member's contributions plus interest thereon at the rate of 2.5% compounded annually up to the date of payment.
- (g) Subject to the same proviso concerning guaranteed minimum pensions as in Rule 14(b), a former Member who is entitled to a deferred pension, but who subsequently becomes incapacitated before the date on which the deferred pension under this Rule 14 could otherwise come into payment, may elect to have the deferred pension put into payment immediately at a rate which is the actuarial equivalent of the deferred pension which would have commenced at normal retirement age. For the purposes of this Rule 14(g), an individual will be regarded as incapacitated if he is suffering from physical or mental deterioration which is sufficiently serious to prevent him from following his normal employment or which seriously impairs his earning capacity. The decision of the Management Trustees as to whether he is so incapacitated will be final.
- (h) The option under Rule 14C to receive a higher rate of pension during the first years after nominal retirement age shall also apply to a deferred pension payable under this Rule, except to a deferred pension which has come into payment early under Rule 14(g) before the earliest date from which the former Member could advance payment of his pension as specified in Rule 14(b) and subject as therein provided.

14A. **Commutation of pension**

- (a) A Member or former Member may commute (that is, exchange) the whole or part of his pension payable under Rules 8, 12, 13 or 14 (but before making any adjustment under Rule 14C) for a cash sum as follows -
 - (i) The election may be exercised only by the Member or former Member giving notice to reach the Secretary within 3 months immediately before his pension comes into payment.
 - (ii) Any election will be revoked by the death of the Member or former Member before his pension comes into payment but otherwise the cash sum will be paid to the Pensioner on the day his pension commences.
 - (iii) The cash sum must not, when combined with any other cash sum received under this Rule or under any other pension or arrangement, exceed the Member's maximum Pension Commencement Lump Sum.

- (iv) The amount of pension to be commuted to provide a particular cash sum will be decided by the Actuary.
 - (v) The remaining pension must not be less than the total of any graduated pension payable to the Member or former Member under Rule 32 and any guaranteed minimum pension payable to the Member or former Member under Rule 34.
 - (vi) The Management Trustees may at their discretion choose not to recover any element of a cash sum under this sub-Rule 14A(a) that is overpaid or paid in error, but only to the extent that the overpayment or payment in error is an authorised member payment for the purposes of the Finance Act.
- (b) Where a Pensioner has commuted part of his pension under this Rule the lump sum payable under this Rule shall be deducted from any death benefit payable under Rule 18(a)(v).
- (c) A Member or Pensioner who retires through Serious Ill-Health may, if he has given prior notice in writing to the Management Trustees and subject to their consent, and the conditions set out in paragraph 4(1)(a) to (e) of Schedule 29 to the Finance Act 2004 apply, convert on a basis which is the actuarial equivalent all of his pension under the Scheme into a Serious Ill-Health Lump Sum
- PROVIDED THAT exercise of this option shall be subject to such restriction as the Management Trustees determine to be appropriate to ensure that there shall, to the extent required by law, remain payable to or in respect of the Member or Pensioner any associated pension payable on his death.
- (d) The Management Trustees may exchange all or part of a Member, Pensioner or other person's pension entitlement under the Scheme for a lump sum, before the exercise of any option under Rule 9 or this Rule 14A, where the lump sum would be:
- (i) a trivial commutation lump sum under paragraphs 7 to 9 of Schedule 29 to the Finance Act 2004; or
 - (ii) a lump sum payment under Regulation 11 or 12 of the Registered Pension Schemes (Authorised Payments) Regulations 2009/1171; or
 - (iii) a trivial commutation lump sum death benefit under paragraph 20 of Schedule 29 to the Finance Act 2004.

The Management Trustees will use the actuarial equivalent of the Member, Pensioner or other person's pension entitlement to calculate the lump sum payable.

PROVIDED THAT, on the payment of any such lump sum, any benefits contingently payable under the Scheme on the death of the Member, Pensioner or other person shall cease to be payable and any such cesser shall be taken into

account by the Management Trustees and the Actuary in determining the amount of such lump sum payment;

AND PROVIDED FURTHER THAT where a Member or Pensioner has a guaranteed minimum in relation to the pension to be provided for him under the Scheme in accordance with the provisions of the GMP Rule, in respect of which the basis of revaluation described in Rule 34.5(i)(2) applies, no lump sum may be paid under this paragraph (d) unless and until he attains pensionable age for the purposes of the GMP Rule.

14B. Pension augmentation at early retirement

- (a) If the Employer (in its absolute discretion) by notice in writing to the Secretary before 15 November 1989 requests the augmentation by a specified augmentation element (subject always to the provisions of Rule 7) of the pension of any Member about to retire before Normal Retirement Age who has elected under Rule 14(b) that his pension commence immediately following his retirement (or who is barred from making this election by the proviso to Rule 14(b)) the pension of such Member (as determined prior to the application of this Rule) shall be augmented by the said specified augmentation element.
- (b) Augmentation under this Rule shall apply only to the Member's pension and not to any Widow's Pension, Surviving Civil Partner's pension or Dependent Child's allowance associated therewith.
- (c) The augmentation element shall not qualify for commutation under Rule 14A and in a winding up of the Scheme shall rank in priority after the Scheme's liability for provision for Members in service on the date of commencement of the winding up but subject thereto and to paragraph (b) of this Rule such element shall constitute part of the Member's pension under Rule 14 for the purposes of these Rules.
- (d) Within four weeks after the commencement of a pension augmented under paragraph (a) of this Rule the Employer shall pay to the Management Trustees by way of contribution to the Scheme a sum that is the actuarial equivalent of the augmentation element of such pension.
- (e) Upon receipt from the Employer of a sum that is the actuarial equivalent on the last day of the month on which such sum is paid of the balance of any additional pension then in course of payment by the Employer to any Pensioner under the Employer's Augmentation Scheme (Ref. SF No. 2/43366) and subject always to the provisions of Rule 7 the said additional pension shall thereafter be deemed an augmentation element payable under this Rule to which the provisions of paragraphs (b) and (c) of this Rule shall specifically apply.

14C. Level pension option

If a Member or Pensioner becomes entitled to a pension under Rule 8 or Rule 14 (other than a deferred pension which has come into payment early under Rule 14(g) before the earliest date from which the former Member could advance payment of his pension as specified in Rule 14(b) and subject as therein provided) commencing before pensionable

age under the Pension Schemes Act 1993 he may by notice in writing to the Secretary subject to the consent of the Management Trustees elect at any date before such pension commences (or in the case of a pension that commenced or commences before 30 September 1984 at any date before 1 April 1985 or such later date as the Management Trustees might determine) that his pension under these Rules shall be increased before such pensionable age and reduced thereafter in accordance with arrangements approved by the Actuary with a view to providing him with a more stable aggregate retirement pension from the Scheme and from the general state social security scheme.

15. Refund of contributions

- (a) A Member ceasing to be employed by his last Employer before reaching normal retirement age -
 - (i) who so ceases prior to 6 April 1978 (unless his pay has at any time exceeded £5,000 in any one year) and (being entitled) who elects not to receive a deferred pension under Rule 14(a); or
 - (ii) who has accrued less than two years' Qualifying Service

shall subject to paragraph (c) hereof and to Rule 32 be entitled to a return of his own contributions (including Notional Voluntary Contributions and Employer AVCs but not Notional Contributions) plus interest thereon at the rate of 2.5% compounded annually up to the date of his so ceasing to be employed.
- (b) For the purposes of this Rule and Rule 18 the Member's own contributions shall include only those of his contributions to this Scheme and to any other Scheme the Member's interest in which has been transferred to this Scheme in respect of which no pension immediate or deferred has been awarded.
- (c) A person who became a Pensioner before 6 April 1978 and who on commencing to receive a pension has no wife shall be entitled to the return of his specified contributions under Rule 5(a) together with interest thereon at the rate of 2.5% compounded annually up to the date of payment. The entitlement is only exercisable if before the date on which the pension is due to commence the Secretary receives an election for the refund signed by the Pensioner.

16. Change in occupation or Employer

- (a) Where a Member is employed by an Employer at different times as General Staff, Pilot, or Officer without a break in service his pension and surviving spouse's pension or Surviving Civil Partner's and Dependent Child's allowance shall be calculated in accordance with the Rules applicable to the capacity in which the Member is employed at the date of leaving service. For this purpose the contributory service in any earlier capacity will be taken into account by crediting the Member with such additional notional period of contributory service in his final category as the Actuary appointed under Clause 8 of the Trust Deed may determine to be appropriate (but with those actuarial adjustments to the contributory service so credited which are attributable to differences in normal retirement age between the categories being disregarded for the purposes of the limitation of amount of pensions prescribed in Clause 32). For the purposes of

calculating any surviving spouse's or Surviving Civil Partner's pension under Rule 10, the contributory service so credited will be taken into account in the proportion which the period of actual contributory service as a Higher Rate Contributor in the earlier capacity bears to the total period of such contributory service. There shall be deemed to be a break in service if the Member takes an immediate pension or elects to take a deferred pension in respect of service in the capacity from which he is transferring. A Member will not cease to be a Member for the purposes of Rules 10 and 11 by reason only of any such break in service.

- (b) A Member transferring from the employment of one Employer to that of another shall be entitled to count all service with either Employer in computing total service.
- (c) A Member in the service of an Employer on or after 1 May 1967 who has been employed at different times as General Staff, Pilot or Officer and is not in receipt of a pension under the Scheme may elect within nine months after 1 May 1967 or within nine months after the date of change of category whichever date is the later to receive in lieu of a pension calculated in accordance with paragraph (a) of this Rule a pension calculated in accordance with the Rules applicable to the category of service in which the Member is employed at the date of leaving the service of an Employer, his service in other categories being taken into account by crediting him with such additional notional period of service in his final category as the Actuary may determine.

17. Entitlement to and payment of pensions and allowances

- (a) Entitlement to any pension or allowance payable under these Rules is conditional upon a claim therefor having been submitted by or on behalf of the person entitled to the Management Trustees within a period of twenty years after the date on which the first payment of pension or allowance would otherwise have been due or after the date on which some payment has been made in respect thereof during the said period. Failing such claim or payment all entitlement to such pension or allowance shall be extinguished.
- (b) The first payment of pensions and allowances shall be made on the last day of the month next following the month in which entitlement accrues. Thereafter payments shall be made monthly in arrears. The last payment is due up to the end of the calendar month in which death occurs. The Management Trustees may from time to time require production of evidence satisfactory to them of the existence of the person entitled to the pension or allowance and of any other fact relevant to continued entitlement to the pension or allowance and persons in receipt of any pension or allowance are under an obligation to inform the Management Trustees of all such facts.
- (c) Pensions and allowances shall be payable in sterling (United Kingdom currency) by cheque or draft on London unless the Management Trustees otherwise decide. Any such cheque or draft may be sent by post as a prepaid letter to the address notified by the recipient for the purpose and payment of any such cheque or draft if purporting to be endorsed by the person to whom the same was made payable shall be a good discharge to the Management Trustees.

- (d) If the recipient is in the opinion of the Management Trustees suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt they may at their option cause the pension or allowance to be paid for his benefit to any person or institution concerned with the care or welfare of the recipient and the receipt of such person or institution shall be a complete discharge to the Management Trustees for the money paid and the Management Trustees shall not be under any liability to see to the application thereof.
- (e) Notwithstanding the provisions of paragraph (d) of this Rule the Management Trustees may if in their opinion monthly instalments of a pension or allowance are trivial in amount pay such pension or allowance whether in advance or in arrear at such intervals of time not exceeding one year as they may deem appropriate.
- (f) On or after its commencement each pension or allowance becoming payable under Rules 9, 10 or 11 in respect of any Member or Pensioner whose last or only period of contributory service under the Scheme ended on or after 1 January 1974 and who died on or after 2 March 1999 shall be increased at each Pensions Increase Date by a yearly amount equal to whichever is the lesser of-
 - (i) 5 per cent; and
 - (ii) the percentage which would apply if the rates of increase specified in the Pension Increase (Review) Orders made in exercise of the powers conferred by section 59 of the Social Security Pensions Act 1975 were applicable thereto,

of the yearly amount of such allowance immediately prior to such Pensions Increase Date PROVIDED THAT for the purpose of determining the amount of any such increase in the pension payable to the widow, widower or Surviving Civil Partner of any Member or Pensioner (and, subject only to (i) above, to achieve consistency of treatment with comparable beneficiaries under Part VI of the Rules) the yearly pension payable to her or to him under the Scheme shall be deemed to have been reduced for the purposes of (i) above, with effect from the date of its commencement by an amount equal to 52 times the weekly rate of the guaranteed minimum pension appropriate to her or to him under Rule 34 AND PROVIDED FURTHER THAT should such Pensions Increase (Review) Orders cease to be made and no other orders be made in lieu thereof the reference thereto shall be replaced by a reference to the Index. In addition to the above prospective increases, when the relevant pension or allowance commences it shall immediately be increased to any higher level which it would have attained had the pension or allowance in fact commenced on the date on which the relevant Pensioner's or Member's contributory service under the Scheme ended whether by withdrawal from service, retirement, or otherwise, and the pension or allowance been subject to increase throughout that period as aforesaid. For the purposes of this sub-Rule "**Pensions Increase Date**" means the effective date of application of annual review orders issued as described above.

The proviso to Rule 15 of Part VI and the provisions which follow that on "Further increases to pensions" and the related provisions of Rule 26(c) of Part VI shall also apply to pensions which are increased under this Rule but, for the avoidance of

doubt, this will not result in an overall increase to pension on a Pensions Increase Date that is in excess of the 5 per cent cap noted in this Rule above.

18. Death benefit

(a) Lump sum death benefits will be payable as follows:-

- (i) On the death of a Member from any cause other than death arising as a result of an Air Accident, a lump sum will be payable equal to the annualised amount of the Member's pay (or, in the case of a Salary Sacrifice Member, what would have been Pay but for the Salary Sacrifice) immediately prior to the date of death (subject to a minimum payment of £500).
- (ii) On the death of a Member as a result of an Air Accident, a lump sum will be payable equal to twice the annualised amount of the Member's pay (or, in the case of a Salary Sacrifice Member, what would have been Pay but for the Salary Sacrifice) at the date of the accident (subject to a minimum payment of £1,000).
- (iii) In the case of a death under paragraph (i) or (ii) above the following provisions will apply-
 - (A) if a pension does not become payable in respect of the Member under Rule 10, a further lump sum will be payable of an amount equal to the Member's own contributions as defined in Rule 15 (plus Notional Contributions) together with interest thereon at the rate of 2.5% per annum compounded annually to the date of death;
 - (B) whether or not a pension becomes payable in respect of the Member under Rule 10, the amount of the total death benefit so calculated will not be less than an amount equal to the Member's own contributions as defined in Rule 15 (plus Notional Contributions) together with interest thereon at the rate of 2.5% compounded annually to the date of death.
- (iv) On the death of a Pensioner entitled to a deferred pension before such pension commences, if no pension becomes payable in respect of the Member under Rule 10, a lump sum will be payable equal to the Pensioner's own contributions as defined in Rule 15 (plus Notional Contributions) together with interest thereon at the rate of 2.5% compounded annually to the date of death.
- (v) On the death of a Pensioner in receipt of pension under the Scheme in circumstances where no pension becomes payable under Rule 10 and-
 - (1) the aggregate of the Pensioner's own contributions as defined in Rule 15 (plus Notional Contributions) together with interest thereon calculated at 2.5% per annum compounded to the date on which the Pensioner last ceased to be employed by a Participating Employer exceeds

(2) the aggregate of any pension paid to the Pensioner under the Rules a lump sum will be payable equal to the difference between items (1) and (2). If a pension does become payable under Rule 10 but the Pensioner has been a Lower Rate Contributor, a lump sum will similarly be potentially payable, but calculated by reference only to contributions as a Lower Rate Contributor (and disregarding the pension payments under Rule 10 for the purposes of (2)).

- (b) Any sum payable under this Rule will be reduced by any amount paid in accordance with Rule 19 paragraphs (a) or (b) in respect of the same accident provided that in any case where amounts have become payable in accordance with Rule 19 paragraphs (a) or (b) but have not been paid to the Member whose death ultimately occurs as a result of the same accident no payment will be made under Rule 19 but the benefit provided by this Rule will be paid in full in lieu of any payment under Rule 19.
- (c) Any sum payable under this Rule will be paid or applied as permitted by Rule 22 in such manner as the Management Trustees in their absolute discretion think fit.

19. **Accident benefits**

- (a) In the event of permanent total disablement, total loss of sight, total loss of two limbs or total loss of one limb and of the sight of one eye caused by and arising within six months of the date of an accident suffered by a Member the benefit shall subject to the provisions of Rule 18(b) hereof be a sum equal to the annual pay of the Member at the date of the occurrence of the accident subject to a minimum payment of £500.
- (b) In the event of total loss of the sight of one eye or total loss of one limb caused by and arising within six months of an accident suffered by a Member the benefit shall subject to the provisions of Rule 18(b) hereof be a sum equal to half the annual pay of the Member at the date of the occurrence of the accident subject to a minimum payment of £500.
- (c) If the accident suffered by the Member is an Air Accident the benefit payable under paragraph (a) or (b) of the Rule as the case may be, shall be double the amount otherwise payable thereunder.
- (d) If a Member is totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private and domestic affairs) as the result of an accident occurring within six months prior to the commencement of incapacity there shall subject as hereinafter provided be paid for each week (or part thereof) of incapacity occurring within the period of one year from the date of commencement of incapacity a sum equivalent to the pay such Member would normally have received in respect of such week (or part thereof) of incapacity, less any sums due to the Member under the National Insurance Acts 1946 to 1963 or the National Insurance (Industrial Injuries) Acts 1946 to 1963 or any statutory modification or re-enactment of either for the time being in force in respect of any incapacity arising otherwise than as a result of an Air Accident, and exclusive of allowances overtime bonuses commissions and

similar payments normally excluded from pay for the purposes of this Scheme PROVIDED THAT for any period of such incapacity during which the Member shall be receiving pay from his Employer the payment to the Member under this paragraph shall be reduced by the amount of such pay and the latter amount shall be paid to or in accordance with the directions of the Employer.

- (e) At the request of an Employer the Management Trustees may extend the period of six months referred to in paragraphs (a) (b) and (d) of this Rule by such period as they think fit either generally or in any particular case.
- (f) No ill-health pension in accordance with Rule 12 or 13 shall be payable to a Member during any period of disablement in respect of which he is receiving benefit in accordance with paragraph (d) above.
- (g) For the purposes of this Rule permanent total disablement means a disablement which shall cause the Member to be permanently and totally incapacitated from following his usual employment and attending to business of any kind (other than the management of his private or domestic affairs) and loss of limb means loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle.

20. **Transitional provisions**

- (a) If any Member who immediately prior to the date of his admission to Part V was a Member of Part I or being General Staff was a Member of Part IV has contributed (or had contributions paid in respect of him) to the Scheme or to any other pension scheme of an Employer or of a Predecessor of an Employer for less than his total period of service with an Employer or Predecessor of an Employer since attaining the age of 20 years or has contributed to such pension scheme for part of any such service at half the normal rate of contribution such Member may pay contributions in respect of the period of service for which he has not previously contributed or had contributed at half rate by making contributions to this Scheme equal to 5% of his pay for contribution purposes at the rate appropriate to the time at which such Member was not paying contributions or equal to 2.5% of his pay for contribution purposes at the rate appropriate to the time at which such Member was paying contributions at half rate together with interest in either case at the rate of 3% compounded annually. Any Member who gives written notice to the Secretary of his desire to pay contributions in respect of service for which he has not previously contributed or for which he has previously contributed at half the normal rate may in such notice and subject to his giving details thereof satisfactory to the Management Trustees elect to have any break in employment of less than 12 months duration and specified in the notice treated as not breaking his service continuity but in no case shall any such break itself be included in any calculation of service or of contributory service. In any such case the Member shall pay the sum that thereby becomes payable in a single lump sum within three months after the date of the notice failing which the aforesaid election shall be void.

- (b) In the case of Members who were on 1 January 1954 Members of Part I, Part II, or Part III the expression “**normal retirement age**” as used in Part V in relation to General Staff shall mean the age of 60 in the case of men and 55 in the case of women. Unless the Employer otherwise determines the provisions of this paragraph shall not apply in respect of any period of membership after an actual break in service after 1 January 1954 of twelve months or more PROVIDED THAT transfer of employment from one Employer to another shall not for the purpose of this paragraph be deemed to constitute a break in service.
- (c) Members who immediately prior to 1 July 1953 were Members of Part II or Part III shall receive as their pension under the provisions of Part V either -
 - (i) such sum as they would have been entitled to had they remained in membership of Part II or Part III increased by 30%; or
 - (ii) such sum as they are entitled to in accordance with the Rules of Part V whichever is the greater

PROVIDED ALWAYS that in the case of Members who entered the employment of an Employer on or after 1 January 1952 they shall have attained the age of 50 years in the case of Pilots and 53 years in the case of Officers at the date on which they in fact cease to be employed by an Employer. For the purposes of the said comparison the amount of a pension under the provisions of Part II or Part III shall first be actuarially adjusted on the basis that it would be payable from the date on which the Part V pension is to commence. Unless the Employer otherwise determines, the provisions of this paragraph shall not apply in respect of any period of membership after an actual break in service after 1 July 1953 of twelve months or more PROVIDED ALWAYS that transfer of employment from one Employer to another shall not for the purposes of this paragraph be deemed to constitute a breach in service.

- (d) Pilots who -
 - (i) immediately prior to the date of their admission to Part V were Members of Part II or Part IV; and
 - (ii) entered the employment of an Employer prior to 1 January 1952

may with the consent of their Employer which consent shall not be unreasonably withheld leave the employment of such Employer at any time after attaining the age of 40 years and receive an immediate pension the amount of which shall be ascertained in accordance with the provisions of paragraph (c) of this Rule.

- (e) Officers who -
 - (i) immediately prior to the date of their admission to Part V were Members of Part III or Part IV;
 - (ii) entered the employment of an Employer prior to 1 January 1952; and
 - (iii) have completed not less than 15 years’ service with an Employer

may with the consent of their Employer which consent shall not be unreasonably withheld leave the employment of such Employer at any time after attaining the age of 45 years and receive an immediate pension the amount of which shall be ascertained in accordance with the provisions of paragraph (c) of this Rule.

- (f) Each Pilot who transfers to Part V from Part II or from Part IV Rules - Pilots' Option A shall be entitled to exercise the options and shall be subject to the obligations of the Transitional Provisions of Part IV Rules - Pilots' Option B as if the same were herein set forth in full.
- (g) Any notional years of service resulting from an election by a Pilot pursuant to the provisions of paragraph (c) of Clause 7 of the Schedule to the Deed set out in the First Schedule to the Airways Corporations (General Staff, Pilots and Officers Pensions) (Amendment) Regulations, 1961 shall be notional years of contributory service for the purposes of Part V and the Member's pension shall be calculated in the manner prescribed in Rule 13(d) of Part IV.
- (h) Notwithstanding the provisions of Rules 2 and 3 hereof a Member of Part I, Part II, Part III or Part IV who is at the date on which Part V comes into force* unmarried and who marries before 6 April 1978 may elect to transfer his membership to Part V upon such marriage or within a period of three months thereafter and upon payment of such sum as is equal to 1.5% of his pay for contribution purposes for each of the years between the date on which Part V comes into force and the date of the Member's election and proportionately for any part of a year.
- (i) A Member who at the date of his transfer to Part V was paying increased contributions under the provisions of Rule 9A of Part I or Rule 13 of Part IV may continue such payments throughout his membership of Part V and if he does so continue his rights in respect of such payments shall be the same as though such payments had continued to be made under Part I or Part IV as the case may be PROVIDED THAT such Member may not increase the amount of his increased contributions.
- (j) [Paragraph deleted by Deed dated 1 April 1987.]
- (k) Any special arrangements made pursuant to the provisions of Rule 2(c), 3(f), 6(f), 9 or 19 of Part IV or the corresponding provisions of Part I, II or III or under the Transitional Provisions of Part IV Rules - Pilots' Option B shall be deemed to have been made under the provisions of Part V.
- (l) If at the date of his transfer to Part V a Member is already in receipt of a pension payable under the Rules of Part I, Part II, Part III or Part IV such pension shall qualify for Widow's Pension and Dependent Child's allowance as if it were payable under the Rules of Part V.

* This is the date on which the Deed dated 20 May 1963 came into force, which was on 19 June 1963. That date was determined by regulation 1(2) of The Air Corporations (General Staff, Pilots and Officers Pensions) (Amendment) (No. 2) Regulations 1963 (S.I. 1963/1108) made by the Minister of Aviation in exercise of his powers under section 21 of the Air Corporations Act 1949.

20A. **Special conditions for Part-time Service and Members in irregular Service**

(a) Subject to the provisions of Rule 34 (Guaranteed Minimum Pensions) and to Clause 32 of the Trust Deed (Statutory Requirements) but otherwise notwithstanding any other provision of the Rules, the following special provisions shall apply in respect of any Member who has been in Part-time Service for any period or periods during his last or only period of Service for the purposes of calculating the pension benefits appropriate to and in respect of him under the Scheme and for such purposes only -

(i) for the purposes of this Rule 20A **“Part-time Factor”** means in relation to any week or month as the case may require of Part-time Service the fraction

$$\frac{A}{B}$$

where -

A = the number of hours of service contracted to be worked by the employee for such week or month (as the case may be); and

B = the number of hours of service contracted to be worked for the same week or month (as the case may be) by a full-time employee in the same occupational category and grade of employment.

(ii) when making any calculation which takes account of a period of actual or potential contributory service which is or would be Part-time Service, that contributory service will first be converted into a full-time equivalent by multiplying the length of the period of Part-time Service by the Part-time Factor appropriate to such period

(iii) when making any calculation by reference to pay for pension purposes which is attributable to Part-time Service, that pay will first be converted into a full-time equivalent by dividing the amount of such pay by the Part-time Factor in respect of each period of 12 months included in the calculation of Retiring pay (but for the purposes of benefits on death under Rules 18 and 19, the relevant calculations shall be made by reference to the Member’s actual annual pay as an employee in part-time service)

(iv) for the purpose of calculating ill-health pension payable under Rules 12, 12A (Air Cabin Crew Option) and 13, it shall be assumed that the Member’s basic contractual hours of work per week would have remained the same as they were on the date of death or ceasing to be employed (as the case may be) until normal retirement age and references in those Rules to “number of years of service” will be replaced by “number of years of potential contributory service”

(v) the Management Trustees shall have power to determine any matter relating to Part-time Service which is not provided for in this Rule 20A and to determine, resolve or remove any doubt, inconsistency or anomaly

arising out of this Rule or arising generally out of the inclusion of part-time employees in the Scheme.

- (b) Where a Member is employed in a category of employment for which specific provision is not otherwise made under the Rules, the Employer may notify the Management Trustees in writing that it wishes benefit provision to be made under the Scheme for or in respect of all or any such Members. Benefits provision may be so made on such terms and subject to such conditions as the Management Trustees may agree with the Employer but subject always to the payment to the Fund of such sum or sums (whether by way of additional contributions under Rule 5(b) or otherwise) as may be advised by the Actuary to be necessary.

20B. Special Rule - Members withdrawing between 5 April 1978 and 6 April 1980

- (a) Notwithstanding anything to the contrary herein contained a Member who satisfies each of the following conditions, namely -
 - (i) he ceased to be employed by his last Employer before reaching normal retirement age and before 6 April 1980;
 - (ii) his pay has not exceeded £5,000 in any one year;
 - (iii) he has accrued five or more years' qualifying service;
 - (iv) he elects not to receive a deferred pension under Rule 14(a); and
 - (v) he has not become entitled to an immediate (ill-health) pension under any of Rules 12 12A (Air Cabin Crew Option) or 13

shall subject to Rule 32 (except that paragraph (c) thereof shall apply in place of paragraph (b)) be entitled to a return of his own contributions in respect of his contributory service prior to 6 April 1978 plus interest thereon at the rate of 2.5% compounded annually up to and including 5 April 1978 and in addition such Member shall be entitled to receive a deferred pension commencing at normal retirement age calculated in accordance with the provisions of Rule 14(a) but on the basis that his contributory service had commenced on 6 April 1978 (except however for the purpose of determining the Member's retiring pay) and such deferred pension shall for the purpose of these Rules (other than the foregoing sub-paragraph (iv) of this paragraph) be treated as if it were a deferred pension under Rule 14.

- (b) Notwithstanding anything to the contrary herein contained a Member ceasing to be employed by his last Employer before reaching normal retirement age and before 6 April 1980 who has accrued less than five years qualifying service shall not be entitled to a refund of his contributions under Rule 15(a) if his pay has exceeded £5,000 in any one year but in lieu thereof he shall be entitled to a deferred pension commencing at normal retirement age calculated in accordance with the provision of Rule 14(a) and such deferred pension shall for the purpose of these Rules be treated as if it were a deferred pension under Rule 14.

- (c) Where a former Member who has elected to take a deferred pension under Rule 14(a) but who would otherwise have been entitled to a return of contributions under paragraph (a) above wishes at a subsequent date but before his pension has commenced to receive a return of his contributions in respect of his contributory service prior to 6 April 1978 in lieu of deferred pension relative to such service the Management Trustees may at their discretion after considering the reasons for such request and subject to Rule 32 (except that paragraph (c) thereof shall apply in place of paragraph (b)) grant a repayment of the former Member's contributions in respect of his contributory service prior to 6 April 1978 plus interest thereon at the rate of 2.5% compounded annually up to and including the 5 April 1978 and the said former Member shall then be entitled to receive a deferred pension under the provisions of paragraph (a) hereof.

21. **Notices to the Secretary**

Notices to the Secretary shall be in writing signed by the Member and shall be in such form as the Management Trustees may from time to time prescribe. Any such notice if sent by post shall be deemed to have reached the Secretary on the date when in due course of post it should have been received.

22. **Application of lump sum death benefit**

- (a) Any lump sum benefit becoming payable under Rule 18 may within a period of 24 months after the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the death of the Member or Pensioner, be paid or applied by the Management Trustees to or for the benefit of any one or more of a class consisting of -
 - (i) the Member's or Pensioner's children, grandchildren, parents and grandparents, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (ii) a widow or widower or former spouse of the Member or Pensioner, the children, grandchildren, parents and grandparents of that widow, widower or former spouse, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (iii) any individual who is or was, in the opinion of the Management Trustees, at the date of the Member's or Pensioner's death either financially dependent on the Member or Pensioner or financially interdependent with the Member or Pensioner;
 - (iv) any individual or individuals, charity, society or club nominated by the Member or Pensioner by notice in writing addressed to or received by the Management Trustees during the Member's or Pensioner's lifetime;
 - (v) the Member's or Pensioner's legal personal representatives; and

- (vi) a Surviving Civil Partner or former Civil Partner of the Member of Pensioner, the children, grandchildren, parents and grandparents of that Surviving Civil Partner or former Civil Partner, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants.
- (b) Any part of such lump sum benefit which remains unpaid or unapplied under Rule 22(a) 24 months after the date the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the Member's or Pensioner's death shall be paid to the Member's or Pensioner's legal personal representatives except that, if such payment would result in the Crown, the Duchy of Lancaster, the Duke of Cornwall or any other state or governmental agency becoming entitled to that part of the lump sum benefit, it shall cease to be payable as a benefit and shall remain part of the Fund.
- (c) Any notice under Rule 22(a)(iv) shall be in writing in a form prescribed by the Management Trustees.
- (d) The Management Trustees shall have power to delegate such of their powers duties and discretions under this Rule as they may think fit from time to time to any person or persons or body of persons and such delegation shall be subject to any conditions consistent with this Rule which the Management Trustees may think fit to impose.
- (e) Any nomination made by a Member or Pensioner in force on 31 March 1987 shall no longer be binding on the Management Trustees.

22A. **Benefits non-assignable**

Neither pensions nor other benefits under the Scheme may be assigned or borrowed against and any purported assignment thereof or charge thereon (whether made before or after the Member or Pensioner in respect of whom the same are payable became a Member) shall not be recognised by the Management Trustees.

In the event of any such purported assignment or charge or prior to 6 April 2002 if the beneficiary (being the Member or Pensioner or other person otherwise, but for this Rule, entitled to the pension or benefit) shall at any time prior to 6 April 2002 (whether before or after the Member or Pensioner in respect of whom the same is payable became a Member) have been adjudicated bankrupt or have made a composition with creditors:

- in the case of bankruptcy prior to 6 April 2002, the pension or other benefit to which the Member or Pensioner or other person would otherwise, but for this Rule, be entitled shall automatically be forfeited; and
- in any other case the Management Trustees shall be at liberty to determine that the pension or other benefit shall be treated as forfeited in whole or in part,

but the Management Trustees may in any such case (excluding bankruptcy on or after 6 April 2002) apply the same on a discretionary basis in whole or in part, for the benefit of

any one or more of the following persons, viz. the beneficiary, the spouse, Civil Partner, Surviving Civil Partner, widow or widower of the beneficiary, any child of the beneficiary and any person who is or was immediately before the death of the beneficiary in any way dependent on the beneficiary. The provisions of this Rule shall not, however, operate to prevent the Management Trustees from complying with any option exercised under Rule 9, or with any order requiring re-direction of all or part of any pension or other benefit made by a United Kingdom court which the Management Trustees are reasonably satisfied has relevant jurisdiction (whether for the purposes of the Attachment of Earnings Act 1971, section 310 of the Insolvency Act 1986 (Income payments orders) or otherwise) in connection with such order, or with any arrangement or agreement which the Management Trustees are reasonably satisfied that they are required to comply with from time to time. Any other provisions under the Deed or Rules governing the provision of pensions or other benefits under the Scheme shall be read and construed subject to the provisions of this Rule 22A PROVIDED THAT this Rule 22A shall not operate to cause the forfeiture of any entitlement under Rule 34 and the assignment of such an entitlement shall be permitted in the circumstances referred to in section 159(2) of the Pension Schemes Act 1993.

Unless and until the Management Trustees receive written notice of any of the events referred to in this Rule and such evidence of that event as they reasonably require, the Management Trustees may act on the assumption that no such event has occurred and shall not be liable or accountable to anyone for doing so.

This Rule will apply to Scotland with the relevant terms interpreted as appropriate.

23. **Lien on benefits**

[Rule deleted by Deed dated 12 August 1977.]

24. **No Member to retire from the Scheme**

Save as provided by these Rules, no Member shall have the right to resign from the Scheme or cease contributing to the Fund.

25. **Requirements of insurers**

The Member shall comply with the reasonable requirements, if any, of the insurers, if any, with whom the Management Trustees maintain or effect policies.

26. **Meetings of Members**

- (a) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 50 Members.
- (b) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members and Pensioners may be convened or a postal ballot taken by the

Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 100 Pensioners and Members.

- (c) Not less than 35 clear days' notice of the time and place of a meeting to be convened pursuant to paragraphs (a) or (b) of this Rule or of a postal ballot to be taken pursuant to paragraphs (a) and (b) of this Rule and of the general nature of the business to be dealt with shall be given to the persons entitled to vote at such meeting or in such ballot by serving the same on them, such service to be effected, in the case of Members, through British Airways plc's usual communication channels and so that all notices so communicated shall be deemed to be served on the day following such posting PROVIDED NEVERTHELESS as follows:
 - (i) The persons entitled to receive notice of a meeting or a postal ballot and to vote shall, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (a) of this Rule, be Members and, in the case of a meeting to be convened or ballot to be taken pursuant to paragraph (b) of this Rule, be Members and Pensioners. A Member may appoint any other Member, and a Pensioner may appoint any other Pensioner, as proxy to vote for him, in which case on a poll the Member or Pensioner so appointed shall have one vote for himself and one vote for every Member or Pensioner for whom he acts as proxy.
 - (ii) Subject as aforesaid, the Management Trustees may prescribe the procedure to be adopted as to the service of notices and in connection with any such meeting or postal or written ballot, including power to make provision for the chairmanship of meetings and for the form and method of voting by proxy and for the taking of a poll and for delivery and counting of postal ballot papers outside the United Kingdom and the acceptance of cabled results of such count, and so that the accidental omission to serve by posting or otherwise a notice of meeting or of a resolution for determination by postal or written ballot, or the non-receipt thereof by a Member or Pensioner, shall not affect the validity of the proceedings in accordance with which the voting is taken. The accidental inclusion or omission of a Member's or a Pensioner's name in the voting list in a ballot shall not invalidate the ballot.
 - (iii) A minute signed by the Chairman of any meeting or a memorandum signed by the persons appointed to count the ballot papers as to the result of any postal ballot shall, unless the contrary is proved, be accepted as sufficient evidence that the meeting was duly convened and held and of the result of the meeting or of the result of the ballot as the case may be and the Employers and the Management Trustees and the Custodian Trustees and others acting thereon in good faith shall be protected.
- (d) A meeting of such of the Members as are in one of the occupational categories referred to in Clause 12(a) of the Trust Deed or a postal ballot of such Members may be taken subject to and in accordance with the provisions of paragraphs (a) and (c) of this Rule mutatis mutandis.

- (e) For the purposes of this Rule the term “Pensioners” shall mean any person who is in receipt of a pension from the Scheme (pursuant to any Part of the Schedule) other than any person whose entitlement under the Scheme is to benefit in respect of equivalent pension benefits as referred to in section 13(6) of the Pension Schemes Act 1993.

27. Taxation

- (a) Subject to Rule 27(b), in every case where the Management Trustees or the Custodian Trustees are liable to account to the Commissioners of HM Revenue & Customs for income tax, the lifetime allowance charge or estate duty or any other tax or duty in respect of any amounts paid to any Member or other person pursuant to these Rules the amount of such tax or duty shall be recoverable by the Management Trustees or the Custodian Trustees from such Member or from such other person either by way of deduction from the payment to the Member or such other person or in such other way as the Management Trustees deem appropriate.
- (b) In every case where the Management Trustees are liable to account to the Commissioners of HM Revenue and Customs for the annual allowance charge under the Finance Act 2004 having received a Scheme Pays Notice in respect of a Member, or Pensioner, or if the Management Trustees in their discretion otherwise agree to a Member’s or Pensioner’s request to meet all or part of his annual allowance charge from his benefits under the Scheme, the Management Trustees shall have power to reduce the benefits payable or prospectively payable to or in respect of such Member or Pensioner accordingly, in such manner as the Management Trustees deem appropriate. This may also apply to the benefits payable under the Scheme on the Member’s or Pensioner’s death.

28. Savings

- (a) Nothing contained in the Trust Deed or in the Rules shall be construed as limiting the functions of the National Joint Council for Civil Air Transport in the negotiations of the wages and conditions of employment of persons employed by an Employer.
- (b) Nothing in the Trust Deed or in the Rules shall in any way restrict the right of an Employer to determine the employment of a Member.

29. Transfers to and from other schemes

[Rule deleted by Deed dated 4 December 1991 with effect from 6 April 1988.]

30. Availability of copies of Trust Deed and Rules

The Minister, an Employer and Members shall each be entitled upon request to receive one copy of the annual statement of accounts and balance sheet of the Fund, the auditors' report thereon and the actuaries' valuation report. Members shall also be entitled upon request to receive one copy of the Trust Deed and the Rules and of all amendments thereto. Additional copies shall be made available on such terms as the Management Trustees decide.

31. **Amendments and additions to Rules**

These Rules may be amended or added to in accordance with the provisions of the Trust Deed.

32. **National Insurance Act 1959**

- (a) The amount of pension payable to a Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women shall in no event be less than the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 any provisions of these Rules to the contrary notwithstanding.
- (b) If any Member of the Scheme who is entitled under the Rules of the Scheme to receive if the Member so elects a deferred pension on withdrawal from the Scheme before normal retirement age nevertheless elects in lieu of such deferred pension to receive a refund of the Member's own contributions with interest thereon there shall be deducted from such refund the amount which bears to the amount of the refund the same proportionate relationship as the amount of the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 bears to the amount of the deferred pension to which the Member would otherwise have been entitled on withdrawal from the Scheme PROVIDED ALWAYS that the amount to be deducted shall not exceed the maximum permissible deduction under the provisions of the National Insurance Act 1959.
- (c) In all cases other than those referred to in paragraph (b) of this Rule there shall be deducted from any refund of a Member's contributions with interest one half of such sum as is equal in amount to the payment in lieu of contributions in respect of such Member contemplated in the provisions of Part II of the National Insurance Act 1959. The foregoing provisions of this paragraph shall not limit or restrict the Employer's right instead of making a payment in lieu of contributions in respect of the Member to make any of the other arrangements contemplated in the National Insurance Act 1959 in the case of the withdrawal of a Member from the Scheme or any other arrangements approved by the Registrar of Non-Participating Employments.
- (d) The Management Trustees shall if so requested by an Employer make arrangements to pay out of the Fund to a Member who has withdrawn from the Scheme before normal retirement age a pension payable from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women of an amount equal to the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 PROVIDED ALWAYS that the provisions of Rule 15 of Part I, Rule 9 of Part II, Rule 8 of Part III and Rule 17 of Part IV including both Part IV Rules - Pilots' Option A and Part IV Rules - Pilots' Option B shall not apply to any such pension.

- (e) No action shall be taken pursuant to any of the Rules of the Scheme if and to the extent that the result of such action would be to reduce the amount of pension payable to or secured for the Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women to less than the maximum graduated pension that could be earned in accordance with the provisions of the National Insurance Act 1959 for a period of service corresponding to the actual period of service of the Member.
- (f) the purposes of this Rule the expression “**actual period of service**” shall include any period of service after 1 April 1961 in a non-participating employment within the meaning of the National Insurance Act 1959 in respect of which a transfer value has been received pursuant to Rule 28 of Part IV or the corresponding Rule of the other Parts of the Scheme.
- (g) reference in this Rule to the National Insurance Act 1959 shall be construed as a reference to that Act subject to any statutory modification or re-enactment thereof for the time being in force and shall include a reference to any orders or regulations made thereunder.
- (h) A person entitled to a pension by virtue of paragraph (d) of this Rule shall not be a Pensioner within the definition in Rule 1. All pensions payable under the said paragraph (d) shall be liable to termination and suspension for any of the causes specified in Regulations made pursuant to the provisions of the National Insurance Act 1959 or any statutory amendment or re-enactment thereof for the time being in force.
- (i) Any pension payable under paragraph (d) of this Rule may be commuted at, or after, the age of 50 years PROVIDED that the only pension to which the former Member is entitled under the Scheme is that which is payable under paragraph (d) of this Rule, by:
 - (a) the former Member so requesting by giving at least three months’ Notice to the Secretary, or such shorter notice period as the Management Trustees may agree from time to time; or
 - (b) the Management Trustees sending to the Member’s last known address written notice of their intention to commute his pension and no response being received from the Member before the end of the period of two months beginning with the date on which the notice was sent.

The amount of such lump sum shall be determined by multiplying the annual amount of such pension (reduced, if relevant, to take account of early payment) by such factors as may be determined by the Actuary from time to time.

Notwithstanding anything aforesaid this Rule shall not apply to any Member or former Member who had no service prior to 6 April 1975 nor in respect of any service of any other Member or former Member after 5 April 1975.

33. **Additional voluntary contributions**

A Member may make additional voluntary contributions in accordance with Clauses 26-31 of the Trust Deed.

33A. **Reference scheme requirements**

(a) In this Rule the following expressions have the following meanings:-

“Average Qualifying Earnings” in relation to a Member or Pensioner means the annual average of such Member’s or Pensioner’s Qualifying Earnings in the period of two years immediately preceding the date of termination of contributory service which was contracted-out employment under the Scheme;

“Qualifying Earnings” in relation to a period during which a Member or Pensioner has been in receipt of earnings from an Employer means PAYE earnings in excess of the qualifying earnings factor as defined in section 122(1) of the Social Security Contributions and Benefits Act 1992 applicable from time to time during that period but only to the extent that such earnings do not exceed

(i) in relation to any time during such period that falls before 6 April 2009, the Upper Earnings Limit applicable at each relevant time during that period; and

(ii) in relation to any time during such period that falls on or after 6 April 2009, the Upper Accrual Point applicable at each relevant time during that period;

“Upper Accrual Point” in relation to the period during which a Member or Pensioner has been in receipt of earnings from an Employer means the amount specified by section 122 of the Social Security Contributions and Benefits Act 1992, as may be amended from time to time, as the upper accrual point applicable from time to time in relation to that period.

“Upper Earnings Limit” in relation to a period during which a Member or Pensioner has been in receipt of earnings from an Employer means the amount specified by regulations made by virtue of section 5(1) of the Social Security Contributions and Benefits Act 1992 as the upper earnings limit for Class 1 contributions applicable from time to time in relation to that period.

(b) The provisions of this Rule shall apply for so long as (and only for so long as) the Scheme is to be treated as contracted-out in relation to an earner’s employment under this Part V after 5 April 1997 for the purposes of section 9 of the Pension Schemes Act 1993 on the basis of satisfying the requirements for a reference scheme as set out in section 12B of that Act. For so long as the Rule does apply, it shall override any other provisions of the Rules, but only to the extent (if any) to which such provisions are inconsistent with the provisions of this Rule. In particular:

(i) any pension provided under this Rule may be offset against any other pension payable to the same person under other provisions of the Rules

which is attributable to contributory service after 5 April 1997 except to the extent that such other pension is attributable to payment of contributions to the AVC Scheme (as defined in Clause 26 of the Trust Deed) or to the exercise of a Member's option under Rule 9 to provide for a pension for his or her surviving spouse; and

- (ii) no pension payable under this Rule shall affect the entitlements of Dependent Children or of any other persons to benefits under the Scheme other than the widows or widowers referred to below.
- (c) The provisions of this Rule shall apply to the widow or widower of a Member or Pensioner who has been a Lower Rate Contributor during any period after 5 April 1997, so as otherwise to exclude the accrual of pension benefit in respect of the person's prospective widow or widower in relation to any such period.
- (d) Unless the Management Trustees agree otherwise either generally or in any particular case, no such widow's or widower's pensions shall be payable in the circumstances prescribed by regulation 26 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 (or by any other statutory provision) as being circumstances in which widows' or widowers' pensions need not be payable for the purposes of satisfying the requirements for a reference scheme.
- (e) The widow or widower of a Member to whom this Rule applies shall be entitled to a pension of an annual rate equal to 1/180th of that Member's Average Qualifying Earnings multiplied by the number of years of contributory service (additional completed months and odd days counting proportionately) which is contracted-out employment under the Scheme for the purposes of the Pension Schemes Act 1993 completed after 5 April 1997 PROVIDED THAT the period to be taken into account for this purpose shall be restricted so that the pension so calculated will not exceed one-quarter of such Average Qualifying Earnings.
- (f) The widow or widower of a Pensioner to whom this Rule applies shall be entitled to a pension calculated as in (e) above and subject to the same proviso, but increased on a basis at least as favourable as a basis under which increases would be effected both in accordance with the requirements of Chapter II of Part IV of the Pension Schemes Act 1993 in respect of any period during which the Pensioner's pension was deferred, and also in accordance with the requirements of section 51 of the Pensions Act 1995 in respect of the period between the date of commencement of the Pensioner's pension and the date of the Pensioner's death.
- (g) Any pension under this Rule shall be payable from the date of the death of the Member or (as the case may be) the Pensioner and shall be subject to increase on a basis at least as favourable as a basis under which increases would be effected in accordance with the requirements of section 51 of the Pensions Act 1995.
- (h) This Rule 33A(h) shall apply in respect of a Surviving Civil Partner as if the words "Surviving Civil Partner" were substituted, on each occasion, for the words "surviving spouse" and "widow or widower" and all related terms shall be construed accordingly.

34. **Guaranteed minimum pensions**

34.1 In this Rule -

- (1) the expressions **“Accrued Rights”**, **“Contracted-Out Scheme”**, **“Contributions Equivalent Premium”**, **“Guaranteed Minimum”**, **“Guaranteed Minimum Pension”**, and **“Tax Year”** have the meanings conferred or adopted by the Pension Schemes Act 1993.
- (2) **“Appropriate Policy”** means a policy of insurance or an annuity contract which in either case is appropriate for the purposes of section 19 of the Pension Schemes Act 1993.
- (3) **“Contracted-Out Employment”** means contracted-out employment (within the meaning of the Pension Schemes Act 1993) by reference to the Scheme.
- (4) **“Contracted-Out Member”** means a Member who has a Guaranteed Minimum in relation to the pension for him under the Scheme in accordance with section 14 of the Pension Schemes Act 1993.
- (5) **“State Pensionable Age”** means age 65 (for men) and age 60 (for women).
- (6) **“Transfer Regulations”** means the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991, the Contracting-Out (Transfer and Transfer Payment) Regulations 1996, and the Occupational Pension Schemes (Transfer Values) Regulations 1996 so far as they govern transfer of benefit relating to occupational pension schemes, personal pension schemes and buy-out policies.

34.2 The remaining provisions of this Rule apply if any employment becomes Contracted-Out Employment. They then override any other provisions of the Rules which are inconsistent with them except the Rule dealing with the National Insurance Act (1959 and 1965) but on the basis that earnings for any period of employment completed after 5 April 1997 shall not give rise to the attribution to or in respect of a Member of entitlement to a Guaranteed Minimum for the purposes of the Pension Schemes Act 1993.

34.3 (1) Subject to Rule 34.6, a Contracted-Out Member shall be entitled from State Pensionable Age to a rate of pension equivalent to a weekly rate not less than the Guaranteed Minimum. If the commencement of his pension is postponed for any period his Guaranteed Minimum shall be increased to the extent, if any, specified in section 15 of the Pension Schemes Act 1993. His consent for any postponement must be obtained if either his current employment does not relate to the Scheme or the postponement continues more than 5 years from the date on which he attains State Pensionable Age. The Guaranteed Minimum Pension shall, insofar as it is attributable to earnings in the Tax Year 1988-89 and subsequent Tax Years, be increased in accordance with the requirements of section 109 of the Pension Schemes Act 1993.

- (2) If the accrued pension under the Scheme of a Contracted-Out Member exceeds his Accrued Rights to Guaranteed Minimum Pension, in each case calculated at the date his Contracted-Out Employment ceased and -
 - (i) he left Service or opted-out of active membership before Normal Retirement Age, his pension commences at Normal Retirement Age, and his Guaranteed Minimum is increased in accordance with Rule 34.5; or
 - (ii) his Guaranteed Minimum is increased under paragraph (1) of this sub-Rule by virtue of its postponement for any period

then the weekly rate of the Member's pension under the Scheme from the date his Guaranteed Minimum Pension commences or (if later) the date the balance of his pension commences, shall not be less than the weekly rate of his accrued pension under the Scheme at the date his Contracted-Out Employment ceased, increased as described in (i) and (ii) above, and further increased by any increases made under Rule 15 of Part VI if applicable PROVIDED THAT for the purpose of the above calculation the effects of any exchange or surrender under the Rules shall be disregarded.

- 34.4 (1) Subject to Rule 34.6, if a male Contracted-Out Member dies at any time leaving a widow she shall be entitled to receive, inclusive of any pension otherwise payable to her under the Rules but exclusive of any pension payable to her by way of surrender and any pension attributable to payment of Voluntary Contributions, a pension equivalent to a weekly rate of not less than 50% of his Guaranteed Minimum. Such pension shall be payable for the widow's lifetime.
 - (2) Subject to Rule 34.6, if, on or after 6 April 1988, a female Contracted-Out Member dies leaving a widow, a widower or a Contracted-Out Member dies leaving a Surviving Civil Partner, the widow, widower or Surviving Civil Partner as the case may be shall be entitled to receive, inclusive of any pension otherwise payable to him under the Rules but exclusive of any pension payable to him by way of surrender and any pension attributable to payment of Voluntary Contributions, a pension in circumstances and for the period prescribed under section 17(6) of the Pension Schemes Act 1993 equivalent to a weekly rate of not less than 50% of that part of the Guaranteed Minimum which is attributable to earnings for the Tax Year 1988-89 and subsequent Tax Years.
 - (3) The Guaranteed Minimum Pensions referred to in (1) and (2) above shall, insofar as they are attributable to earnings in the Tax Year 1988-89 and subsequent Tax Years, be increased in accordance with the requirements of section 109 of the Pension Schemes Act 1993 and to the extent of any orders made thereunder.
- 34.5 If any Member ceases to be in Contracted-Out Employment before State Pensionable Age the Guaranteed Minimum in respect of him at State Pensionable Age or at the date of his earlier death shall be equal to the Guaranteed Minimum Pension which had accrued up to the date of cessation, increased in accordance

with method (iii) below PROVIDED THAT -

- (A) the Management Trustees may, subject as set out below, from time to time change the method currently applying to such one of the other methods set out below as they shall decide and notify to the HM Revenue Pensions Schemes Services; and
- (B) in relation to any amount of Guaranteed Minimum Pension liability for which has been transferred to the Scheme under Clause 25A of the Trust Deed, the Management Trustees may in circumstances permitted or required by the Transfer Regulations decide that such Guaranteed Minimum Pension shall be increased in accordance with any of methods (i), (ii) and (iii); and
- (C) if a transfer is made to some other retirement benefits scheme or personal pension scheme which accepts liability for the Member's Accrued Rights to a Guaranteed Minimum Pension or an Appropriate Policy is purchased in respect of such Accrued Rights, the terms on which such Accrued Rights will be subject to increase after the transfer shall be consistent with the requirements of the Transfer Regulations.

The following are the methods which may be applied -

- (i) in relation only to a period of Contracted-out Employment ceasing on or before 5 April 1997:
 - (1) by 5% compound for each complete Tax Year after that in which Contracted-Out Employment ceases up to and including the last complete Tax Year before State Pensionable Age or previous death; or
 - (2) by the percentage by which earnings factors for the Tax Year in which Contracted-Out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the Tax Year in which he reaches State Pensionable Age or dies (if earlier), whichever makes the lesser increase;
- (ii) for each complete Tax Year after that in which Contracted-Out Employment ceases up to and including the last complete Tax Year before State Pensionable Age or previous death, by such rate as regulations, made under sections 16(2) and (3) of the Pension Schemes Act 1993, specify as being relevant to the date of cessation; and
- (iii) by the percentage by which earnings factors for the Tax Year in which Contracted-Out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the Tax Year in which he reaches State Pensionable Age or dies (if earlier).

- 34.6 Where a Contributions Equivalent Premium is paid in respect of a Member, and where any such premium is not paid but would be less than £17 (or such higher amount as may by regulation be prescribed), such Member's entitlement or such Member's spouse's or Civil Partner's contingent entitlement to a Guaranteed Minimum Pension shall be extinguished. The following additional provisions shall apply with regard to the payment of Contributions Equivalent Premiums -
- (i) where such a premium is paid in respect of a widow, widower or Surviving Civil Partner, such person's entitlement to a Guaranteed Minimum Pension shall be extinguished;
 - (ii) any pension to which the Member is entitled under the Rules shall be reduced by an amount equal in value, as the Actuary advises, to the Guaranteed Minimum Pension that would have been provided for such Member if the Contributions Equivalent Premium had not been paid and if that Guaranteed Minimum Pension had been increased throughout in accordance with whichever of methods (i), (ii) or (iii) in Rule 34.5 was applicable when the Member ceased to be in Contracted-Out Employment. If on a Member's death such a premium is paid in respect of his widow, widower or Surviving Civil Partner any pension becoming payable under the Rules shall be reduced by the amount of the Guaranteed Minimum Pension that would have been provided for such person if the premium had not been paid;
 - (iii) the Management Trustees shall deduct from any refund of Contributions the Certified Amount; and
 - (iv) where a transfer is made to another retirement benefits scheme the amount to be certified by the Management Trustees under Clause 25B of the Trust Deed as representing the Member's contributions shall be reduced by an amount decided by the Management Trustees not exceeding the Certified Amount.
- 34.7 A Contracted-Out Member may not exchange or surrender under the Rules so much of his pension that the amount remaining would be less than his Guaranteed Minimum.
- 34.8 (1) If a Contracted-Out Member becomes entitled under the Rules -
- (i) to a refund of all his contributions;
 - (ii) to have a transfer made to some other retirement benefits scheme or personal pension scheme to which a transfer of his Accrued Rights to a Guaranteed Minimum Pension is not made; or
 - (iii) to one or more appropriate policies from an Approved Insurance Company which do not together comply with the conditions applicable to such Accrued Rights, and if a Contributions Equivalent Premium is not paid in respect of the Member and if capable of being paid is not less than £17 (or such higher amount as may by regulation be prescribed), the Management Trustees

shall provide for the Member a preserved pension commencing at State Pensionable Age at a rate equivalent to the weekly rate of the Guaranteed Minimum.

- (2) Where the Management Trustees provide for a Member a preserved pension under this Rule 34.8 they shall, at the request of the Employer, deduct from any refund of contributions such amount as the Actuary advises is appropriate.
 - (3) Where the Management Trustees provide for a Member a preserved pension under the Rules and a transfer is made to another retirement benefits scheme the amount to be certified by the Management Trustees under Clause 25B of the Trust Deed as representing the Member's contributions shall be reduced by an amount decided by the Management Trustees.
 - (4) [Deleted by deed of amendment dated 26 March 2008 (clause 26.129b)]
- 34.9 Benefits payable to or in respect of a Member may be reduced by the Management Trustees to the extent that a Contributions Equivalent Premium has been paid in respect of that Member.
- 34.10 If the Scheme ceases to be a Contracted-Out Scheme (in circumstances where the Scheme is not discontinued in whole or in part) the Management Trustees shall make provision for the Accrued Rights to Guaranteed Minimum Pensions under the Scheme of any person and for the payment of Guaranteed Minimum Pensions under the Scheme in respect of any persons who have then become entitled to receive them in any of the following ways -
- (i) under the Scheme;
 - (ii) by making a transfer to another Contracted-Out Scheme or to an appropriate personal pension scheme (which satisfies the requirements of or is prescribed under section 10 of the Pension Schemes Act 1993 and in respect of which an appropriate scheme certificate is currently in force) of those Accrued Rights to, or the liability for payment of, Guaranteed Minimum Pensions in accordance with Clause 25B of the Trust Deed;
 - (iii) by purchasing Appropriate Policies; or
 - (iv) by payment of Contributions Equivalent Premiums if these become payable under section 55 of the Pension Schemes Act 1993.
- 34.11 Except as provided in the Pension Schemes Act 1993, no part of a Member's, widow's, widower's or Surviving Civil Partner's pension under the Scheme may be used to frank an increase in the Member's, widow's or widower's GMP under this Rule 34.
- 34.12 Nothing done under the Rule dealing with the National Insurance Acts (1959 and 1965) shall be taken into account for the purposes of this Rule.

35. **Opting-out**

- (a) A Member may elect, while remaining in Service, that he will cease to be a Member. On making this election, he will cease to pay contributions to the Scheme and will be entitled to benefits under Rule 14 as if he had left Service except that Rule 14(b) shall not apply to him while he remains in Service, unless the Management Trustees otherwise agree).
- (b) A Member who wishes to exercise the option under Rule 35(a) must give the Management Trustees at least one month's notice in writing. The option will then take effect at the start of the calendar month next following the month in which the notice expires.
- (c) In order to become eligible to elect for a transfer to be made or for payment of benefits to commence on or after normal retirement age in the circumstances described in paragraphs (i) and (ii) of Rule 8A, a Member who remains in Service with an Employer after normal retirement age may elect, while remaining in such Service, to cease to be a Member, subject to the following terms and conditions:-
 - (i) The notice requirement for such an election shall be as described in paragraph (iii) of Rule 8A (unless the Management Trustees in any particular case permit a shorter period of notice for the purposes of effecting the opt-out), with the date of cessation of membership for all the purposes of the Scheme (including the provision of death benefits under Rule 17) being the date of expiry of the relevant notice period, and the calculation of the benefits applicable being as described in paragraph (ii) below.
 - (ii) The benefits to which the transfer relates, or the benefits which will come into payment, will be determined by reference to the benefits which would have become payable if the Member had retired from Service as described in Rule 8(a) on the date of expiry of the relevant notice of election under paragraph (iii) of Rule 8A, so that the benefits which will come into payment (where the Member so elects) will be the actuarial equivalent of the benefits which would otherwise have come into payment at that date, and so that in the case of a transfer its value shall be determined by the Management Trustees having taken actuarial advice by reference to the value of the benefits which would otherwise have come into payment (if the Member had so elected) at the relevant date selected by the Management Trustees for calculation of the transfer value.
- (d) A Member exercising the option under this Rule will not be permitted to become a Member of any Part of the Scheme again.

Rule A

- (a) Pensions and allowances payable in respect of persons who ceased to be Members on or before 31 December 1973 shall with effect from 16 July 1973 be subject to adjustment as if the provisions of Rule 15 of Part VI applied to them *mutatis mutandis*. For the avoidance of doubt this includes the proviso to Rule 15 of Part VI and the provisions which follow that on "Further increases to pensions". The

related provisions of Rule 26(c) of Part VI also apply in respect of these pensions and allowances.

- (b) The Management Trustees shall on receipt from the Employer of such sum as the Actuary shall certify assume responsibility for future payments of all ex-gratia pension and allowance supplements prior to 1 January 1974 authorised by an Employer.
- (c) Members who retire after 31 December 1973 shall have no entitlement to pension adjustments ex-gratia from an Employer or otherwise.

PART V RULES - OFFICERS' OPTION B

1. **General**

Subject to the exceptions adaptations and modifications hereinafter specified the Part V Rules - Officers' Option A (hereinafter in this Schedule referred to as “the said Rules”) shall constitute Part V Rules - Officers' Option B.

2. **Normal retirement age**

In Rule 4(c) of the said Rules for the reference to 53 years there shall be substituted a reference to 55 years.

3. **Contributions**

In Rule 5 of the said Rules, for the references to contributions of 6.5% and 5% of Pay for Contribution Purposes there shall be substituted references to contributions of 7.5% and 6% of Pay for Contribution Purposes respectively.

4. **Normal pension**

In Rule 8(d) of the said Rules as regards Officers for the reference to £1.10.6d.% of the Member's pensionable pay there shall be substituted a reference to £1.15.9d.% of the Member's pensionable pay.

5. **Ill-health pension**

In Rule 13(a) of the said Rules as regards Officers for the reference to £1.13.4d.% there shall be substituted a reference to £1.15.9d.% and for the reference to the age of 53 there shall be substituted a reference to the age of 55.

6. **Transitional provisions**

Add the following paragraphs to the said Rule 20 -

- (m) Each Officer who elects to become subject to these Rules shall be required to pay by way of further contribution such sum as is equal to 1% of his pay in each year (or part year) included in his years of continuous service as an Officer prior to the date of such election.
- (n) Each Officer who was a Member of the Scheme on 30 June 1953 and who by reason of his age on the date of his admission to the Scheme will not have completed 28 years of contributory service as an Officer prior to attaining the age of 55 may on or before the date six months after the date on which these Rules come into force elect to pay contributions in respect of an additional period of time not exceeding three years in or towards completion of a maximum of 28 years of contributory service by the age of 55 the rate of annual contribution to be 6% of the Member's pay for contribution purposes such pay for contribution purposes to be calculated with reference to the pay of the Member at the date of his first appointment as an Officer by an Employer or by a Predecessor of an Employer in which event the period of time in respect of which contributions are made by virtue of this

paragraph shall constitute notional years (or part years) of service and the Member's pension shall be calculated in the manner specified in Rule 8 the number of notional years of service resulting from the payment of increased contributions being added to the number of actual years of service for the purpose of the calculation.

- (o) For the purposes of paragraphs (m) and (n) of this Rule in ascertaining the amount of the Member's pay in any year or part of a year between 1 June 1947 and 31 March 1957 (during which his remuneration consisted of basic pay exclusive of pension contributions) the amount of the pension contribution set out in the First Table of Part III of the Scheme appropriate to the Member's basic pay shall be added to the amount of such basic pay.
- (p) For the purposes of paragraphs (m) and (n) of this Rule any adjustments to years of service pursuant to Rule 6(g) shall be ignored.
- (q) If with the consent of his Employer an Officer so elects he may instead of making any contribution in accordance with the provisions of paragraph (m) of this Rule make an increased annual contribution of such amount as the Management Trustees shall determine during the period between the date of his election to transfer to Part V Rules - Officers' Option B and the date of his attaining normal retirement age or the date of his actual retirement not later than age 60 if service after normal retirement age can reasonably be foreseen provided always that if as a result of such election the Officer's total contributions would exceed 15% of his remuneration in any year then the total contributions shall nevertheless be limited to a sum equal to 15% of such remuneration in that year and any excess shall be paid as a lump sum either immediately or by instalments over such period as may be agreed by the Management Trustees.
- (r) Pensioners who being eligible elect to become subject to these Rules shall be in all respects subject to the provisions of paragraphs (m) to (q) inclusive of this Rule as if they were Officers.

7. Notices

In Rule 21 the following paragraph shall be added -

“Any election to be made pursuant to these Rules shall be made by notice in writing to the Secretary”.

PART V RULES - AIR CABIN CREW OPTION

1. **General**

Subject to the exceptions adaptations and modifications hereinafter specified the Part V Rules (hereinafter in this Schedule referred to as “the said Rules”) shall constitute Part V Rules - Air Cabin Crew Option.

2. **Definitions**

In the definition of “**General Staff**” substitute “**Pilots Officers and Air Cabin Crew**” for “**Pilots and Officers**”. Add the following paragraph to Rule 1 of the said Rules immediately after paragraph (d) –

“(dd) “**Air Cabin Crew**” means employees of an Employer who are employed under contracts of employment entered into within the United Kingdom to serve as air cabin crew and who are either full-time employees or who for the purpose of the Scheme are designated by the Employer as employed under permanent part-time contracts.”

3. **Membership**

Add the following sub-paragraph to Rule 2(a) of the said Rules -

“(v) Air Cabin Crew who were engaged by an Employer on or after the 1st November 1971”.

4. **Admission to the Scheme**

In Rule 3(c) of the said Rules add the words “and Air Cabin Crew” after the words “General Staff” and add the words “and Rules 2(a)(v)” after the words “Rule 2(a)(iii)”.

5. **Normal retirement age**

Add the following paragraph to Rule 4 of the said Rules -

“(d) The Normal Retirement Age of Air Cabin Crew is the age of 55”.

6. **Contributions**

Replace Rule 5 with the following:

“(a) A Member’s contributions will commence on admission to the Scheme and cease at normal retirement age or actual retirement age if earlier. The appropriate rate is determined by reference to the Table below according to whether the Member is a Higher Rate Contributor or a Lower Rate Contributor PROVIDED ALWAYS that a Member who remains in the employment of an Employer after normal retirement age may elect to continue his contributions until actual retirement or some earlier date in which event Rule 8(e) will not apply in his case or will not apply until the selected earlier date.

TABLE

Category of Member	Percentage of Pay for Contribution Purposes	
	Column A: Higher Rate Contributors	Column B: Lower Rate Contributors
Officers (Option A) and General Staff	6.5	5.0
Pilots and Air Cabin Crew	7.5	6.0

NOTES TO TABLE:

- (1) The contribution rates specified above are subject to the subsequent provisions of this Part V and to any adjustments necessary as a consequence of the Member having exercised any options or powers of election or having been admitted to the Scheme on special conditions whether under the provisions of Part I, Part II, Part III, Part IV or Part V.
 - (2) Contributions are calculated to the nearest penny.
- (b) The contributions of each Employer will consist of:-
- (i) contributions of such amounts as shall be certified by the Actuary from time to time as being required in addition to the contributions payable by the Members to provide the balance of the pension benefits and the whole of the Dependent Child's Allowances and the death and accident benefits of the Scheme;
 - (ii) such deficiency contributions if any as may be required in accordance with the provisions of any scheme made pursuant to Clause 11 of the Trust Deed.
- (c) If a Member not being on unpaid additional maternity leave, unpaid shared parental leave or unpaid adoption leave is absent from work the Employer must (unless the Member during such absence is in receipt of full pay) maintain the Member's contributions but recovery in whole or in part of the Employer's and the Member's contributions for such period may be effected by the Employer by deduction from the Member's pay or otherwise at the Employer's discretion having regard to individual circumstances. An Employer's contributions so repaid by the Member shall not become a Member's contribution for any purposes of the Scheme. Where a Member returns to employment following a period of additional maternity leave, unpaid shared parental leave or unpaid adoption leave, he or she will be entitled to exercise such options in relation to such period of leave and payment of contributions in respect thereof as the Employer makes available for the time being.

- (d) A Higher Rate Contributor may elect to become a Lower Rate Contributor and vice versa, but no such election can have retrospective effect. The following provisions apply to such an election -
 - (i) the election must be in such written form, and will take effect only subject to such period of notice, as the Management Trustees may from time to time prescribe;
 - (ii) no election may be made during a period when the relevant Member is not paying contributions to the Scheme pursuant to sub-rule (a);
 - (iii) in the case of a Lower Rate Contributor who has completed at least five years' Service, in respect of any election (other than an election made before 2 January 1995 or an election made after an interruption in Service) the Management Trustees may require such person to undergo a medical examination by a doctor nominated by them before any election to become a Higher Rate Contributor is accepted. If the result of the examination is not satisfactory to the Management Trustees, they may refuse to accept the election; and
 - (iv) once a former Higher Rate Contributor has become a Lower Rate Contributor by exercising the right of election, the Lower Rate Contributor may elect to become a Higher Rate Contributor again only once in respect of the same continuous period of Service.
- (e) In all cases where it can be reasonably foreseen by the Management Trustees that the amount of any Member's pension may be in excess of the limits set out in Clause 32, then the contributions of the Member and the Employer will be adjusted so that the resulting pension does not exceed that limit.

7. Pay for Contribution Purposes and Pay for Pension Purposes

Paragraph (d) of Rule 6 of the said Rules to be designated d(i) and the following new sub-paragraph added -

- "d(ii) Subject as hereinafter provided, and in particular subject to Rule 20A (Part-time Service) Pay for Contribution Purposes and Pay for Pension purposes in the case of Air Cabin Crew means the pay of the Member less the sum of £100".

In paragraph (g) of Rule 6 of the said Rules add the words "and Air Cabin Crew" after the words "General Staff".

8. Normal pension

- (a) In Rule 8(a) of the said Rules add the words "or Air Cabin Crew" after the words "Pilot or Officer".
- (b) Add new paragraph 8(di) as follows -
 - "(di) The amount of pension to which Air Cabin Crew who are Members on 1 December 1989 are entitled is such sum per annum as is equal to £1.88% of the

Member's retiring pay for each year of contributory service as Air Cabin Crew (with months and odd days counting proportionately). The amount of pension to which all other Air Cabin Crew are entitled is as stated above except for substitution of £1.75% for £1.88%": provided always that contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25% for the purpose of computing pension entitlement".

9. **Ill-health pension**

Add the following new Rule 12A -

"12A. Ill-health pension - Air Cabin Crew

- (a) A Member being Air Cabin Crew who ceases to be employed by an Employer before attaining normal retirement age in consequence of incapacity to perform his duties arising from accident or mental or physical infirmity not resulting from his own wilful misconduct -

- (i) after completion of five years service as Air Cabin Crew; or

- (ii) at any time as a consequence of his suffering an Air Accident in the course of his duties with an Employer

shall be entitled to an immediate pension the amount of which shall be equal to £1.75% of his retiring pay for each year of contributory service and proportionately for any part of a year PROVIDED HOWEVER that in the case of a Member whose contract of employment with his Employer (i) is expressed to expire before the said normal retirement age and (ii) provides for payment of a gratuity or service award or other similar lump sum upon its expiry the pension shall not be less than it would have been if the Member had completed one half of the number of years service which would have been completed if he had remained in the employment of his Employer until the expiry date of his contract of employment and that in all other cases the pension shall not be less than it would have been if the Member had completed one half of the number of years service which would have been completed if he had remained in the employment of his Employer up to the normal retirement age of 55 AND PROVIDED FURTHER that in the case of Air Cabin Crew who are Members on 1 December 1989 the amount of the immediate pension is as stated except for substitution of £1.88% for £1.75%."

- (b) While any person who is in receipt of a pension by virtue of paragraph (a) of this Rule is under normal retirement age -

- (i) the Management Trustees may at any time require him to furnish such evidence as they shall deem satisfactory of his continued incapacity and if he shall not furnish such evidence they may vary suspend or revoke his pension;

- (ii) if he recovers sufficiently to be able to earn an income the Management Trustees may from time to time vary suspend or revoke his pension as they think the circumstances justify: Provided always that such pension shall not be reduced below an amount which when added to the income being earned and the amount of any pension commuted under Rule 14A would result in a sum less than his pay immediately before retirement on ill health pension;
 - (iii) if he recovers sufficiently to be able to perform his normal duties and is re-engaged by an Employer to perform such duties his pension shall cease but he shall forthwith be re-admitted to the Scheme and in calculating his entitlement to pension his contributory service with an Employer before retiring on ill health pension shall be added to his contributory service thereafter and such allowance as the Actuary may determine shall be made in respect of any lump sum paid under Rule 14A.
- (c) Except in cases falling within paragraph (b)(iii) of this Rule if a person's pension has been varied suspended or revoked as aforesaid he shall on attaining normal retirement age be entitled either to a continuation of the ill health pension or to a pension calculated accordingly to Rule 8 (reduced however to the extent determined by the Actuary to take account of any lump sum paid under Rule 14A) whichever is the greater whether his incapacity continues or not and whether or not he is earning an income.
- (d) Except in cases falling within paragraph (b)(iii) of this Rule if a person's pension has been varied suspended or revoked he may if his Qualifying Service at the date of cessation of employment with his last Employer was less than five years and subject to the provisions of Rule 15(c) and Rule 32 hereof require payment of such part of the amount of his own contributions (plus interest thereon at the rate of 2.5% compounded annually up to the date of his retirement on ill health pension) as remains after deducting the amount of ill health pension already received and any lump sum paid under Rule 14A in which event no other payments shall be made under any of the Rules of the Scheme in respect of his membership.
- (e) For the purpose of this Rule contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(g) shall likewise be increased by 25%.
- (f) No pension may be paid under this Rule 12A on the grounds of mental or physical infirmity to any person who is below age 50 unless and until the ill-health condition set out in Schedule 28 to the Finance Act 2004 is met.

10. **Deferred pension**

- (a) In Rule 14(b) of the said Rules add the words “and Air Cabin Crew” after the words “General Staff”.
- (b) In Rule 14(c)(i) of the said Rules add the words “or Air Cabin Crew” after the words “a Pilot or Officer”.

11. **Change in occupation or Employer**

- (a) Replace Rule 16(a) with the following -

“Where a Member is employed by an Employer at different times as General Staff, Air Cabin Crew, Pilot or Officer without a break in Service his pension and surviving spouse’s or Surviving Civil Partner’s pension and Dependent Child’s allowance shall be calculated in accordance with the Rules applicable to the capacity in which the Member is employed at the date of leaving service. For this purpose the contributory service in any earlier capacity will be taken into account by crediting the Member with such additional notional period of contributory service in his final category as the Actuary appointed under Clause 8 of the Trust Deed may determine to be appropriate (but with those actuarial adjustments to the contributory service so credited which are attributable to differences in normal retirement age between the categories being disregarded for the purposes of the limitation of the amount of pensions prescribed in Clause 32). For this purpose the contributory service in any earlier capacity will be taken into account by crediting the Member with such additional notional period of contributory service in his final category as the Actuary may determine to be appropriate. For the purposes of calculating any surviving spouse’s or Surviving Civil Partners pension under Rule 10, the contributory service so credited will be taken into account in the proportion which the period of actual contributory service as a Higher Rate Contributor in the earlier capacity bears to the total period of such contributory service. There shall be deemed to be a break in Service if the Member takes an immediate pension or elects to take a deferred pension in respect of Service in the capacity from which he is transferring. A Member will not cease to be a Member for the purposes of Rules 10 and 11 by reason only of any such break in service”.

- (b) In Rule 16(c) add the words “Air Cabin Crew” after the words “General Staff.

12. **Transitional provisions**

In paragraph (a) of Rule 20 of the said Rules add after the words “General Staff” the words “or Air Cabin Crew” and for “5%” substitute “6%” and for “2.5%” substitute “3.5%” where referred to in this Rule.

In paragraph (j) of Rule 20 of the said Rules add after the words “provisions of” the words “Rule 10A of Part 1 or”.

Add the following paragraphs to Rule 20 of the said Rules -

- “(m) Each Member who elects to become subject to these Rules shall be required to pay by way of further contribution -
- (i) such sum as is equal to 1% of his pay for contribution purposes in each year (or part year) included in his years of continuous contributory service as Air Cabin Crew prior to the date of such election;
 - (ii) former members of Part I or Part IV who being so entitled did not elect to become Members of Part V under the provisions of the Amending Deed

dated 11 August 1971 shall on becoming subject to these Rules be required to pay for past service a sum representing in the case of Males a contribution of 2% (no part of which shall be treated as specified contributions) and in the case of Females 1.5% of his or her pay for contribution purposes at the 1 October 1971 in respect of each year or part of a year of pensionable service from 1 of April 1964 to the date when notice reaches the Secretary of his or her intention to join Part V Air Cabin Crew Option.

- (n) If with the consent of the Employer a Member so elects he may instead of making any contribution in accordance with the provisions of paragraph (m) of this Rule make an increased annual contribution of such amount as the Management Trustees shall determine during the period between the date of transferring to these Rules and the date of attaining normal retirement age provided always that if as a result of such election the Member's total contributions would exceed 15% of pay for contribution purposes in any year then the total contribution shall nevertheless be limited to a sum equal to 15% of such pay in that year and any excess shall be paid as a lump sum either immediately or by instalments over such period as may be agreed by the Management Trustees.
- (o) For the purposes of paragraph (m)(i) of this Rule any adjustment to years of service pursuant to Rule 6(g) shall be ignored.
- (p) Former Members of Part I or Part IV or Part V who were employed as Air Cabin Crew on 1 April 1971 and have ceased to be employed as Air Cabin Crew after that date may if they so desire and subject to compliance with the provisions of paragraph (m) of this Rule elect to receive in lieu of the pension immediate or deferred or the sum payable under the Rules of the part of which they were a member a pension calculated in accordance with the Rules of Part V Air Cabin Crew Option payable from normal retirement age of that part of the Scheme or other date selected by the former member provided that payment shall not commence on a date earlier than 1 April 1971. In the case of former members of Part I or Part IV or Part V who were employed as Air Cabin Crew on 1 April 1971 but who die on or before 31 May 1972 not having elected to become subject to the Rules of Part V Air Cabin Crew Option appropriate action may be taken by the Management Trustees at their discretion and in their special consideration in favour of the widows and dependants of such deceased member under the provisions of this part of the Scheme to which the deceased member could have transferred."

13. **Rule 36 (Elections)**

Add the following Rule -

"36* **ELECTIONS**

Any election to be made pursuant to these Rules shall be made by notice in writing to the Secretary".

* Originally designated by Deed dated 1 March 1965 as Rule 34. Renumbered here to conform with subsequent new numbers.

14. **Rule 33 (AVC – definitions)**

Add the words “Rule 12A” after the reference to Rule 12 in the definition of “Pension Commencement Date” in Rule 33.⁺

⁺ Rule 33 (AVC–Definitions), as amended, deleted with effect from 1 May 1988 by a Supplemental Deed dated 4 December 1991 and replaced with new Rule 33 (Additional Voluntary Contributions); “Pension Commencement Date” is defined in Clause 26 of the Trust Deed.

PART V RULES - CAMBRIAN AIRWAYS LIMITED AND NORTH EAST AIRLINES LIMITED

AMENDMENTS TO PART V RULES IN RESPECT OF CAMBRIAN AIRWAYS LIMITED AND NORTH EAST AIRLINES LIMITED (TOGETHER CALLED “THE ADDITIONAL EMPLOYERS” WHICH EXPRESSION INCLUDES SUBSIDIARY COMPANIES OF THE ADDITIONAL EMPLOYERS)

NOTE: These amendments were contained in a Deed dated 7 December 1972.

In relation to persons who are full-time employees (not engaged on a temporary basis only) of an Additional Employer immediately prior to and who do not cease to be such full time employees on 1 April 1973 the Rules of Part V (which shall be construed as including Part V Officers' Option B and Part V Air Cabin Crew Option where applicable) shall apply subject to the modifications in the following Schedule.

Any member admitted to the Scheme after 31 March 1971 but before 1 April 1973 immediately following full time employment with an Additional Employer who was formerly a member of an existing scheme (as defined in the Schedule) shall if he has not taken a refund of his contributions made to such existing scheme or if he is entitled to a deferred pension under such scheme immediately prior to 1 April 1973 be eligible to exercise the option set out in paragraph 7 of the Schedule.

Except as provided in the Schedule which follows no period of employment with an Additional Employer prior to 1 April 1973 shall constitute “service” for any purpose of any of the Rules.

SCHEDULE

1. Definition of an Existing Scheme

An “existing scheme” shall mean any of the following schemes -

- (i) Cambrian Airways Staff Pension Fund;
- (ii) Northeast Airlines Limited Pension Fund (Scheme B);
- (iii) BKS Air Transport Limited Superannuation Scheme A (Aircrew);
- (iv) BKS Superannuation Scheme C (Aircrew);
- (v) Northeast Airlines Limited Managerial and Administrative Staff Pension Fund;
- (vi) BKS Engineering Limited Pension Fund.

2. Membership

- (1) Paragraphs (a) and (b) of Rule 2 shall not apply to any person to whom this part of this Schedule applies but subject as hereinafter provided such a person shall be eligible to join Part V on 1 April 1973 if -

- (i) he is a member of an existing scheme immediately prior to 1 April 1973; or
- (ii) such a person is on 1 April 1973 under the applicable age limit as follows -

General Staff (Male)	53
General Staff (Female)	50
Pilots and Officers	40
Air Cabin Crew	45

- (2) A person eligible to join Part V on 1 April 1973 under sub-paragraph (1) of this paragraph who is not admitted to the Scheme on that date or upon his attaining the age of 18 years (whichever is the later) shall not be eligible to join the Scheme thereafter during the continuance of his employment with the Employer by which he was employed as at 1 April 1973.

3. Admission

- (1) Paragraphs (c) and (d) of Rule 3 shall not apply to any person to whom this part of this Schedule applies but such a person if eligible to join the Scheme shall be admitted to the Scheme on 1 April 1973 or on attaining the age of 18 years whichever is the later PROVIDED THAT -
 - (i) this application for admission under paragraph (e) of Rule 3 shall reach the Secretary before 1 April 1973 or before he reaches the age of 18 years whichever is the later; and
 - (ii) in the case of a member of an existing scheme notice also reaches the Secretary before 1 April 1973 of such member's agreement to the transfer to the Custodian Trustees of his interest in such scheme (together with his interest in any associated life assurance widow's and orphan's assurance or permanent sickness scheme).
- (2) A member admitted to the Scheme under this paragraph who is not a member of an existing scheme may by agreement with his Employer and subject to confirmation from the Commissioners of Inland Revenue that the arrangement would not affect the approval of the Scheme as an exempt approved scheme under Chapter II of Part II of the Finance Act 1970 be admitted to membership on special conditions.

4. Determination of Retiring Pay

For the purpose of determining the retiring pay of a member admitted under paragraph 3 of this Schedule to whom proviso (ii) of sub-paragraph (1) thereof applied the period in respect of which contributions had been made to an existing scheme prior to 1 April 1973 shall be deemed "service" or "service in respect of which contributions have been paid" (as the case may be).

5. Determination of Service and Contributory Service

- (1) In relation to a member admitted under paragraph 3 of this Schedule to whom proviso (ii) of sub-paragraph (1) thereof applied “service” and “contributory service” as defined in Rule 1(s)) shall be subject to such modification as may be appropriate by reason of the terms of transfer to the Custodian Trustees of his interest in the existing scheme of which he was a member and Rule 29(a) shall be construed accordingly.
- (2) The second proviso to Rule 1(s) shall apply only in respect of a break in employment occurring after 31 March 1972.

6. Contributions

A member admitted under paragraph 3 of this Schedule to whom proviso (ii) of sub-paragraph (1) thereof applied and who is over the normal retirement age on 1 April 1973 shall be deemed to have elected to continue his contributions until actual retirement for the purpose of Rule 5(b).

7. Former Employees' option

A member eligible to exercise this option shall be entitled by giving notice to the Secretary before 1 April 1973 and either -

- (i) surrendering to the Custodian Trustees before the same date all deferred pension to which he is entitled under any existing scheme; or
- (ii) transferring to the Custodian Trustees before 1 April 1973 the whole of his interest in any existing scheme of which he is a member (together with his interest in any associated life assurance widow's and orphan's assurance or permanent sickness scheme)

to have his “service” and “contributory service” as defined in Rule 1(s) subject to such modification as may be appropriate by reason of the terms of such surrender or transfer in which case a period in respect of which contributions had been made by him or on his behalf to such existing scheme prior to the member's admission to the Scheme shall be deemed “service” or “service in respect of which contributions have been made” (as the case may be) for the purpose of determining his retiring pay.

AIRWAYS PENSION SCHEME

RULES - PART VI

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PART VI RULES

1. Definitions

The following expressions have the following meanings unless inconsistent with the context -

“Actuarial Equivalent” means such amount as the Actuary shall certify as being appropriate.

“Air Accident” means an accident occurring to a Member while embarking on or disembarking from an aircraft in connection with a flight therein or while on board an aircraft during a flight between the time of embarkation and the time of disembarkation.

“Air Cabin Crew” means subject to Rule 20(h), employees of an Employer who are employed under contracts of employment entered into within the United Kingdom to serve as air cabin crew either as full-time employees or who for the purpose of the Scheme are designated by the Employer as employed in Part-time Service.

“Band Earnings” means, in relation to an individual, the amount of earnings payable in respect of him or her by an Employer that exceeds the applicable lower earnings limit but not the upper accrual point (or the prescribed equivalents if the individual is paid otherwise than weekly).

For the purposes of this definition:

“applicable” has the meaning given by regulation 5(3) of the Occupational Pension Schemes (Power to Amend Schemes to Reflect Abolition of Contracting-out) Regulations 2015; and

“lower earnings limit”, “prescribed equivalents” and “upper accrual point” have the meanings given to them by the Social Security Contributions and Benefits Act 1992.

“Compound Interest” means interest compounded at the rate of 2.5% per annum up to 31 March 1974 and thereafter compounded at the rate of 3.5% per annum.

“Contracting-out Laws” means the laws on contracting-out set out in the Pension Schemes Act 1993.

“Contributory Service” means Service in respect of which contributions have been paid by or in respect of the Member to the Scheme (adjusted to take into account Clauses 25A, 25B, 25C and 25D of the Trust Deed and to Rule 3(d), 12(b)(iii) and 20) PROVIDED THAT in relation to the Part-time Service of any Member the formula set out in Rule 20B(ii) will apply (except for the purposes of the definition of “Qualifying Service”) PROVIDED THAT any break in employment of less than 12 months' duration shall not be regarded as breaking the continuity of the Member's service on condition that any refund of contributions made to the Member are repaid or any deferred pension surrendered to the Scheme and in these circumstances in calculating his entitlements under this Scheme his contributory service with an Employer before the break in employment shall be added to his contributory service thereafter but this proviso shall not apply in relation to any

break in employment ceasing after 5 April 1978 of a Member who was not a Member of Part V or of Part VI at the time of such break.

“Dependent Child” means-

- (i) a child (including a legally adopted child) of a Member or Pensioner who is under the age of 16 years; or
- (ii) a person under the age of 16 years who in the opinion of the Management Trustees was at the date of the death of the Member or Pensioner substantially dependent on him for the ordinary necessities of life; or
- (iii) a person who has attained age 16 but who otherwise fulfils the requirements of paragraphs (i) or (ii) above and who -
 - (1) is under the age of 23 years and
 - (2) is receiving full-time instruction at any university, college, school or other educational establishment, or full-time training for any profession, vocation or trade, or is unable to earn his or her own living due to a serious and permanent illness or disability.

“Enhanced Protection” means enhanced protection for the purposes of paragraph 12 of Schedule 36 of the Finance Act 2004.

“Fixed Protection” means fixed protection for the purposes of paragraph 14 of Schedule 18 of the Finance Act 2011, paragraph 1 of Schedule 22 to the Finance Act 2013 or paragraph 1 of Schedule 4 to the Finance Act 2016.

“Flexible Retirement Benefits” in relation to a Flexible Retirement Member means that part of his Scheme benefits that he elects to commence receiving on his Flexible Retirement Date.

“Flexible Retirement Date” means the date on which a Flexible Retirement Member’s Flexible Retirement Benefits commence payment under Rule 8B.

“Flexible Retirement Member” means a Member who has elected, with the consent of his Employer, under Rule 8B to commence payment of all or part of his Scheme benefits whilst remaining in employment with an Employer.

“General Staff” means employees of an Employer (other than Pilots, Officers and Air Cabin Crew) who are employed under contracts of employment entered into within the United Kingdom either as full-time employees or who for the purpose of the Scheme are designated by the Employer as employed in Part-time Service.

“Higher Rate Contributor” or **“Lower Rate Contributor”** respectively mean a Member who at any date pays contributions (including Notional Contributions) to the Scheme (other than to the AVC Scheme, as defined in Clause 26) at the same rate as is currently specified under Column A to the Table set out in Rule 5 (in the case of a Higher Rate Contributor) or under Column B to the Table set out in Rule 5 (in the case of a Lower Rate Contributor).

“Minimum Pension Age” means “normal minimum pension age” under the Finance Act or such other age from which a Member or Pensioner who has a protected pension age for the purpose of Schedule 36 of the Finance Act is permitted to take their benefits.

“Normal Retirement Age” has the meanings assigned to it in Rule 4.

“Notional Contributions” means the contributions made by an Employer which are notionally made by a Salary Sacrifice Member under Rule 5(aa).

“Notional Voluntary Contributions” has the meaning given in Clause 26.

“Officers” means employees of an Employer who are employed under contracts of employment entered into within the United Kingdom to serve as navigating officers, radio officers or engineer officers of aircraft and who are either full-time employees or who for the purpose of the Scheme are designated by the Employer as employed in Part-time Service.

“Part I”, “Part II”, “Part III”, “Part IV”, “Part V” and “Part VI” mean respectively that part of the Scheme to which Part I, Part II, Part III, Part IV, Part V or Part VI of the Rules respectively applies.

“Part-time Service” means in relation to an employee Service in the employment of any Employer on the basis of a contract of service entered into within the United Kingdom and which has been designated by the Employer for the purposes of the Scheme as a permanent part-time employment contract.

“Pay” means remuneration (or, in the case of a Salary Sacrifice Member, what would have been remuneration but for the Salary Sacrifice) designated by an Employer as pay for the purposes of these Rules and does not include allowances overtime bonuses commissions or any other payments unless specifically designated as pay for the purposes of these Rules.

“Pay for Contribution Purposes” has the meaning assigned to it in Rule 6.

“Pay for Pension Purposes” has the meaning assigned to it in Rule 6.

“Pensionable Dependant” means in relation to a deceased Member or Pensioner a person, other than a surviving spouse, Surviving Civil Partner or Dependent Child, who to the satisfaction of the Management Trustees was financially dependent upon the Member or Pensioner to a substantial extent at the date of the Member’s or Pensioner’s death, or who lived in a relationship with the Member or Pensioner which closely resembled marriage and who to the satisfaction of the Management Trustees was financially interdependent with the Member or Pensioner. In order to assist them in deciding whether or not a person qualifies as a Pensionable Dependant for the purposes of this definition, the Management Trustees may request such evidence of dependency or interdependency as they may consider necessary or appropriate.

“Pensioner” means a person who was a Member and is entitled to a pension or deferred pension under the provisions of Part VI.

Subject to such terms as the Management Trustees may determine under Rule 8B, in respect of his Flexible Retirement Benefits, “Pensioner” includes a Flexible Retirement Member whose Flexible Retirement Date has occurred.

“Pilots” means employees of an Employer who are employed under contracts of employment entered into within the United Kingdom to serve as pilots of aircraft and who are either full-time employees or who for the purpose of the Scheme are designated by the Employer as employed in Part-time Service.

“Qualifying Service” means in relation to a Member ceasing to be employed by his last Employer the aggregate of the following periods, namely -

- (i) Service with the Employer (whether or not continuous) that forms part or all of a period of continuous contributory service ending at the date of cessation of employment;
- (ii) Years of service whilst a member of another scheme in respect of which additional rights to pension have been granted under Clause 25 of the Trust Deed in substitution for accrued rights under such other scheme;
- (iii) previous Qualifying Service of not less than five years that ceased after 5 April 1975 and before 4 April 1988 and of not less than two years that ceased after 5 April 1988 (excluding however Service in respect of which the Member's accrued rights have been transferred to another scheme);
- (iv) previous Service with the Employer that ceased after 5 April 1975 followed after a break of not more than one month by Service with the Employer under (i) above

PROVIDED HOWEVER that no period shall be reckoned more than once.

“Retiring Pay” means the average of the Member's pay for pension purposes during the best two years of the last five years of his contributory service in the occupational category in which he was last employed or during the actual period of his contributory service in that occupational category if less than two years.

“Salary Sacrifice” means an arrangement by which a Member agrees to give up (sacrifice) part of his taxable pay (and as a consequence become a Salary Sacrifice Member) in exchange for a non-cash benefit from his Employer in the form of an additional contribution to the Scheme for the benefit of the Member which corresponds to the amount of taxable pay sacrificed by the Member.

From 1 October 2011 a Salary Sacrifice Member may agree to give up part of his taxable pay in exchange for a non-cash benefit from a Participating Employer in the form of additional contributions to the AVC Scheme for the benefit of the Member equal to the amount of taxable pay sacrificed by the Member, subject to the Member remaining from 1 October 2011 a Salary Sacrifice Member in relation to contributions due under Rule 5(aa) (except where the Member ceased contributions in accordance with Rule 5(e)).

“Salary Sacrifice Member” means a Member who has become a Salary Sacrifice Member under Rule 2A(a) and has not ceased to be a Salary Sacrifice Member under Rules 2A(b) or 2A(c).

“Scheme Pays Notice” means a valid notice served on the Management Trustees by a Member or Pensioner in accordance with section 237B of the Finance Act).

“Service” means subject to Rule 17 the period during which the Member has been continuously under contract of employment to an Employer.

“State Pension Age” means, in relation to an individual, the age at which his or her state pension becomes payable, as prescribed by Tables 2 to 4 in Schedule 4 to the Pensions Act 1995, as amended from time to time.

2. Membership

- (a) Subject as hereinafter provided the following persons are eligible to join Part VI -
 - (i) Members of Part I, Part IV or Part V;
 - (ii) General Staff Pilots Officers and Air Cabin Crew engaged by an Employer on or after 16 July 1973 or having been engaged before 16 July 1973 attained the age of 18 years on or after that date;
 - (iii) General Staff Pilots Officers and Air Cabin Crew in the Employment of Cambrian Airways Limited Northeast Airlines Limited or of any subsidiary company of Cambrian Airways Limited or of Northeast Airlines Limited on 1 November 1975 not hitherto eligible to join Part VI by virtue of either of Rules 2(a)(i) or (ii);
 - (iv) permanent part-time employees (as defined under the terms of the rules then in force);
 - (v) permanent part-time employees first employed by an Employer as such on or after 1 February 1977 (other than permanent part-time employees eligible under Rule 2(a)(v) of Part V).
- (b) In the case of persons eligible to join the Scheme by virtue of Rule 2(a)(ii) it shall subject as hereinafter provided be a compulsory condition of employment that they join the Scheme.
- (c) An Employer may by agreement with an Employee waive the provisions of this Rule as to that Employee either by admitting to membership an Employee who would not otherwise be eligible for membership or by excluding from membership an Employee who would otherwise be compelled to join or by admitting an Employee to membership on special conditions.
- (d) Notwithstanding anything to the contrary herein no person shall be eligible to join or be admitted as a Member of Part VI after 31 March 1984.

2A. Salary Sacrifice

- (a) A Member will become a Salary Sacrifice Member if his Employer so notifies the Management Trustees, with effect from the effective date of that notification.
- (b) A Member will cease to be a Salary Sacrifice Member if his Employer so notifies the Management Trustees.
- (c) A Member will cease to be a Salary Sacrifice Member on ceasing to be employed by his last Employer before reaching Normal Retirement Age.

3. Admission to the Scheme

- (a) Members of Part I, Part IV or Part V shall subject to the provisions of Rule 20 become subject to the Rules of Part VI on the date not later than 31 December 1973 upon which notice reaches the Secretary of their intention to join Part VI.
- (b) Persons eligible to join the Scheme by reason of the provisions of Rule 2(a)(ii) shall be admitted to the Scheme with effect from the date on which they commence employment with an Employer or attain the age of 18 years whichever is the later.
- (c) Every employee as a condition of admission to membership of Part VI shall sign an application for admission containing an undertaking in the form prescribed by the Management Trustees to be bound by the Trust Deed of the Scheme and these Rules and shall produce to the Secretary within six months of the date of joining the Scheme a birth certificate or other evidence of age satisfactory to the Management Trustees.
- (d) The Management Trustees shall upon the written request of an Employer admit a person to membership of the Scheme with effect from a date earlier than the date of that person's commencement of employment with the Employer and in any such case there shall be paid to the Fund by the Employer such sum or equivalent series of sums if any as may be necessary to secure the additional benefit accruing to the Member from such arrangement PROVIDED ALWAYS that such earlier date shall not be a date earlier than or during any period in respect of which such person is entitled to a pension from any pension or superannuation scheme to which the Employer is or is deemed to be a party. The period between the date of admission and the subsequent commencement of employment with the Employer shall be deemed to be contributory service for the purposes of computing pension entitlement.
- (e) During the period from 13 May 1974 until 30 September 1974 (both days inclusive) Members of Part I Part IV or Part V shall be entitled by giving notice containing an undertaking to be bound by the Rules of Part VI to reach the Secretary on or before 30 September 1974 to elect to become subject to such Rules. Any such Member giving such notice shall become subject to the Rules (including Rule 20) of Part VI on the date on which the notice reaches the Secretary but in accordance with Rule 20(k) contributions at Part VI rates shall be payable with effect from 1 April 1974 the shortfall to become payable forthwith. A notice given by a Member of Part I Part IV or Part V under Rule 3(a) that reached the Secretary after 31 December 1973 but before 13 May 1974 shall if such a Member is still a Member

on 13 May 1974 and if the name of such Member is contained in a list initialled by two of the Management Trustees for the purpose of this provision be deemed to be a notice under this Rule 3(e) reaching the Secretary on the last mentioned date.

- (f) PROVIDED THAT notice of their intention to join the Scheme in the form prescribed by the Management Trustees (and containing such options as are referred to in Rule 20A) and duly completed shall have reached the Secretary not later than 31 October 1975 persons eligible to join the Scheme by reason of the provisions of Rule 2(a)(iii) shall become subject to the Rules of Part VI on 1 November 1975 but in default of any such notice persons otherwise so eligible shall cease to be eligible on the said 1 November 1975. Persons who in their notice of intention to join the Scheme exercise any of the options contained in such notice to purchase past service shall on admission to the Scheme become subject to the special conditions contained in Rule 20A.
- (g) PROVIDED THAT a person eligible to join the Scheme by reason of the provisions of Rule 2(a)(iv) shall submit application in the form prescribed by the Management Trustees (and containing such option as is referred to in Rule 20B) and duly completed which reaches the Secretary not later than 31 May 1977 he shall become subject to the Rules of Part VI effectively from 1 February 1977 but in default of such an application a person otherwise so eligible shall cease to be eligible on 1 June 1977. A person who in his application to join the Scheme exercises such option as aforesaid shall on admission to the Scheme become subject to the special conditions contained in Rule 20B.
- (h) PROVIDED THAT a person eligible to join the Scheme by reason of the provisions of Rule 2(a)(v) shall submit application in the form prescribed by the Management Trustees and duly completed which reaches the Secretary during the period of one month immediately following the date on which he commenced service as a permanent part-time employee (as defined under the terms of the rules then in force) or not later than 31 March 1977 (whichever is the later) he shall become subject to the Rules of Part VI effectively from the said date of commencement of service but in default of any such notice he shall cease to be so eligible upon the expiry of such month or 31 March 1977 (as the case may be).

4. Normal Retirement Age

- (a) Except where Rule 20 applies, the Normal Retirement Age of General Staff who are Members on 1 December 1989 is the Member's 60th birthday and the Normal Retirement Age of all other General Staff Members is a male Member's 63rd birthday and a female Member's 60th birthday PROVIDED ALWAYS that the Normal Retirement Age of a Member or Pensioner to whom Rule 6(e) has applied shall be reduced by 25% of the period or periods of time served overseas by such Member or Pensioner for the purposes of Rule 6(e).
- (b) Subject to Rule 20 the Normal Retirement Age of Pilots Officers and Air Cabin Crew is the age of 55.

5. Contributions

- (a) Subject to Rule 5(aa), a Member's contributions will commence on admission to the Scheme and (subject to Rule 5(e) and Rules 20 and 35) cease at actual retirement age whether before or after Normal Retirement Age. The appropriate rate is determined by reference to the Table below according to whether the Member is a Higher Rate Contributor or a Lower Rate Contributor. All such contributions shall be payable by a Member for the purpose of securing pension benefits only.

TABLE

	Percentage of Pay for Contribution Purposes		With effect from 6 April 2016, percentage of Band Earnings (payable until State Pension Age)
Category of Member	Column A: Higher Rate Contributors	Column B: Lower Rate Contributors	All but excluding Members who have elected to cease payment of contributions to the Scheme in accordance with Rule 5(e)(i)
General Staff	7.25	5.75	3.1%
Pilots, Officers and Air Cabin Crew	8.5	7.0	

NOTES TO TABLE:

- (1) The contribution rates specified above are subject to the subsequent provisions of this Part VI and to any adjustments necessary as a consequence of the Member having exercised any options or powers of election or having been admitted to the Scheme on special conditions whether under the provisions of Part I, Part IV, Part V or Part VI.
- (2) Contributions are calculated to the nearest penny.
- (aa) Each Salary Sacrifice Member will not be liable to contribute to the Fund under Rule 5(a). Each Salary Sacrifice Member's Employer will contribute an amount in respect of the Member which, but for the Salary Sacrifice, he would have been liable to contribute under Rule 5(a). For the purposes of the Trust Deed and these Rules, unless expressly stated otherwise, references to contributions by a Member shall be deemed to include contributions made by his Employer under this Rule 5(a)(aa). These contributions will be Notional Contributions.

- (b) The contributions of each Employer will consist of:
 - (i) contributions of such amounts as shall be certified by the Actuary from time to time as being required in addition to the contributions payable by the Members to provide the balance of the pension benefits and the whole of the Dependent Child's allowances and the death benefits of the Scheme;
 - (ia) any Notional Contributions payable under Rule 5(a)(aa); and
 - (ii) such deficiency contributions if any as may be required in accordance with the provisions of any scheme made pursuant to Clause 11 of the Trust Deed.
- (c) If a Member not being on unpaid additional maternity leave, unpaid shared parental leave, or unpaid adoption leave is absent from work the Employer must (unless the Member during such absence is in receipt of full pay) maintain the Member's contributions but recovery in whole or in part of the Employer's and the Member's contributions for such period may be effected by the Employer by deduction from the Member's pay or otherwise at the Employer's discretion having regard to individual circumstances. An Employer's contribution so repaid by the Member shall not become a Member's contribution for any purposes of the Scheme. Where a Member returns to employment following a period of unpaid additional maternity leave, unpaid adoption leave, or unpaid shared parental leave, he or she will be entitled to exercise such options in relation to such period of leave and payment of contributions in respect thereof as the Employer makes available for the time being.
- (d) A Higher Rate Contributor may elect to become a Lower Rate Contributor and vice versa, but other than as provided in this Rule 5(d), no such election can have retrospective effect. The following provisions apply to such an election -
 - (i) the election must be in such written form, and will take effect only subject to such period of notice, as the Management Trustees may from time to time prescribe;
 - (ii) other than in respect of a Salary Sacrifice Member in respect of whom Notional Contributions are being paid under Rule 5(aa), no election may be made during a period when the relevant Member is not paying contributions to the Scheme pursuant to Rule 5(a);
 - (iii) in the case of a Lower Rate Contributor in respect of any election (other than an election made before 2 January 1995 or an election made after an interruption in Service) the Management Trustees may require such person to undergo a medical examination by a doctor nominated by them before any election to become a Higher Rate Contributor is accepted. If the result of the examination is not satisfactory to the Management Trustees, they may refuse to accept the election; and
 - (iv) once a former Higher Rate Contributor has become a Lower Rate Contributor by exercising the right of election, the Lower Rate Contributor may elect to become a Higher Rate Contributor again only once in respect

of the same continuous period of Service.

- (e) (i) An employee who is a Member on 1 December 1989 may elect by written notice to the Secretary to cease payment of contributions to the Scheme on one occasion on or after reaching Normal Retirement Age. Such an election is irrevocable and the Member may not resume payment of contributions to the Scheme once notice has been given.
- (ii) The notice under Rule 5(e)(i) will take effect from the date selected by the Member (but this cannot be earlier than the day after receipt of the notice by the Secretary).
- (iii) Where the election is made before 1 August 1999, the Member's pension will be calculated as at the date of termination of contributions ("**the basic pension**") and will be actuarially increased until the earlier of the date of leaving Service and the date it comes into payment. Any adjustment of a Member's pension under Rule 15(C) will be calculated by reference to the basic pension only, disregarding any actuarial increase under this Rule 5(e)(iii).
- (iv) Where the election is made on or after 1 August 1999, when the Member's pension comes into payment it will be made up of two components. The first component will be the pension entitlement as at the date of termination of contributions ("**the basic pension**"). The second component ("**the crystallisation uplift**") will represent an actuarial increase to the basic pension to take account of its deferment during the period from the date of termination of contributions until the earlier of the date of leaving Service and the date of actual commencement, the relevant actuarial factors governing the calculation of the increase being those applicable at the date of the election under Rule 5(e)(i) (unless different factors are adopted for subsequent elections which would result in improved terms if applied in the case of the relevant Member, and the Management Trustees decide to apply such new factors in such a case). At the date of commencement the Member may choose whether the crystallisation uplift will be eligible or ineligible for increase under Rule 15 when in payment. If the Member has expressed no choice when the pension first comes into payment, the crystallisation uplift will be so eligible, and in any event the choice will not be available in relation to that proportion (if any) of the crystallisation uplift which is attributable to any part of the basic pension which relates to contributory service after 1 April 1997 (any such part being automatically eligible for increase under Rule 15 when in payment in order to comply with the indexation requirements of section 51 of the Pensions Act 1995). Subject as aforesaid, the actuarial determination of the crystallisation uplift shall have regard to the extent to which that component will be eligible for increase when in payment under Rule 15.
- (v) In the event that a Member who terminated payment of contributions under Rule 5(e)(i) dies before his pension comes into payment, any surviving spouse, Surviving Civil Partner Pensionable Dependant or Dependent Child who is entitled to a pension or allowance in respect of

the deceased Pensioner may choose whether that part of the pension or allowance which is attributable to the crystallisation uplift will be eligible for increase under Rule 15 when in payment. This choice will not be available in relation to that proportion (if any) of the crystallisation uplift which is attributable to any part of the Pensioner's pension by reference to which the surviving beneficiary's pension or allowance is calculated which is attributable to any part of the basic pension which relates to contributory service after 1 April 1997 (any such part being automatically eligible for increase under Rule 15 when in payment in order to comply with the requirements of section 51 of the Pensions Act 1995). The choice must be exercised (if at all) within four weeks of the date on which the relevant beneficiary is notified of the initial entitlement. If no choice is made, the whole of the pension or allowance attributable to the crystallisation uplift will be eligible for increase under Rule 15 when in payment. If the beneficiary is aged under 16 or is otherwise under an incapacity (as determined by the Management Trustees) by reason of physical or mental infirmity, the Management Trustees may accept the choice of any adult whom they reasonably believe to be competent to make the choice in the interests of the beneficiary.

- (vi) A Member who ceases payment of contributions under this Rule will not be treated as a Member who has opted out of membership under Rule 35.

6. **Pay for Contribution Purposes and Pay for Pension Purposes**

- (a) Subject as in this Rule hereinafter provided Pay for Contribution Purposes shall be the Member's Pay (or, in the case of a Salary Sacrifice Member, what would have been Pay but for the Salary Sacrifice) as earned each week or each month as the case may be.
- (b) Subject as in this Rule hereinafter provided and subject to Rule 20B (Part-time Service) Pay for Pension Purposes shall be the Member's Pay (or, in the case of a Salary Sacrifice Member, what would have been Pay but for the Salary Sacrifice) in respect of each period of 12 months included in the calculation of Retiring Pay.
- (c) If a Member joins H M Forces or undertakes any other national or emergency service or is otherwise absent from work (such service with the Forces or other service or absence unless compulsory to be with the consent of the Employer) the Member's Pay for Contribution Purposes and the Member's Pay for Pension Purposes throughout the period of such service or absence shall be the same as at the time of his joining the Forces or commencing such other service or absence unless some other rate is agreed between the Employer and the Member.
- (d) With the concurrence of the Member but subject always to the provisions of Rule 7 the Employer may at its discretion in any case where circumstances appear to warrant fix the amount of a Member's Pay for Pension Purposes and/or his Pay for Contribution Purposes at a figure or at figures differing from each other and/or from the amount or amounts calculated in accordance with the other paragraphs of this Rule.

- (e) During such a period or periods of time as a Member is serving on permanent posting in such territory outside Europe as may be designated from time to time by his Employer for the purposes of this Rule 6(e) the Member's Pay for Contribution Purposes shall be increased by 25% PROVIDED THAT in individual cases the Employers may by joint agreement at their discretion extend the facility to other Members serving overseas. For the purposes of this Rule 6(e) Europe shall be deemed to include the United Kingdom, the Mediterranean Islands, Tangier and Istanbul.

7. Statutory Requirements

Clause 32 of the Trust Deed will apply for all purposes of benefit calculations under these Rules.

8. Normal pension

- (a) A Member shall receive a pension payable from actual retirement on or after reaching Normal Retirement Age for the remainder of the Member's life PROVIDED ALWAYS that Pilots Officers or Air Cabin Crew who remain in the employment of an Employer as General Staff may postpone receipt of such pension (or the balance remaining payable after any surrender of pension for the purposes of Rule 9) in which event the actuarial equivalent of the amount thereof will be payable commencing from the date selected by the Member not later than the date of the Member's leaving the employment of his last Employer.
- (b) Subject to Rule 8(c) and to Rules 17, 20, 20B and 33, the amount of pension to which a Member is entitled is such sum per annum as is equal to the appropriate fraction of his Retiring Pay determined by reference to the following table -

TABLE

	Fraction of Retiring Pay for each year of Contributory Service as -	
Category of Member	(1) General Staff	(2) Pilot, Officer or Air Cabin Crew
Members on 1 December 1989	1/56th	1/52nd
All other Members	1/60th	1/56th
Additional completed months and odd days will count proportionately		

- (c) Where a Member has paid increased contributions by virtue of Rule 6(e) his period of Contributory Service which relates to such increased contributions shall likewise be increased by 25% for the purpose of calculating his pension entitlement under this Rule.

8A Special provisions applicable where staying in service with an Employer after Normal Retirement Age

- (a) Notwithstanding any other provisions of the Rules which may be inconsistent with this Rule 8A, the following options shall be available from 1 January 2003 where a Member remains in Service with an Employer after Normal Retirement Age (any such person being referred to in this Rule 8A as a “**Late Stayer**”)–

(i) **Transfers**

A transfer under Clause 25B of the Trust Deed shall be available on request in respect of a Late Stayer whose benefits under the Scheme have not yet come into payment and who so elects having opted-out of the Scheme under Rule 35(c).

(ii) **Commencement of benefits without leaving Service with an Employer**

If a Late Stayer so elects having opted-out of the Scheme under Rule 35(c), his or her benefits under the Scheme may commence in payment from such date on or after Normal Retirement Age as the Late Stayer may arrange with the Management Trustees notwithstanding that he or she is remaining in Service.

(iii) **Elections**

All elections under this Rule 8A must be made in writing to the Management Trustees and shall be subject to such period of notice (expiring no later than the date on which his Service terminates) as the Management Trustees may from time to time prescribe for this purpose. To be effective an election under Rule 8A(a)(i) above must be accompanied by such information about the transfer and be in such form as the Management Trustees may require in order to enable them to effect the transfer.

(iv) **Restrictions**

As soon as a Late Stayer ceases to qualify as such by ceasing to be in Service, his or her benefits shall immediately come into payment unless either:

- (i) the Management Trustees are in the process of effecting a transfer in accordance with a request validly made under Rule 8A(a)(i) above; or
- (ii) the Late Stayer elects to defer his or her benefits under Rule 8A(b).

- (b) (i) A Late Stayer who leaves Service may with the agreement of the Management Trustees elect to defer payment of his or her benefits until such date as he or she may agree with the Management Trustees which shall not be later than the date of the Late Stayer’s 75th birthday.

- (ii) The benefits of a Late Stayer who defers payment of his or her benefits under Rule 8A(b)(i) above shall be calculated as if Rule 8 applied but related to his Retiring Pay at, and Contributory Service completed to, the date of leaving Service (or, in the case of such a Late Stayer who has previously ceased payment of contributions (including Notional Contributions) under Rule 5(e), to the date of leaving Contributory Service and then actuarially increased in accordance with that Rule). They will then be adjusted so that, when the pension comes into payment, it is the Actuarial Equivalent of the amount that would have been payable if that part of the pension had been paid at the date of leaving Service.
- (iii) A transfer under Clause 25B shall be available on request in respect of a Late Stayer who elects to defer his benefits under this Rule 8A(b) and whose benefits under the Scheme have not yet come into payment.
- (iv) Where a Late Stayer who has previously ceased payment of contributions (including Notional Contributions) under Rule 5 leaves Service and wishes to defer payment of his or her benefits under this Rule 8A(b), he may choose at the date of commencement of payment of pension whether the crystallisation uplift calculated in accordance with Rule 5 (e)(iv) will be eligible or ineligible for increases under Rule 15 when in payment. If the Member expresses no such choice, the crystallisation uplift will be so eligible, and in any event the choice will not be available in relation to that proportion (if any) of the crystallisation uplift which is attributable to any part of the basic pension which relates to Contributory Service after 1 April 1997 (any such part being automatically eligible for increase under Rule 15 when in payment in order to comply with the indexation requirements of section 51 of the Pensions Act 1995).

8B Flexible Retirement

A Member who has reached the age of 55 may, with the consent of his Employer, elect to draw some or all of his Scheme benefits (which may include benefits from the AVC Scheme) while remaining in employment with an Employer, subject to such terms and conditions as the Management Trustees, with the agreement of British Airways Plc, may from time to time determine. This may include terms and conditions for transfers out.

9. Dependant's pension

- (a) At any time before the commencement date of his pension a Member may notify the Secretary of his intention to make provision for a pension to commence on the date of his death for his surviving spouse, Surviving Civil Partner or any other dependant named by him and approved by the Management Trustees, such pension to be payable during the remainder of the lifetime of such spouse or named dependant or Surviving Civil Partner PROVIDED ALWAYS that the Management Trustees may at their discretion prescribe either generally or in a particular case that the proposed provision shall only be permitted after a medical examination of the Member by a doctor nominated by the Management Trustees.

- (b) To provide the pension for the spouse or named dependant or Surviving Civil Partner but subject always to the provisions of Rule 33 the Member shall surrender such part of his pension as he desires PROVIDED ALWAYS that he may not surrender so much as would result in the pension payable to the spouse or named dependant or Surviving Civil Partner being greater after taking into account any pension payable under Rule 10 hereof than the amount of the pension remaining to be paid to the Member before any commutation of pension under the provisions of Rule 14. The amount of pension payable to the spouse or named dependant or Surviving Civil Partner shall be the actuarial equivalent of the amount of pension so surrendered by the Member.
- (c) Any notification given under this Rule shall be revoked -
 - (i) if the Member leaves the employment of an Employer and become entitled to and receives a return of his own contributions in accordance with Rule 16; or
 - (ii) in relation to a notification made before 10 January 2008, if the Member or named dependant dies before the Member reaches Normal Retirement Age unless before such death the Member had left the employment of an Employer with an entitlement to an immediate or deferred pension.
 - (iii) in relation to a notification made on or after 10 January 2008, if the Member or named dependant dies before the commencement date of the Member's pension.
- (d) A Member may cancel or subject to the aforementioned limitations and conditions amend the notification to the Secretary referred to in Rule 9(a) by further notice to the Secretary at any time before midnight on the date of his leaving the Employment of his last Employer. If a Pensioner's named dependant dies after the Pensioner's pension has commenced, the Pensioner may nominate another dependant, who must be approved by the Management Trustees for this purpose, to receive a pension on his death in place of the original nominee. The amount of the new dependant's contingent pension will be payable for life and its amount will be determined in accordance with criteria specified by the Actuary as being the equivalent of the amount surrendered having regard in particular to the age of the dependant. A nomination may not otherwise be revoked or changed.

10. **Adult survivors' pensions**

(a) **Qualification for spouse's pension**

Subject to Rule 20(m) the surviving spouse of a Member or Pensioner who in either case is or has been a Higher Rate Contributor will receive a yearly pension payable for life from the date of the Member's or Pensioner's death. No pension entitlement will be payable to the surviving spouse of a Member or Pensioner who has never been a Higher Rate Contributor unless Rule 32A and/or 33 applies (if the Member or Pensioner has been in contracted-out employment by reference to the Scheme).

(b) **Calculation of spouse's pension: Higher Rate Contributors only**

The yearly amount of the spouse's pension for Higher Rate Contributors will be determined by reference to the following table -

TABLE

Category	Category description	Spouse's pension to be two-thirds of the following relevant pension (but see Notes 1 & 4)
A.	Member who dies before Normal Retirement Age	The deferred yearly pension to which the Member would have been entitled at the date of death if, for the purposes of Rule 13(a), the period of Service by reference to which the deferred pension would have been calculated was the aggregate of: (1) the last or only period of Contributory Service but (subject to Note 2) disregarding any period(s) during which the Member was a Lower Rate Contributor (other than where applicable for the determination of Retiring Pay); and (2) one-half of the potential Service between the date of the Member's death and the Member's Normal Retirement Age (but see Note 3).
B.	Member who dies on or after Normal Retirement Age	The yearly pension to which the Member would have been entitled had the Member retired on the day before the date of death if (subject to Note 2) Contributory Service disregarded any period(s) of Service as a Lower Rate Contributor for the purposes of the calculation to be made under Rule 8 (other than where applicable for the determination of Retiring Pay).
C.	Pensioner	The immediate or deferred pension to which the Pensioner would have been entitled if (subject to Note 2) Contributory Service (other than where applicable for the determination of Retiring Pay) disregarded any period(s) of Service as a Lower Rate Contributor.

NOTES TO TABLE:

- (1) When calculating the relevant pension, any adjustments to the Member's or Pensioner's pension made under Rules 9, 12(b)(i) and (ii), 13A, 13B, 14, 20(b), 33 or 34, and any actuarial reduction on early commencement of a deferred pension made under Rule 13(b) or 13(g) hereof, are to be disregarded. Any adjustments under Clause 24 are to be likewise disregarded unless the adjustment was implemented on terms that it would not be so disregarded.

- (2) For the purpose of calculating any pension payable to a surviving spouse on the death of a female Member or female Pensioner who:
- I
 - (i) was a Higher Rate Contributor; and
 - (ii) ceased to be in contributory service by retirement or otherwise between 1 December 1987 and 30 November 1989 (both dates inclusive); or
 - II
 - (i) was a Member on 1 December 1989; and
 - (ii) became a Higher Rate Contributor by election effective on 1 December 1987 or 1 April 1990 (or, if she was then on maternity leave, on such later date at which her election became effective following her return to normal Contributory Service)

the relevant Contributory Service also includes one-half of any period of Service as a Lower Rate Contributor before 1 December 1987 which formed part of the last or only period of contributory service but in relation to Category I the additional spouse's pension attributable to such additional Contributory Service will be calculated as one-half not two-thirds of the additional pension notionally attributable to the deceased Member or Pensioner.

- (3) If the Member (being an employee on General Staff) had a different Normal Retirement Age as at 30 November 1989 from that which applies at the date of death as a result of the changes in Normal Retirement Age introduced with effect from 1 December 1989, then for the purposes of Category A item (2) in the calculation is to be read disregarding any reduction in Normal Retirement Age, and for the purposes of Category B Contributory Service includes one-half of the potential service between the date of the Member's death and his previous Normal Retirement Age if the death occurs before that date.
- (4) If the surviving spouse was at the date of the death of the Member or the Pensioner more than ten years younger than the Member or Pensioner, the amount of the surviving spouse's pension will be reduced by 1.25 per cent for each complete year by which the difference in age exceeds ten years.

(c) Multiple spouses' pensions

- (i) In respect of any pension that would otherwise come into payment on the death of a Member or Pensioner before 15 August 1990:
 - (A) no surviving spouse will be entitled to receive pensions in respect of more than one deceased Member or Pensioner under this Rule unless the Management Trustees decide otherwise; and
 - (B) if, other than for this provision, a surviving spouse would be entitled to receive more than one such pension, the surviving spouse will be entitled to receive whichever pension is greater.
- (ii) In respect of any death of a Member or Pensioner on or after 15 August 1990, any pension payable to a surviving spouse under this Rule will remain payable, even if the surviving spouse is already in receipt of a pension in respect of a deceased Member or Pensioner.
- (iii) If at the date of death a Member or Pensioner was lawfully married to two or more persons, the surviving spouse's pension payable under this Rule

will be paid in such manner as the Management Trustees in their absolute discretion determine.

(d) Contributions guarantee

If on the cessation of all pensions payable in respect of a Member or Pensioner under this Rule 10 the total amount of:

- (i) pension payments to any surviving spouse or Pensionable Dependants under this Rule;
- (ii) all pension and lump sum payments to the relevant Member or Pensioner under the Rules; and
- (iii) the value of any pension payable under Rule 9

is less than the aggregate of:

- (iv) the amount of the contributions the Member or Pensioner has paid to the Scheme pursuant to Rule 5 (including Notional Contributions) together with Compound Interest thereon to the date on which the Member or Pensioner died or the date on which (in the case of a Pensioner) the pension commenced whichever is the earlier,

then the difference between the two sums will be paid to the legal personal representative of the surviving spouse (if applicable) or otherwise to the legal personal representative of the Pensionable Dependant (or, if more than one, of the last Pensionable Dependant to die).

(e) Pensions for other adult survivors

If a Member or Pensioner who in either case has been a Higher Rate Contributor dies without leaving a surviving spouse but leaving a Pensionable Dependant, a pension will be payable to such Pensionable Dependant. Subject to any restriction as may be necessary to ensure that when aggregated with any Dependent Child's allowances in payment at any time under Rule 11 the pension under this Rule 10(e) will not exceed the maximum approvable benefits which the Scheme could have provided before 6 April 2006 under the requirements of HM Revenue & Customs, the pension will be equal to the pension which would otherwise have been payable under Rule 10(b) above had the Member or Pensioner left a surviving spouse and will be payable for life. Notes 1, 2 and 3 to the Table in Rule 10(b) will apply in the calculation of the amount of the pension, and Note 4 will apply having regard to the age of the relevant Pensionable Dependant. If there are more than one such Pensionable Dependants the Management Trustees may allocate the pension between them in such shares as they may decide (with any adjustment by reference to Note 4 to the Table taking effect in relation to the pension so allocated to each Pensionable Dependant separately), or they may decide that a pension will be payable to only one such Pensionable Dependant. If payment is made to two or more Pensionable Dependants, when a Pensionable Dependant dies the Management Trustees may reallocate that pension to another Pensionable Dependant, but they shall not be obliged to do so. For the purposes

of this Rule 10(e) the Management Trustees may invite Higher Rate Contributors to notify them of any individuals whom the Higher Rate Contributors would wish to be considered as potential Pensionable Dependants on death.

(f) **Concessionary spouses' pensions**

The surviving spouse of a female Pensioner who became a Pensioner before 1 December 1987 will also receive a yearly pension payable for life from the date of the Pensioner's death. The pension will be calculated in the same way as specified under (b) above, except that it will be one-half (not two-thirds) of that part of the relevant pension which is attributable only to one-half of the period of Service as a Lower Rate Contributor (before 1 December 1987) which formed part of the last or only period of Contributory Service.

(g) **Surviving Civil Partner**

Except in the eighth line of Rule 10(c), this Rule 10 shall apply in respect of a Surviving Civil Partner as if the words "Surviving Civil Partner" were substituted for the words "surviving spouse" and "spouse" and all related terms shall be construed accordingly.

11. **Dependent Child's allowance**

(a) **Qualification for Dependent Child's allowance**

On the death of a Member or Pensioner, an allowance will become payable in respect of any Dependent Children of the Member or Pensioner. Where the relevant Dependent Child giving rise to the payment of the allowance is born after the date of death of the Member or Pensioner, the allowance will become payable from the date of the Dependent Child's birth. The Dependent Child's allowance will be payable for so long as a person qualifies as a Dependent Child.

(b) **Calculation of Dependent Child's allowance**

The yearly amount of the Dependent Child's allowance to be allocated in respect of the Dependent Children will be the appropriate percentage (determined by reference to the table set out below according to the number of Dependent Children there are at any time) of the following pension, disregarding any adjustments made to such pension under Rules 9, 12(b)(i) and (ii), 13A, 13B, 14, 20(b), 33 or 34, and any actuarial reduction on early commencement of a deferred pension made under Rule 13(b) or 13(g) hereof, (and likewise for any adjustment under Clause 24, unless the adjustment was implemented on terms that it would not be so disregarded) -

- (i) in the case of the death of a Pensioner: the yearly pension or deferred pension to which the Pensioner was entitled at the date of death;
- (ii) in the case of the death of a Member who dies before Normal Retirement Age: the yearly deferred pension to which the Member would have been entitled had he completed in addition to his Contributory Service one-half of the potential Service between the date of death and Normal Retirement

Age. For this purpose if the Member (being an employee on General Staff) had a different Normal Retirement Age as at 30 November 1989 from that which applies at the date of death as a result of the changes in Normal Retirement Age introduced with effect from 1 December, the one-half service addition shall be calculated by reference to such previous Normal Retirement Age PROVIDED THAT this benefit shall also apply to such a Member who dies on or after Normal Retirement Age but before the date which was his previous Normal Retirement Age (with the one-half service addition being calculated by reference to such previous Normal Retirement Age as above).

TABLE

Number of Dependent Children at any time	Percentage of pension under (i) or (ii) above	
	(1) all cases except those under Column (2)	(2) for so long as no pension is payable to a surviving spouse under Rule 10: Higher Rate Contributor only (but see Note (1) below)
1	16.7%	50%
2 or more	33.3%	100%

NOTES TO TABLE:

- (1) If a Member or Pensioner has at any time been a Lower Rate Contributor, the pension to which the percentage in Column (2) is to be applied will be calculated disregarding the period of Contributory Service as a Lower Rate Contributor (other than where applicable for the determination of Retiring Pay).
- (2) Where there is more than one Dependent Child the Management Trustees may make such arrangements as they may from time to time consider appropriate as regards the allocation of the allowance in respect of all or any of them, and in particular shall be under no obligation to pay part of the allowance in respect of each one of them.

(c) **Receipts**

The receipt of the surviving parent or persons standing in the loco parentis to a Dependent Child will be a sufficient discharge to the Management Trustees for any payment made in respect of such Dependent Child under this Rule 11.

12. **Ill-health pension**

- (a) A Member being General Staff or Air Cabin Crew who ceases to be employed by an Employer before attaining Normal Retirement Age in consequence of incapacity to perform his normal duties arising from mental or physical infirmity not resulting from his own wilful misconduct and a Pilot or Officer who ceases to be employed by an Employer before attaining Normal Retirement Age by reason of his ceasing to be qualified to hold the appropriate licence to enable him to perform his normal duties with an Employer shall be entitled:

- (i) if he has less than five years Contributory Service to receive an immediate pension being subject to Rule 33 the actuarial equivalent of the pension he would have been entitled to receive had he retired at Normal Retirement Age with the same period of contributory service as he has in fact completed calculated on the assumption that his retiring pay at Normal Retirement Age was the same amount as his Retiring Pay at the date on which he in fact ceased to be employed by his last Employer; or
 - (ii) if he has five years Contributory Service or more or if his infirmity is the result of an Air Accident sustained in the course of his duties with an Employer to receive an immediate pension equal in amount to the pension he would have been entitled to receive had he retired at Normal Retirement Age with the same period of Contributory Service as he has in fact completed plus half of the potential years of service from the date of ill-health retirement to Normal Retirement Age calculated on the assumption that his retiring pay at Normal Retirement Age was the same amount as his Retiring Pay at the date on which he in fact ceased to be employed by his last Employer PROVIDED THAT if a Member on joining the Scheme had a different Normal Retirement Age from that which applies when calculating pension under Rule 12 as a result of the changes in Normal Retirement Age introduced with effect from 1 December 1989, the following provisions apply -
 - (A) any reduction in Normal Retirement Age will be disregarded when calculating the immediate pension under Rule 12(a)(ii); and
 - (B) if such a Member has passed his new Normal Retirement Age but would have been below Normal Retirement Age as defined prior to 1 December 1989, he will be entitled to an immediate pension calculated under Rule 8(a) except that half the potential service from the date of retirement to his original Normal Retirement Age will be added to his Contributory Service.
- (b) While any person who is in receipt of a pension by virtue of Rule 12(a)(ii) is under Normal Retirement Age -
 - (i) the Management Trustees may at any time require him to furnish such evidence as they shall deem satisfactory of his continued incapacity and if he shall not furnish such evidence they may vary suspend or revoke his pension;
 - (ii) if he recovers sufficiently to be able to earn an income the Management Trustees may from time to time vary suspend or revoke his pension as they think the circumstances justify PROVIDED ALWAYS that such pension shall not be reduced below an amount which when added to the income being earned and the amount of any pension commuted under Rule 14 would result in a sum less than his pay immediately before retirement on ill-health pension;

- (iii) if he recovers sufficiently to be able to perform his normal duties and is re-engaged by an Employer to perform such duties his pension shall cease but he shall forthwith be readmitted to the Scheme and in calculating his entitlement to pension his contributory service with an Employer before retiring on ill-health pension shall be added to his contributory service thereafter and such allowance as the Actuary may determine shall be made in respect of any lump sum paid under Rule 14.
- (c) Except in cases falling within Rule 12(b)(iii) if a person's pension has been varied suspended or revoked as aforesaid he shall on attaining Normal Retirement Age be entitled either to a continuation of the ill-health pension or to a pension calculated according to Rule 8 (reduced however to the extent determined by the Actuary to take account of any lump sum paid under Rule 14) whichever is the greater whether his incapacity continues or not and whether or not he is earning an income.
- (d) Except in cases falling within Rule 12(b)(iii) if a person's pension has been varied suspended or revoked he may subject to the provisions of Rules 16, 31 and 33 hereof require payment of such part of the amount of his own contributions (plus compound interest to the date of his retirement on ill-health pension) as remains after deducting the amount of ill-health pension already received and any lump sum paid under Rule 14 in which event no other payment shall be made under any of the Rules of the Scheme in respect of his membership.
- (e) For the purposes of this Rule contributory service in respect of which an increased contribution has been paid by virtue of Rule 6(e) shall likewise be increased by 25%.
- (f) No pension may be paid under this Rule 12 on the grounds of mental or physical infirmity to any person who is below age 50 unless and until the ill-health condition set out in Schedule 28 to the Finance Act is met.

13. **Deferred pension**

- (a) A Member ceasing to be employed by his last Employer before reaching Normal Retirement Age who at the date of such cessation either -
 - (i) had accrued two or more years' Qualifying Service; or
 - (ii) had accrued less than two years' Qualifying Service but was discharged (or who in the opinion of his Employer resigned in order to avoid discharge) from the employment of an Employer for reasons other than misconduct

shall be entitled to receive a deferred pension commencing at Normal Retirement Age equal in amount to the pension he would have been entitled to receive had he retired at Normal Retirement Age with the same period of contributory service he has in fact completed calculated on the assumption that his retiring pay at Normal Retirement Age was the same amount as his Retiring Pay at the date on which he in fact ceased to be employed by his last Employer PROVIDED HOWEVER that in relation to a Member who is entitled in the alternative to a

refund of contributions under Rule 16(a) entitlement to a deferred pension under this Rule shall not arise until the Member has elected to receive such a deferred pension in lieu of such refund.

- (b) A Member or Pensioner may advance payment of such deferred pension in which event a pension which is the actuarial equivalent thereof shall be payable commencing from the date selected by the Member or Pensioner not earlier than Minimum Pension Age PROVIDED ALWAYS that at the request of a Member's Employer such deferred pension may be paid without actuarial reduction if the date selected by the Member having attained age 50 is within five years of the Member's Normal Retirement Age and the Member has accumulated not less than 20 years of Contributory Service PROVIDED FURTHER that this option shall not be available in any case in which the Management Trustees determine that the pension payable to the Member at the date of his attainment of pensionable age would be or might be less in weekly rate than the weekly rate of the guaranteed minimum pension appropriate to the Member under Rule 33 at that date except that the Management Trustees may agree to the payment to the Member of an immediate pension equal to -

- (1) until pensionable age a pension which is the Actuarial Equivalent of the deferred pension after deducting the Actuarial Equivalent of the guaranteed minimum pension; and
- (2) from pensionable age no less than the guaranteed minimum pension

subject to the amount of the pension under (1) not being less than such amount as the Management Trustees prescribe from time to time for this purpose. The term “**pensionable age**” shall have the same meaning as in the Pension Schemes Act 1993.

- (c) Any Pensioner may postpone receipt of such deferred pension (or the balance remaining payable after any surrender of pension for the purposes of Rules 9 or 14) until no later than age 75 (or such later date as the Management Trustees may from time to time permit) in which event the actuarial equivalent of the amount of such deferred pension (less any amount allocated for the purposes of Rule 9 or Rule 14) shall be payable from the date of commencement of payment. The Pensioner shall upon request submit evidence satisfactory to the Management Trustees of the continuation of circumstances which entitle him to postpone receipt of his deferred pension.
- (d) The pension actuarially adjusted in accordance with Rules 13(b) or (c) shall except as otherwise provided be the Member's pension for all purposes of these Rules.
- (e) For the purpose of calculating the amount of pension payable under this Rule Contributory Service in respect of which an increased contribution has been paid by virtue of Rule 6(e) shall likewise be increased by 25% and the Contributory Service of a Member in Part-time Service shall be ascertained in accordance with Rule 20B.
- (f) Unless his pay has at any time exceeded £5,000 in any one year where a former Member who ceased to be employed by his last Employer prior to 6 April 1978

has (being entitled) elected to receive a deferred pension and at a subsequent date before his pension has commenced wishes to receive a return of his own contributions in lieu of such deferred pension the Management Trustees may at their discretion after considering the reasons for such request and subject to Rule 31 grant a repayment of the former Member's contributions with compound interest to the date of payment.

- (g) Subject to the same proviso concerning guaranteed minimum pensions as in Rule 13(b), a former Member who is entitled to a deferred pension but who subsequently becomes incapacitated before the date on which the deferred pension under this Rule 13 could otherwise come into payment may elect to have the deferred pension put into payment immediately (notwithstanding the fact that he may not have attained age 50) at a rate which is the actuarial equivalent of the deferred pension which would have commenced at normal retirement age. For the purposes of this Rule 13(g), an individual will be regarded as incapacitated if he is suffering from physical or mental deterioration which is sufficiently serious to prevent him from following his or her normal employment or which seriously impairs his earning capacity. The decision of the Management Trustees as to whether he is so incapacitated will be final.
- (h) The option under Rule 13B to receive a higher rate of pension during the first years after Normal Retirement Age shall also apply to a deferred pension payable under this Rule, except to a deferred pension which has come into payment early under Rule 13(g) before the earliest date from which the former Member could advance payment of his pension as specified in Rule 13(b) and subject as therein provided.

13A. Pension augmentation at early retirement

- (a) If the Employer (in its absolute discretion) by notice in writing to the Secretary before 26 March 1986 requests the augmentation by a specified augmentation element (subject always to the provisions of Rule 7) of the pension of any Member about to retire before Normal Retirement Age who has elected under Rule 13(b) that his pension commence immediately following his retirement (or who is barred from making this election by the second proviso to Rule 13(b)) the pension of such Member (as determined prior to the application of this Rule) shall be augmented by the said specified augmentation element.
- (b) Augmentation under this Rule shall apply only to the Member's pension and not to any Widow's Pension, Surviving Civil Partner's pension or Dependent Child's allowance associated therewith.
- (c) The augmentation element shall not qualify for commutation under Rule 14 and, subject to section 73 of the 1995 Act, in a winding-up of the Scheme shall rank in priority after the Scheme's liability for provision for Members in service on the date of commencement of the winding-up but subject thereto and to rule 13A(b) such element shall constitute part of the Member's pension under Rule 13 for the purposes of these Rules.
- (d) Within four weeks after the commencement of a pension augmented under Rule 13A(a) of this Rule the Employer shall pay to the Management Trustees by way

of contribution to the Scheme a sum that is the Actuarial Equivalent of the augmentation element of such pension.

- (e) Upon receipt from the Employer of a sum that is the Actuarial Equivalent on the last day of the month on which such sum is paid of the balance of any additional pension then in course of payment by the Employer to any Pensioner under the Employer's Augmentation Scheme (Ref. SF No.2/43366) and subject always to the provisions of Rule 7 the said additional pension shall thereafter be deemed an augmentation element payable under this Rule to which the provisions of Rules 13A(b) and (c) shall specifically apply.
- (f) If the Employer (in his absolute discretion) by notice in writing to the Secretary requests the augmentation by a specified augmentation element (subject always to the provisions of Rule 7) of the deferred pension under Rule 13(a) of any Member about to cease to be employed by the Employer who (by reason of his age) is not qualified to elect that his pension commence immediately upon such cessation of employment but who has elected for advance of his pension to the earliest date permissible under Rule 13(b) the amount of the deferred pension commencing at such date (as determined prior to the application of this Rule) shall be augmented by the said specified augmentation element and the provisions of Rules 13A (b) (c) and (d) shall apply mutatis mutandis except that payment under Rule 13A(d) shall be due within four weeks after the foregoing cessation of employment of the Member.

13B. Level pension option

If a Member or Pensioner becomes entitled to a pension under Rule 8 or Rule 13 (other than a deferred pension which has come into payment early under Rule 13(g) before the earliest date from which the former Member could advance payment of his pension as specified in Rule 13(b) and subject as therein provided) commencing before pensionable age under the Pension Schemes Act 1993 he may by notice to the Secretary and subject to the consent of the Management Trustees elect at any date before such pension commences (or in the case of a pension that commenced or commences before 30 September 1984 at any date before 1 April 1985 or such later date as the Management Trustees might determine) that his pension under these Rules shall be increased before such pensionable age and reduced thereafter in accordance with arrangements approved by the Actuary with a view to providing him with a more stable aggregate retirement pension from the Scheme and from the general state social security scheme.

14. Commutation of pension

Provided he has given the Management Trustees such written notice as they require from time to time before his pension comes into payment, a Member or Pensioner may exchange part of his pension payable under Rules 8, 12 or 13 (but before making any adjustment under Rule 13B) for a lump sum payable when the pension starts to be paid. The Management Trustees will convert pension into a lump sum on an actuarial basis decided by the Actuary. The selected basis must be consistent with Clause 32 (statutory requirements).

The Member or Pensioner may choose the amount of his lump sum under this Rule 14(a), but the amount chosen cannot exceed his maximum allowable Pension Commencement

Lump Sum. His remaining pension must not be less than the total of any graduated pension payable to him under Rule 31 and any guaranteed minimum pension payable to him under Rule 33.

Any election under this Rule 14(a) will be revoked by the death of the Member or Pensioner before his pension comes into payment.

The Management Trustees may at their discretion choose not to recover any element of a cash sum paid to a Member or Pensioner under Rule 14(a) that is overpaid or paid in error, but only to the extent that the overpayment or payment in error is an authorised member payment for the purposes of the Finance Act.

The Management Trustees may exchange all or part of a Member, Pensioner or other person's pension entitlement under the Scheme for a lump sum, before the exercise of any option under Rule 9 or this Rule 14, provided that the lump sum will qualify as an authorised member payment for the purposes of the Finance Act. This may include (for example):

- (i) a trivial commutation lump sum paid to a Member or Pensioner or a trivial commutation lump sum death benefit paid to a surviving spouse, Surviving Civil Partner, Dependent Child or Pensionable Dependant; or
- (ii) a Serious Ill-Health Lump Sum paid to a Member or Pensioner; or
- (iii) a payment falling under Part 2 of The Registered Pension Schemes (Authorised Payments) Regulations 2009.

The Management Trustees will use the Actuarial Equivalent of the Member, Pensioner or other person's pension entitlement to calculate the lump sum payable. The selected basis must be consistent with Clause 32 (statutory requirements).

PROVIDED THAT if a Member or Pensioner is entitled to a guaranteed minimum pension under the GMP Rule, to which the basis of revaluation described in Rule 33.4(i)(2) applies, no lump sum may be paid under this Rule 14(c) unless and until he attains pensionable age for the purposes of the GMP Rule.

The payment of a lump sum by the Management Trustees under Rule 14(c) will extinguish the recipient's entitlement under the Scheme to receive the pension benefits which have been exchanged for that lump sum. If the Management Trustees exchange all of a Member or Pensioner's pension benefits for a lump sum, the conversion will also extinguish all the benefits payable on the Member or Pensioner's death except where the Management Trustees are paying a Serious Ill-Health Lump Sum. In the latter case, the Management Trustees may only exchange the Member's or Pensioner's own pension benefits for a lump sum under Rule 14(c) and must first establish a separate arrangement (for the purposes of the Finance Act) for any person contingently entitled to pension benefits on the death of the Member or Pensioner.

Where a Pensioner has commuted part of his pension under this Rule 14, the lump sum payable under this Rule 14 shall be deducted from any death benefit payable under Rule 19(ii).

15. Adjustment of pensions and allowances

The annual rate of all pensions and allowances payable or prospectively payable under Rules 8, 9, 10, 11, 12, 13 and 34 hereof shall be adjusted as if the rates of increase as specified in the Annual Review Orders issued in accordance with section 59 of the Social Security Pensions Act 1975 were applicable thereto PROVIDED ALWAYS that if the said Act is repealed and not replaced or should it become necessary to review the basis of such annual adjustments steps shall be taken to ensure that the annual adjustments of pensions and allowances continue to be made based upon an appropriate national index or indices reflecting fluctuations in the cost of living PROVIDED FURTHER that without prejudice to compliance with the requirements of section 51 of the Pension Act 1995, any adjustment under the provisions of this Rule shall not apply -

- (A) during the period of postponement, to pensions postponed under the provisions of Rules 8(a) or 13(c);
- (B) in respect of the period from the date of cessation of contributions until the date of commencement of payment, to pensions deferred under the provisions of Rules 5(e), 20(e) or (subject to Rule 34(d)) 20(l);
- (C) when the relevant pension or allowance is in payment, to any actuarial increase under Rule 5(e)(iii); nor shall such adjustment apply (subject to section 51 aforesaid) to any crystallisation uplift as described in Rule 5(e)(iv) (or to any part of a pension or allowance attributable to any such actuarial increase or crystallisation uplift), where in any such case an election to this effect has been duly made in accordance with the provisions of Rules 5(e)(iv) or (v) as applicable.

PROVIDED FURTHER THAT the Management Trustees may at their discretion, and shall in any event at least once in any one year period, review the annual rate of pension payable or prospectively payable under Rule 8, 9, 10, 11, 12, 13 and 34 and shall have the power, following such a review, by resolution to apply discretionary increases in addition to the increases set out in this Rule subject to complying with and to the limits set out in the discretionary increases protocol ("**DI Protocol**"). The DI Protocol is the most recently agreed set of principles for granting discretionary increases under this Rule, as agreed between the Management Trustees and British Airways Plc (and its successors) from time to time. Trustee agreement to amend the DI Protocol cannot be given unless at least two thirds of the Management Trustees for the time being (or if a sole Corporate Trustee is appointed, a majority of at least two thirds of all the directors of the sole Corporate Trustee for the time being) vote in favour of the amendment.

Further increases to pensions

The following increases to pensions shall be made subject to paragraph 4 below:

1. The Management Trustees hereby retrospectively grant the pension increases in the table below (in addition to the increases which otherwise apply under this Rule 15) with effect from the dates set out in the table below and subject to the provisions of paragraphs 2 and 3 below.

Retrospective date of award of increase	Pension increase as a percentage of pension	Back payments with allowance for compounding and interest as a percentage of pension
1 December 2013	0.2	1.1
7 April 2014	0.1	0.5
6 April 2015	0.2	0.8
11 April 2016	0.3	0.9
10 April 2017	0.4	0.8
9 April 2018	0.5	0.5
Total	1.7 (inclusive of compounding) (the “Additional Annual Increases”)	4.6 (the “Back Payments Percentage”)

2. The Additional Annual Increases set out in the table in paragraph 1 shall be applied, at and with effect from the dates there referred, to the then pensions of Pensioners with pensions in payment or deferment as at 31 March 2019 and which were at those dates (or any of them) subject to increases under this Rule 15 by reference to the Annual Review Orders, to be paid on a date determined by the Management Trustees. The Additional Annual Increases will be suitably adjusted as determined by the Management Trustees where a Pensioner left active service or, if appropriate, where GMP has come into payment after 1 April 2013.
3. Back payments shall be paid to each Pensioner whose pension was in payment on 31 March 2019 in respect of the unpaid Additional Annual Increases to which a Pensioner is entitled under paragraph 1 above on a date to be determined by the Management Trustees. The back payments will be calculated by applying the Back Payments Percentage to the Pensioner’s annual pension in payment as at 31 March 2019 which is subject to increases in payment under this Rule 15 by reference to Annual Review Orders. The Back Payments Percentage represents the Additional Annual Increases compounded from the effective dates of the grant of the same as set out in the table in paragraph 1 and also includes a reasonable allowance for interest at the rate of 1.5% per annum in respect of the Additional Annual Increases being paid late. The amount will be suitably adjusted as determined by the Management Trustees where a Pensioner’s pension commenced or, if appropriate, where GMP has come into payment after 1 April 2013. Further back payments will be paid in respect of the Additional Annual Increases in relation to the period from 8 April 2019 to the date of payment of the increases (as determined by the Management Trustees in accordance with paragraph 2 above) and such back payments will attract an allowance for interest in respect of late payment as determined by the Management Trustees.
4. An increase shall be made to the pension of Pensioners with pensions in payment or deferment and which are subject to increases under this Rule 15 by reference to the Annual Review Orders. The increase shall be applied on a date determined by the Management Trustees with effect from 8 April 2019. The amount of the increase will be 0.7% of the Pensioner’s pension in payment or deferment as at 31 March 2019 which is subject to increases under this Rule 15 by reference to the Annual Review Orders (after the application of the increase referred to at

paragraph 2 above, where applicable). The increase to be applied will be suitably adjusted as determined by the Management Trustees where a Pensioner left active service or, if appropriate, where GMP has come into payment after 1 April 2018. Back payments will be paid in respect of this increase in relation to the period from 8 April 2019 to the date of payment of the increases (as determined by the Management Trustees in accordance with this paragraph 4) and such back payments will attract an allowance for interest in respect of late payment as determined by the Management Trustees.

5. Any Pensioner with a deferred pension who has Enhanced Protection or Fixed Protection will not be entitled to the back payments (where applicable) or to the increases at paragraphs 1, 2, 3 or 4 immediately above unless such a Pensioner notifies the Management Trustees in writing that he or she wishes to be entitled to such increases. Any Pensioner with a pension in payment or deferment may notify the Management Trustees in advance of 28 November 2019 in writing that he or she does not wish the Management Trustees to grant the back payments (where applicable) or any of the increases at paragraphs 1 to 4 immediately above in which case such back payments and increases will not be granted by the Management Trustees.
6. In paragraphs 1 to 5 above, “Pensioner” includes the survivor of a Member or Pensioner who is in receipt of a pension from the Scheme.

16. **Refund of contributions**

- (a) A Member ceasing to be employed by his last Employer before reaching Normal Retirement Age -
 - (i) who so ceases prior to 6 April 1978 (unless his pay has at any time exceeded £5,000 in any one year) and (being entitled) who elects not to receive a deferred pension under Rule 13(a); or
 - (ii) who has accrued less than 2 years' Qualifying Serviceshall subject to Rules 16(c) and (d) and to Rule 31 be entitled to a return of his own contributions (including Notional Voluntary Contributions and Employer AVCs but not Notional Contributions) with compound interest to the date of his so ceasing to be employed.
- (b) For the purposes of these Rules the Member's own contributions shall include only those of his contributions to this Scheme and to any other Scheme the Member's interest in which has been transferred to this Scheme in respect of which no pension immediate or deferred has been awarded.
- (c) No interest shall be payable in respect of any contributions repaid under this Rule 16 on or after 6 April 2006 except to the extent permitted as an authorised payment under the Finance Act.

17. Change in occupation or Employer

- (a) Where a Member is employed by an Employer at different times as General Staff, Pilot, Officer or Air Cabin Crew without a break in Service his pension and surviving spouse's or Surviving Civil Partner's pension and Dependent Child's allowance shall be calculated in accordance with the Rules applicable to the occupational category in which the Member is employed at the date of leaving Service. For this purpose the Contributory Service in any earlier occupational category will be taken into account by crediting the Member with such additional notional period of Contributory Service in his final category as the Actuary may determine to be appropriate. For the purposes of calculating any surviving spouse's or Surviving Civil Partner's pension under Rule 10, the Contributory Service so credited will be taken into account in the proportion which the period of actual Contributory Service as a Higher Rate Contributor in the earlier occupational category bears to the total period of such Contributory Service. There shall be deemed to be a break in Service if the Member takes an immediate pension or elects to take a deferred pension in respect of Service in the occupational category from which he is transferring.
- (b) Subject to Rule 20(d) a Member transferring from the employment of one Employer to that of another shall be entitled to count all service with either Employer in computing total service.

18. Entitlement to and payment of pensions benefits and allowances

- (a) Entitlement to any pension benefit or allowance payable under these Rules is conditional upon a claim therefor having been submitted by or on behalf of the person entitled to the Management Trustees within a period of twenty years after the date on which the first payment of pension benefit or allowance would otherwise have been due or after the date on which some payment has been made in respect thereof during the said period. Failing such claim or payment all entitlement to such pension benefit or allowance shall be extinguished.
- (b) The first payment of pensions and allowances shall be made on the last day of the month next following the month in which entitlement accrues. Thereafter payments shall be made monthly in arrear. The last payment is due up to the end of the calendar month in which death occurs. The Management Trustees may from time to time require production of evidence satisfactory to them of the existence of the person entitled to the pension or allowance and of any other fact relevant to continued entitlement to the pension or allowance and persons in receipt of any pension or allowance are under an obligation to inform the Management Trustees of all such facts.
- (c) The Management Trustees may make such arrangements as they consider appropriate for the payment of benefits under the Scheme. Pensions, benefits and allowances shall be payable in sterling (United Kingdom currency) unless the Management Trustees otherwise decide.
- (d) If the recipient is in the opinion of the Management Trustees suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt they may at their option cause the pension benefit or allowance

to be paid for his benefit to any person or institution concerned with the care or welfare of the recipient and the receipt of such person or institution shall be a complete discharge to the Management Trustees for the money paid and the Management Trustees shall not be under any liability to see to the application thereof.

- (e) Notwithstanding the provisions of Rule 18(b) the Management Trustees may if in their opinion monthly instalments of a pension or allowance are trivial in amount pay such pension or allowance whether in advance or in arrear at such intervals of time not exceeding one year as they may deem appropriate.

19. **Death benefit**

Lump sum death benefits will be payable as follows:

- (i) On the death of a Member from any cause a lump sum will be payable equal to three times the annualised amount of the Member's pay (or, in the case of a Salary Sacrifice Member, what would have been that annualised amount but for the Salary Sacrifice) immediately prior to the date of death (subject to a minimum payment of £1,500 or, if greater, an amount equal to the Member's own contributions as defined in Rule 16 (plus Notional Contributions) together with Compound Interest thereon to the date of death). If a pension does not become payable in respect of the Member under Rule 10, a further lump sum will be payable of an amount equal to the Member's own contributions as defined in Rule 16 (plus Notional Contributions) together with Compound Interest thereon to the date of death. If a pension does become payable in respect of the Member under Rule 10 but the Member has been a Lower Rate Contributor, a further lump sum will similarly be payable, but calculated by reference only to contributions (including Notional Contributions) as a Lower Rate Contributor.
- (ii) On the death of a Pensioner in circumstances where no pension becomes payable under Rule 10 and:
 - (1) the aggregate of the Pensioner's own contributions as defined in Rule 16 (plus Notional Contributions) together with Compound Interest thereon to the date on which the Pensioner last ceased to be employed by a Participating Employer (or to the date of his death if his pension had not yet come into payment) exceeds
 - (2) the aggregate of:
 - (a) (where payment of pension had commenced before the date of death) any pension so paid and any lump sum payments made to the Pensioner under the Rules; and
 - (b) the value of any pension payable under Rule 9

a lump sum will be payable equal to the difference between items (1) and (2). If a pension does become payable under Rule 10 but the Pensioner has been a Lower Rate Contributor, a lump sum will similarly be potentially payable, but calculated by reference only to contributions as a Lower Rate Contributor (and disregarding

the pension payments under Rule 10 for the purposes of (2)).

- (iii) The death benefit shall be paid or applied as permitted by Rule 22 in such manner as the Management Trustees in their absolute discretion think fit.

20. **Transitional provisions**

- (a)
 - (i) In the case of Members who were on 1 January 1954 Members of Part I, Part II or Part III the expression “**Normal Retirement Age**” as used in Part VI in relation to General Staff shall mean the age of 60 in the case of men and 55 in the case of women. Unless the Employer otherwise determines the provisions of this Rule 20(a)(i) shall not apply in respect of any period of membership after an actual break in service after 1 January 1954 of twelve months or more PROVIDED THAT transfer of employment from one Employer to another shall not for the purpose of this Rule 20(a)(i) be deemed to constitute a break in service.
 - (ii) In the case of Pilots who on 15 July 1973 are Members of Part IV or Part V the expression “**Normal Retirement Age**” as used in Part VI as used in relation to Pilots shall mean age 50.
- (b) A Member who at the date of his transfer to Part VI was paying increased contributions under the provisions of Rule 9A of Part I or Rule 13 of Part IV may continue such payments throughout his membership of Part VI and if he does so continue his rights in respect of such payments shall be the same as though such payments had continued to be made under Part I or Part IV as the case may be PROVIDED THAT such Member may not increase the amount of his increased contributions.
- (c) [Paragraph deleted by Deed dated 1 April 1987.]
- (d) Any special arrangements under the provisions of Rule 1A, 2(c), 3(f), 9 or 20 of Part V or the corresponding provisions of Part I, Part II, Part III or Part IV or under the provisions of the Deed dated 7 December 1972 shall continue under the provisions of Part VI.
- (e)
 - (i) A Member of Part I, Part IV or Part V who having reached Normal Retirement Age under the provisions of those Parts has ceased to pay contributions to the Scheme shall upon transfer to Part VI elect by notice to the Secretary whether to resume payment of contributions and if he elects to resume Rule 20(k) shall apply to him from the date of transfer and for the purpose of determining his Contributory Service (but for no other purpose) he shall be deemed to have paid contributions from the date of cessation until the date of transfer. If he elects not to resume payment of contributions the pension to which he would have been entitled had he retired on the day before his date of transfer shall be determined in accordance with the Rules of the Part then applicable to him and upon transfer Rule 20(l) shall apply as if such pension were the basic pension.

- (ii) Members who as Members of Part I, Part IV or Part V reached Normal Retirement Age under the provisions of those Parts prior to transferring to Part VI and who have not ceased to pay contributions to the Scheme and Members who as a consequence of the operation of the proviso to Rule 4(a) became over Normal Retirement Age immediately upon transferring to Part VI may by notice to reach the Secretary on or before 1 July 1974 elect to crystallise their pension entitlement as at 31 July 1974 and if they are still Members on the said 31 July 1974 the provisions of Rule 20(a) shall apply from such last mentioned date mutatis mutandis.
- (f) Upon his becoming subject to the Rules of Part VI a male Member of Part I or Part IV shall pay to the Scheme such sum as is equal to 2% of such Member's pay for contribution purposes on 1 October 1971 for each of the pension years included in the period commencing on 1 April 1964 and ending on 31 March 1974 or his date of retirement if earlier PROVIDED ALWAYS that a male member of Part I or Part IV who has been unmarried from 19 June 1963 until the date of his transfer to Part VI shall in lieu of the sum above referred to pay to the Scheme such sum as is equal to 1.5% of his pay for contribution purposes for each of the years between 19 June 1963 and 1 April 1974 or the date of his retirement if earlier and proportionately for any part of a year.
- (g) In addition to any sum payable under Rule 20(f) Officers subject to the Rules of Officers Option A to Part IV or Officers Option A to Part V shall on transferring to Part VI pay to the Scheme by way of arrears such additional sums as they would have paid had they transferred to Officers Option B to Part IV or Officers Option B to Part V (as the case may be) on 1 September 1965 and continued membership thereof until 31 March 1974 or their date of retirement if earlier.
- (h) Air Cabin Crew not subject to the Rules of the Air Cabin Crew Option to Part V may by notice to the Secretary elect to transfer to Part VI as General Staff and if they so elect they shall be deemed to be General Staff for all the purposes of these Rules.
- (i) In addition to any sum payable under rule 20(f) Air Cabin Crew not subject to the Rules of Air Cabin Crew Option to Part V who have not elected to transfer to Part VI as General Staff shall upon transferring to Part VI as Air Cabin Crew pay to the Scheme by way of arrears such additional sums as they would have paid had they transferred to Air Cabin Crew Option to Part V on 31 May 1972 and continued membership thereof until 31 March 1974 or their date of retirement if earlier.
- (j) If a Member undertakes to make payments to the Management Trustees pursuant to Rules 20(f) (g) or (i) he may if he so wishes with the consent of the Management Trustees and subject to the provisions of Rule 31 discharge his obligation by making additional annual contributions of such amount as the Actuary shall determine or by making payment by instalments over such period as the Management Trustees may determine or by a combination of annual contributions and lump sum payments PROVIDED ALWAYS that if at the date such Member leaves the service of his last Employer any such instalments remain unpaid the Member shall commute such part of his pension under the provisions of Rule 14 as is required to discharge the outstanding amount and the lump sum shall forthwith be paid to the Management Trustees.

- (k) Members of Part I, Part IV or Part V who transfer to Part VI shall continue to pay contributions in accordance with the Rules of the Part from which they are transferring until 31 March 1974 and thereafter at the rate provided for in Part VI.
- (l) Members who transfer to Part VI from Part I, Part IV or Part V may by notice to the Secretary given either on or before reaching Normal Retirement Age or after reaching Normal Retirement Age but before 1 January 1985 (but in this latter case such notice will be effective only if they are still Members on said 1 January 1985) elect to crystallise their pension entitlement at Normal Retirement Age (or as the case may be at 1 January 1985) and the amount so determined (hereinafter referred to as the basic pension) shall be subject to actuarial adjustment as if the relevant Rules of Part I, Part IV or Part V were incorporated herein in which event the following provisions shall apply -
 - (i) the Member shall be relieved of any further obligation to make contributions to Part VI;
 - (ii) any further years of service under Part VI shall not count for pension purposes;
 - (iii) subject to Rule 34(d) any adjustment of pension under the provisions of Rule 15 shall be calculated by reference to the basic pension only and any actuarial increase shall be disregarded for the purposes of Rule 15; and
 - (iv) the election referred to above shall be final and irrevocable

PROVIDED THAT no election under this Rule 20(l) may be made after 30 November 1989.

- (m) If on commencing to receive a pension under Part VI a Pensioner who had transferred from Part I, Part IV or Part V is unmarried and has been unmarried from 19 June 1963 until the commencement of his pension he may by notice to the Secretary elect to receive a sum equivalent either to his specified contributions under Part V or to the amount paid by him pursuant to the Proviso to Rule 20(f) plus in either case a sum equivalent to 1.5% of his pay for contribution purposes during each year of service in Part VI together with compound interest thereon but if he does so elect the provisions of Rule 10 shall not apply in his case PROVIDED HOWEVER that no such election may be exercised by any Pensioner who ceased to be employed by his last Employer after 5 April 1978.
- (n) Upon transfer to Part VI a Member to whom Rule 16(a) of Part V or the corresponding provisions of other Parts applied at date of transfer may by notice to the Secretary elect in lieu to have Rule 17 hereof apply to his service in different categories. If he does not so elect the provisions of the said Rule 16(a) or the corresponding provisions of other Parts (as the case may be) shall continue to apply to him mutatis mutandis.
- (o) If any Member who immediately prior to the date of his admission to Part VI was a Member of Part I or being General Staff was a Member of Part IV or of Part V has contributed (or had contributions paid in respect of him) to the Scheme or to any other pension scheme of an Employer or of a Predecessor of an Employer (as

defined in the Rules of Part V) for less than his total period of service with an Employer or Predecessor of an Employer (as so defined) since attaining the age of 20 years or has contributed to such pension scheme for part of such service at half the normal rate of contributions such Member may pay contributions in respect of the period of service for which he has not previously contributed or had contributed at half rate by making at any time before his pension commences a single lump sum payment to the Scheme equal to 5% of his Pay for contribution purposes at the rate or rates appropriate to the time at which such Member was not paying contributions or equal to 2.5% of his Pay for contribution purposes at the rate or rates appropriate to the time at which such Member was paying contributions at half rate together with interest in either case at the rate of 3.5% compounded annually. Any Member who gives written notice to the Secretary of his desire to pay contributions in respect of service for which he has not previously contributed or for which he has previously contributed at half the normal rate may in such notice and subject to his giving details thereof satisfactory to the Management Trustees elect to have any break in employment of less than 12 months duration and specified in the notice treated as not breaking his service continuity but in no case shall any such break itself be included in any calculation of service or of contributory service. In any such case the Member shall pay the sum that thereby becomes payable in a single lump sum within three months after the date of the notice failing which the aforesaid election shall be void.

20A. Special conditions - Cambrian Northeast and subsidiaries

- (a) In relation to a person who elects to purchase past service in his notice of intention to join the Scheme under Rule 3(f) “Contributory Service” shall be deemed to commence from the first day of the month not being earlier than April 1973 selected by such person in such notice PROVIDED HOWEVER that the election of a member of an existing scheme (as defined in the Schedule to the Amending Trust Deed of 7 December 1972 such member being hereinafter in this Rule referred to as an “**existing scheme member**”) to purchase past service shall be deemed to be an election to purchase past service with effect from 1 April 1973 and to constitute an undertaking by such existing scheme member to surrender his full interest in his existing scheme to the Management Trustees and upon such surrender the provisions of Clause 25A of the Trust Deed shall apply in relation to such existing scheme member as if such provisions had been in effect and as if such surrender had been effected on the said 1 April 1973.
- (b) The further contributions for which a Member who elects to purchase past service under Rule 20A(a) shall become liable shall be contributions at the relevant rates stated in Rule 5 for Service equal to the length of past service elected for purchase by such Member based upon a Pay for contribution purposes throughout such Service at the rate applicable to such Member on 1 May 1975 less however in the case of an existing scheme member the amount of contributions actually paid by such existing scheme member for the period from 1 April 1973 to 31 October 1975 to or in respect of such existing scheme such further contributions to be paid by equal monthly or weekly (as applicable) instalments over the period from 1 November 1975 to the Normal Retirement Age of the Member PROVIDED HOWEVER that -

- (i) any instalments remaining unpaid at the date of the Member ceasing for any reason to be a Member shall thereupon become immediately due and shall forthwith be paid to the Management Trustees;
 - (ii) if at the date such Member leaves the service of his last employer any such instalments remain unpaid the Member shall commute such part of his pension under the provisions of Rule 14 as is required to discharge the outstanding amount and the lump sum shall forthwith be paid to the Management Trustees;
 - (iii) there shall be set off against any refund under Rule 16 or any death benefit due for payment under Rule 19 the amount of any such instalments remaining to be paid.
- (c) An existing scheme member who elects or is deemed to have elected to purchase past service with effect from 1 April 1973 may also elect in his said notice of intention to join the Scheme to purchase further past service equal to the excess of his pensionable service prior to the said 1 April 1973 under his existing scheme over the length of added Contributory Service he will become entitled to upon surrender of his interest in such existing scheme by virtue of Rule 20A(a) and in the event of his exercising such election the additional contribution required to effect this further purchase shall be determined by the Actuary and shall be payable to the Management Trustees in one lump sum prior to 1 November 1975 and the Contributory Service of such existing scheme member shall with effect from the said 1 November 1975 be adjusted appropriately.

20B Special Conditions for Part-Time Service and Members in irregular Service

- (a) Subject to the provisions of Rule 33 (Guaranteed Minimum Pensions) and to Clause 32 of the Trust Deed (Statutory Requirements) but otherwise notwithstanding any other provision of the Rules, the following special provisions shall apply in respect of any Member or Pensioner who has been in Part-time Service for any period or periods during his last or only period of Service for the purposes of calculating the pension benefits appropriate to and in respect of him under the Scheme and for such purposes only:
- (i) for the purposes of this Rule 20B “Part-time Factor” means in relation to any week or month as the case may require of Part-time Service the fraction

$$\frac{A}{B}$$

where:

A = the number of hours of service contracted to be worked by the employee for such week or month (as the case may be); and

B = the number of hours of service contracted to be worked for the same week or month (as the case may be) by a full-time employee in the same occupational category and grade of employment

- (ii) when making any calculation which takes account of a period of Contributory Service which is Part-time Service, and Contributory Service will first be converted into a full-time equivalent by multiplying the length of the period of Part-time Service by the Part-time Factor appropriate to such period
 - (iii) when making any calculation by reference to Pay for pension purposes which is attributable to Part-time Service, that pay will first be converted into a full-time equivalent by dividing the amount of such pay by the Part-time Factor in respect of each period of 12 months included in the calculation of Retiring Pay (but for the purposes of benefits on death under Rule 19, the relevant calculation shall be made by reference to the Member's actual annual pay as an employee in Part-time Service)
 - (iv) it shall be assumed that the Member's basic contractual hours of work per week would have remained the same as they were on the date of death until Normal Retirement Age for the purpose of calculating any spouse's or Surviving Civil Partner's pension or Dependent Child's allowance payable on death in Service under Rules 10(b) and 11(b) and any ill-health pension payable under Rule 12 and references in those Rules to "potential years of Service" will be replaced by "potential years of Contributory Service"
 - (v) the Management Trustees shall have power to determine any matter relating to Part-time Service which is not provided for in this Rule 20B and to determine, resolve or remove any doubt, inconsistency or anomaly arising out of this Rule or arising generally out of the inclusion of part-time employees in the Scheme.
- (b) Where a Member is employed in a category of employment for which specific provision is not otherwise made under the Rules, the Employer may notify the Management Trustees in writing that it wishes benefits provision to be made under the Scheme for or in respect of all or any such Members. Benefits provision may be so made on such terms and subject to such conditions as the Management Trustees may agree with the Employer but subject always to the payment to the Fund of such sum or sums (whether by way of additional contributions under Rule 5(b) or otherwise) as may be advised by the Actuary to be necessary.

20C. Special Rule - Members withdrawing between 5 April 1978 and 6 April 1980

- (a) Notwithstanding anything to the contrary herein contained a Member who satisfies each of the following conditions, namely:
 - (i) he ceased to be employed by his last Employer before reaching Normal Retirement Age and before 6 April 1980;
 - (ii) his pay has not exceeded £5,000 in any one year;
 - (iii) he has accrued five or more years Qualifying Service;
 - (iv) he elects not to receive a deferred pension under Rule 13(a); and

- (v) he has not become entitled to an immediate (ill-health) pension under Rule 12

shall subject to Rule 31 (except that Rule 31(c) shall apply in place of Rule 31(b)) be entitled to a return of his own contributions in respect of his Contributory Service prior to 6 April 1978 with compound interest up to and including 5 April 1978 and in addition such Member shall be entitled to receive a deferred pension commencing at Normal Retirement Age calculated in accordance with the provisions of Rule 13(a) but on the basis that his Contributory Service had commenced on 6 April 1978 (except however for the purpose of determining the Member's retiring pay) and such deferred pension shall for the purpose of these Rules (other than the foregoing Rule 20C(a)(iv)) be treated as if it were a deferred pension under Rule 13.

- (b) Notwithstanding anything to the contrary herein contained a Member ceasing to be employed by his last Employer before reaching Normal Retirement Age and before 6 April 1980 who has accrued less than five years Qualifying Service shall not be entitled to a refund of his contributions under Rule 16(a) if his pay has exceeded £5,000 in any one year but in lieu thereof he shall be entitled to a deferred pension commencing at Normal Retirement Age calculated in accordance with the provisions of Rule 13(a) and such deferred pension shall for the purpose of these Rules be treated as if it were a deferred pension under Rule 13.
- (c) Where a former Member who has elected to take a deferred pension under Rule 13(a) but who had otherwise been entitled to a return of contributions under Rule 20C(a) above wishes at a subsequent date but before his pension has commenced to receive a return of his contributions in respect of his Contributory Service prior to 6 April 1978 in lieu of deferred pension relative to such service the Management Trustees may at their discretion after considering the reasons for such request and subject to Rule 31 (except that Rule 31(c) shall apply in place of Rule 31(b)) grant a repayment of the former Member's contributions in respect of his Contributory Service prior to 6 April 1978 with compound interest up to and including the 5 April 1978 and the said former Member shall then be entitled to receive a deferred pension under the provisions of Rule 20C(a).

21. **Notices to the Secretary**

Notices to the Secretary shall be in writing signed by the Member and shall be in such form as the Management Trustees may from time to time prescribe. Any such notice if sent by post shall be deemed to have reached the Secretary on the date when in due course of post it should have been received.

22. **Application of lump sum death benefit**

- (a) Any lump sum benefit becoming payable under Rule 19 may within a period of 24 months after the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the death of the Member or Pensioner, be paid or applied by the Management Trustees to or for the benefit of any one or more of a class consisting of:

- (i) the Member's or Pensioner's children, grandchildren, parents and grandparents, the descendants of any such persons and the spouses, ~~or~~ former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (ii) a widow or widower or former spouse of the Member or Pensioner, the children, grandchildren, parents and grandparents of that widow, widower or former spouse, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants;
 - (iii) any individual who is or was, in the opinion of the Management Trustees, at the date of the Member's or Pensioner's death either financially dependent on the Member or Pensioner or financially interdependent with the Member or Pensioner;
 - (iv) any individual or individuals, charity, society or club nominated by the Member or Pensioner by notice in writing addressed to or received by the Management Trustees during the Member's or Pensioner's lifetime;
 - (v) the Member's or Pensioner's legal personal representatives; and
 - (vi) a Surviving Civil Partner or former Civil Partner of the Member or Pensioner, the children, grandchildren, parents and grandparents of that Surviving Civil Partner or former Civil Partner, the descendants of any such persons and the spouses, former spouses, Surviving Civil Partners or former Civil Partners of any such persons or descendants.
- (b) Any part of such lump sum benefit which remains unpaid or unapplied under Rule 22(a) 24 months after the Management Trustees knew (or, if earlier, could reasonably be expected to have known) of the death of the Member or Pensioner shall be paid to the Member's or Pensioner's legal personal representatives except that, if such payment would result in the Crown, the Duchy of Lancaster, the Duke of Cornwall or any other state or governmental agency becoming entitled to that part of the lump sum benefit, it shall cease to be payable as a benefit and shall remain part of the Fund.
- (c) Any notice under Rule 22(a)(iv) shall be in writing in a form prescribed by the Management Trustees.
- (d) The Management Trustees shall have power to delegate such of their powers duties and discretions under this Rule as they may think fit from time to time to any person or persons or body of persons and such delegation shall be subject to any conditions consistent with this Rule which the Management Trustees may think fit to impose.
- (e) Any nomination made by a Member or Pensioner in force on 31 March 1987 shall no longer be binding on the Management Trustees.

22A. Benefits non-assignable

- (a) Neither pensions nor other benefits under the Scheme may be assigned or borrowed against and any purported assignment thereof or charge thereon (whether made before or after the Member or Pensioner in respect of whom the same are payable became a Member) shall not be recognised by the Management Trustees PROVIDED THAT this Rule 22A does not prevent the making or implementation of any order or provision described in section 28(1) of the 1999 Act, or of an earmarking order as described in section 24 of the 1999 Act, and the Management Trustees' power under Rule 22A(b) to treat a pension or benefit as forfeited does not apply in relation to any such order or provision.
- (b) In the event of any such purported assignment or charge or prior to 6 April 2002 if the beneficiary (being the Member or Pensioner or other person otherwise, but for this Rule, entitled to the pension or benefit) shall at any time prior to 6 April 2002 (whether before or after the Member or Pensioner in respect of whom the same is payable became a Member) have been adjudicated bankrupt or have made a composition with creditors:
 - (i) in the case of bankruptcy prior to 6 April 2002, the pension or other benefit to which the Member or Pensioner or other person would otherwise, but for this Rule, be entitled shall automatically be forfeited; and
 - (ii) in any other case the Management Trustees shall be at liberty to determine that the pension or other benefit shall be treated as forfeited in whole or in part,

but the Management Trustees may in any such case (excluding bankruptcy on or after 6 April 2002) apply the same on a discretionary basis in whole or in part, for the benefit of any one or more of the following persons, viz. the beneficiary, the spouse, Civil Partner, Surviving Civil Partner, widow or widower of the beneficiary, any child of the beneficiary and any person who is or was immediately before the death of the beneficiary in any way dependent on the beneficiary. The provisions of this Rule shall not, however, operate to prevent the Management Trustees from complying with any option exercised under Rule 9, or with any order requiring re-direction of all or part of any pension or other benefit made by a United Kingdom court which the Management Trustees are reasonably satisfied has relevant jurisdiction (whether for the purposes of the Attachment of Earnings Act 1971, section 310 of the Insolvency Act 1986 (Income payments orders) or otherwise) in connection with such order, or with any arrangement or agreement which the Management Trustees are reasonably satisfied that they are required to comply with from time to time. Any other provisions under the Deed or Rules governing the provision of pensions or other benefits under the Scheme shall be read and construed subject to the provisions of this Rule 22A PROVIDED THAT this Rule 22A shall not operate to cause the forfeiture of any entitlement under Rule 33 and the assignment of such an entitlement shall be permitted in the circumstances referred to in section 159(2) of the Pension Schemes Act 1993.

- (c) Unless and until the Management Trustees receive written notice of any of the events referred to in this Rule and such evidence of that event as they reasonably require, the Management Trustees may act on the assumption that no such event

has occurred and shall not be liable or accountable to anyone for doing so.

- (d) This Rule will apply to Scotland with the relevant terms interpreted as appropriate.

23. No Member to retire from the Scheme

Save as provided by these Rules no Member shall have the right to retire from the Scheme or cease contributing to the Fund.

24. Requirements of insurers

The Member shall comply with the reasonable requirements of any Approved Insurance Company with whom the Management Trustees maintain or effect policies.

25. Meetings of Members

- (a) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 50 Members.
- (b) A meeting (which may be held either in person or, at the discretion of the Management Trustees, if they consider it suitable, by remote meeting technology) of the Members and Pensioners may be convened or a postal ballot taken by the Management Trustees and shall be convened or taken by them on requisition in writing (including by any electronic method of communication such as e-mail, e-mail attachment or fax) by an Employer or by any 100 Pensioners and Members.
- (c) Not less than 35 clear days' notice of the time and place of a meeting to be convened pursuant to Rules 25(a) or (b) or of a postal ballot to be taken pursuant to paragraphs Rules 25(a) and (b) and of the general nature of the business to be dealt with shall be given to the persons entitled to vote at such meeting or in such ballot by serving the same on them, such service to be effected, in the case of Members, through British Airways plc's usual communication channels and so that all notices so communicated shall be deemed to be served on the day following such posting **PROVIDED NEVERTHELESS** as follows:
 - (i) The persons entitled to receive notice of a meeting or a postal ballot and to vote shall, in the case of a meeting to be convened or ballot to be taken pursuant to Rule 25(a), be Members and, in the case of a meeting to be convened or ballot to be taken pursuant to Rule 25(b), be Members and Pensioners. A Member may appoint any other Member, and a Pensioner may appoint any other Pensioner, as proxy to vote for him in which case on a poll the Member or Pensioner so appointed shall have one vote for himself and one vote for every Member or Pensioner for whom he acts as proxy.

- (ii) Subject as aforesaid, the Management Trustees may prescribe the procedure to be adopted as to the service of notices and in connection with any such meeting or postal or written ballot, including power to make provision for the chairmanship of meetings and for the form and method of voting by proxy and for the taking of a poll and for delivery and counting of postal ballot papers outside the United Kingdom and the acceptance of cabled results of such count, and so that the accidental omission to serve by posting or otherwise a notice of meeting or of a resolution for determination by postal or written ballot, or the non-receipt thereof by a Member or Pensioner shall not affect the validity of the proceedings in accordance with which the voting is taken. The accidental inclusion or omission of a Member's or a Pensioner's name in the voting list in a ballot shall not invalidate the ballot.
- (iii) A minute signed by the chairman of any meeting or a memorandum signed by the persons appointed to count the ballot papers as to the result of any postal ballot shall unless the contrary is proved be accepted as sufficient evidence that the meeting was duly convened and held and of the result of the meeting or of the result of the ballot as the case may be and the Employers and the Management Trustees and the Custodian Trustees and others acting thereon in good faith shall be protected.
- (d) A meeting of such of the Voting Members referred to in Clause 12(a) of the Trust Deed or a postal ballot of such Members may be taken subject to and in accordance with the provisions of paragraphs (b) and (c) of this Rule *mutatis mutandis*.
- (e) For the purposes of this Rule the term "Pensioners" shall mean any person who is in receipt of a pension from the Scheme (pursuant to any Part of the Schedule) other than any person whose entitlement under the Scheme is to benefit in respect of equivalent pension benefits as referred to in section 13(6) of the Pension Schemes Act 1993.

26. Taxation

- (a) Subject to Rule 26(b), in every case where the Management Trustees or the Custodian Trustees are liable to account to the Commissioners of HM Revenue & Customs for income tax, the lifetime allowance charge or estate duty or any other tax or duty in respect of any amounts paid to any Member or other person pursuant to these Rules the amount of such tax or duty shall be recoverable by the Management Trustees or the Custodian Trustees from such Member or from such other person either by way of deduction from the payment to the Member or such other person or in such other way as the Management Trustees deem appropriate.
- (b) In every case where the Management Trustees are liable to account to the Commissioners of HM Revenue and Customs for the annual allowance charge under the Finance Act having received a Scheme Pays Notice in respect of a Member, or Pensioner, or if the Management Trustees in their discretion otherwise agree to a Member's or Pensioner's request to meet all or part of his annual allowance charge from his benefits under the Scheme, the Management

Trustees shall have power to reduce the benefits payable or prospectively payable to or in respect of such Member or Pensioner accordingly, in such manner as the Management Trustees deem appropriate. This may also apply to the benefits payable under the Scheme on the Member's or Pensioner's death.

(c)

(i) In this Rule 26(c), the following expressions shall have the following meanings:

"Claim"	means the issue of any notice, letter or other document by or on behalf of HMRC, or the taking of any other action by or on behalf of HMRC from which notice, letter, document or action it appears that an Unauthorised Payments Charge has been or is to be imposed on a Deferred Member or Pensioner Member in respect of any of the Payments, and shall include any Tax Assessment;
"Contract Settlement"	means a contract settlement between the Management Trustees and HMRC under which the Management Trustees will pay to HMRC undischarged Unauthorised Payment Charges on behalf of Deferred Members or Pensioner Members;
"HMRC"	means Her Majesty's Revenue and Customs;
"Payments"	means the back payments due to be made under paragraphs 3 and 4 of the section of Rule 15 headed "Further increases to pensions";
"Tax"	means all forms of taxation whether direct or indirect and all penalties, charges and interest relating thereto;
"Tax Assessment"	means any assessment, demand, determination or other similar formal notice of a tax liability issued by or on behalf of HMRC by virtue of which a Deferred Member or Pensioner Member is liable, or with the passing of time will become liable, to pay an Unauthorised Payments Charge;
"Taxed Member"	means a Deferred Member or Pensioner Member in respect of whom a liability to an Unauthorised Payments Charge has arisen

or may arise in connection with any of the Payments;

“Unauthorised Payments Charge” means a charge to income tax on the amount of any Payment at the rate determined in accordance with section 208 of the Finance Act 2004.

- (ii) Upon the Management Trustees becoming aware of a Claim the Management Trustees shall as soon as reasonably practicable give written notice of that Claim to British Airways Plc (the **“Claim Notice”**).
- (iii) Upon the Management Trustees becoming aware of a Claim, the Management Trustees shall take reasonable action against HMRC to seek to avoid, resist or appeal the Claim on behalf of Taxed Members (if appropriate seeking Beddoe relief). While the Management Trustees take action against HMRC on behalf of Taxed Members to avoid, resist or appeal the Claim in accordance with this Rule 26(c)(iii), the Management Trustees shall seek to work collaboratively with British Airways Plc and in particular shall:
 - (A) keep British Airways Plc fully informed on a timely basis of all matters relating to such proceedings and deliver to British Airways Plc copies of all material correspondence relating thereto; and
 - (B) prior to the Management Trustees taking any material steps in relation to such proceedings, consult with British Airways Plc and consider all reasonable comments of British Airways Plc.
- (iv) Subject to Rule 26(c)(v) below, in the event that:
 - (A) a competent court or tribunal reaches a decision upholding the Claim (in circumstances where the Trustee decides not to appeal that decision where it has rights to do so); or
 - (B) the Management Trustees consider (acting reasonably and having taken relevant professional advice) that they have exhausted all reasonable avenues to avoid, resist or appeal the Claim, and the Management Trustees decide not to pursue any further action against HMRC in respect of the Claim,

the Management Trustees shall promptly make a payment from the funds of the Scheme to HMRC to discharge in full the liability of any Taxed Member to an Unauthorised Payments Charge and any associated interest and / or late payment penalties arising in connection with any of the Payments, provided that the amount of any liability of the Management Trustees under this Rule 26(c)(iv) shall be reduced by any amount of income tax already paid to HMRC by the Management Trustees in respect of the relevant Payments through Pay As You Earn.

- (v) The payment described in Rule 26(c)(iv) above will only be made by the Management Trustees if the Management Trustees are able to satisfy their liability under Rule 26(c)(iv) by entering into a Contract Settlement on terms such that no further Unauthorised Payments Charge would be due to HMRC by reason of payments made by the Management Trustees to HMRC on behalf of Taxed Members in accordance with this Rule 26(c)(iv).
- (vi) If the Management Trustees, having used reasonable endeavours to do so, are not able to satisfy their liability under Rule 26(c)(iv) as described in Rule 26(c)(v), the Management Trustees shall serve a notice to that effect on British Airways Plc (a “**No Contract Settlement Notice**”).
- (vii) At any time following receipt of a Claim Notice, British Airways Plc may elect to take control of proceedings from the Management Trustees by serving a notice to that effect on the Management Trustees (a “**BA Liability Notice**”). Upon receipt of a BA Liability Notice, any obligation on the Management Trustees to make a payment to HMRC as described in this Rule 26(c) shall cease to apply.
- (viii) On receipt of a No Contract Settlement Notice, or on the issuance of a BA Liability Notice, British Airways Plc shall promptly make a payment to HMRC to discharge in full the liability of any Taxed Member to an Unauthorised Payments Charge and any associated interest and / or late payment penalties arising in connection with any of the Payments, provided that:
 - (A) the amount of any liability of British Airways Plc under this Rule 26(c)(viii) shall be reduced by any amount of income tax already paid to HMRC by the Management Trustees in respect of the relevant Payments through Pay As You Earn; and
 - (B) for the avoidance of doubt, the payment described in this Rule 26(c)(viii) shall be made to HMRC on behalf of Taxed Members and British Airways Plc shall have no duty to make any payment directly to Taxed Members.
- (ix) The Management Trustees shall be entitled to enforce the provisions of this Rule 26(c) against British Airways Plc on behalf of Taxed Members or itself, including in any set of circumstances where there is no direct or indirect loss suffered by the Management Trustees.

27. Savings

- (a) Nothing contained in the Trust Deed or in the Rules shall be construed as limiting the functions of the National Joint Council for Civil Air Transport in the negotiations of the wages and conditions of employment of persons employed by an Employer.
- (b) Nothing in the Trust Deed or in the Rules shall in any way restrict the right of an Employer to determine the employment of a Member.

28. Transfers to and from other schemes

Rule deleted by Deed dated 4 December 1991 with effect from 6 April 1988.

29. Availability of copies of Trust Deed and Rules

Each Member or Pensioner shall be entitled upon request to receive one copy of the annual report and accounts and balance sheet of the Fund, the auditors' report thereon and the Actuary's valuation report. Each Member or Pensioner shall also be entitled upon request to receive one copy of the Trust Deed and the Rules and of all amendments thereto. Additional copies shall be made available on such terms as the Management Trustees decide.

30. Amendments and additions to Rules

These Rules may be amended or added to in accordance with the provisions of the Trust Deed.

31. National Insurance Act 1965

- (a) The amount of pension payable to a Member from and after attainment of the age of 65 years in the case of men and of sixty years in the case of women shall in no event be less than the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1965 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 any provisions of these Rules to the contrary notwithstanding.
- (b) If any Member of the Scheme who is entitled under the Rules of the Scheme to receive if the Member so elects a deferred pension on withdrawal from the Scheme before Normal Retirement Age nevertheless elects in lieu of such deferred pension to receive a refund of the Member's own contributions with interest thereon there shall be deducted from such refund the amount which bears to the amount of the refund the same proportionate relationship as the amount of the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1965 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 bears to the amount of the deferred pension to which the Member would otherwise have been entitled on withdrawal from the Scheme PROVIDED ALWAYS that the amount to be deducted shall not exceed the maximum permissible deduction under the provisions of the National Insurance Act 1965.
- (c) In all cases other than those referred to in Rule 31(b) there shall be deducted from any refund of a Member's contributions with interest one half of such sum as is equal in amount to the payment in lieu of contributions in respect of such Member contemplated in the provisions of the National Insurance Act 1965. The foregoing provisions to this Rule 31(c) shall not limit or restrict the Employer's right instead of making a payment in lieu of contributions in respect of the Member to make any of the other arrangements contemplated in the National Insurance Act 1965 in the case of the withdrawal of a Member from the Scheme or any other arrangements approved by the Registrar of Non-Participating Employments.

- (d) The Management Trustees shall if so requested by an Employer make arrangements to pay out of the Fund to a Member who has withdrawn from the Scheme before Normal Retirement Age a pension payable from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women of an amount equal to the maximum graduated pension that would be payable in accordance with the provisions of the National Insurance Act 1965 for a period of service corresponding to the actual period of service of the Member after 1 April 1961 PROVIDED ALWAYS that the provisions of Rule 15 of Part I, Rule 9 of Part II, Rule 8 of Part III and Rule 17 of Part IV including both Part IV Rules - Pilots' Option A and Part IV Rules - Pilots' Option B shall not apply to any such pension.
- (e) No action shall be taken pursuant to any of the Rules of the Scheme if and to the extent that the result of such action would be to reduce the amount of pension payable to or secured for the Member from and after attainment of the age of 65 years in the case of men and of 60 years in the case of women to less than the maximum graduated pension that could be earned in accordance with the provisions of the National Insurance Act 1965 for a period of service corresponding to the actual period of service of the Member.
- (f) For the purposes of this Rule the expression “**actual period of service**” shall include any period of service after 1 April 1961 in a non-participating employment within the meaning of the National Insurance Act 1965 in respect of which a transfer value has been received pursuant to Clause 25 of the Trust Deed.
- (g) Any reference in this Rule to the National Insurance Act 1965 shall be construed as a reference to that Act subject to any statutory modification or re-enactment thereof for the time being in force and shall include a reference to any orders or regulations made thereunder.
- (h) A person entitled to a pension by virtue of Rule 31(d) shall not be a Pensioner within the definition in Rule 1. All pensions payable under the said Rule 31(d) shall be liable to termination and suspension for any of the causes specified in Regulations made pursuant to the provisions of the National Insurance Act 1965 or any statutory amendment or re-enactment thereof for the time being in force and shall not be subject to adjustment pursuant to Rule 15.
- (i) Any pension payable under Rule 31(d) may be commuted at, or after, the age of 50 years PROVIDED that the only pension to which the former Member is entitled under the Scheme is that which is payable under Rule 31(d), by:
 - (a) the former Member so requesting by giving at least three months' Notice to the Secretary, or such shorter notice period as the Management Trustees may agree from time to time; or
 - (b) the Management Trustees sending to the Member's last known address written notice of their intention to commute his pension and no response being received from the Member before the end of the period of two months beginning with the date on which the notice was sent.

The amount of such lump sum shall be determined by multiplying the annual amount of such pension (reduced, if relevant, to take account of early payment) by such factors as may be determined by the Actuary from time to time.

32. Additional voluntary contributions

A Member may contribute to the AVC Scheme in accordance with Clauses 26-31 of the Trust Deed.

32A Reference scheme requirements

(a) In this Rule the following expressions have the following meanings:

“Average Qualifying Earnings” in relation to a Member or Pensioner means the annual average of such Member’s or Pensioner’s Qualifying Earnings in the period of two years immediately preceding the date of termination of Contributory Service which was contracted-out employment under the Scheme.

“Qualifying Earnings” in relation to a period during which a Member or Pensioner has been in receipt of earnings from an Employer means PAYE earnings in excess of the qualifying earnings factor as defined in section 122(1) of the Social Security Contributions and Benefits Act 1992 applicable from time to time during that period but only to the extent that such earnings do not exceed:

- (i) in relation to any time during such period that falls before 6 April 2009, the Upper Earnings Limit applicable at each relevant time during that period; and
- (ii) in relation to any time during such period that falls on or after 6 April 2009, the Upper Accrual Point applicable at each relevant time during that period.

“Upper Accrual Point” in relation to the period during which a Member or Pensioner has been in receipt of earnings from an Employer means the amount specified by section 122 of the Social Security Contributions and Benefits Act 1992, as may be amended from time to time, as the upper accrual point applicable from time to time in relation to that period.

“Upper Earnings Limit” in relation to a period during which a Member or Pensioner has been in receipt of earnings from an Employer means the amount specified by regulations made by virtue of section 5(1) of the Social Security Contributions and Benefits Act 1992 as the upper earnings limit for Class 1 contributions applicable from time to time in relation to that period.

(b) The Rules are deemed to include any mandatory provision that the Contracting-out Laws require to be incorporated in respect of benefits held within the Scheme which were accrued during a Member’s or Pensioner’s contracted-out employment in the period after 5 April 1997 up to and including 5 April 2016, and any optional provision that must under the Contracting-out Laws be incorporated in the Rules in order for the Trustees’ administration of such benefits to comply with the Contracting-out Laws. This Rule shall override any other

provisions of the Rules, but only to the extent (if any) to which such provisions are inconsistent with the provisions of this Rule. In particular:

- (i) any pension provided under this Rule may be offset against any other pension payable to the same person under other provisions of the Rules which is attributable to Contributory Service after 5 April 1997 and before 6 April 2016 except to the extent that such other pension is attributable to payment of contributions to the AVC Scheme (as defined in Clause 26 of the Trust Deed) or to the exercise of a Member's option under Rule 9 to provide for a pension for his or her surviving spouse; and
 - (ii) no pension payable under this Rule shall affect the entitlements of Dependent Children or of any other persons to benefits under the Scheme other than the widows or widowers referred to below.
- (c) The provisions of this Rule shall apply to the widow or widower of a Member or Pensioner who has been a Lower Rate Contributor during any period after 5 April 1997 and before 6 April 2016 so as otherwise to exclude the accrual of pension benefit in respect of the person's prospective widow or widower in relation to any such period.
 - (d) Unless the Management Trustees agree otherwise either generally or in any particular case, no such widow's or widower's pensions shall be payable in the circumstances prescribed by regulation 26 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 (or by any other statutory provision) as being circumstances in which widows' or widowers' pensions need not be payable for the purposes of satisfying the requirements for a reference scheme.
 - (e) The widow or widower of a Member to whom this Rule applies shall be entitled to a pension of an annual rate equal to 1/180th of that Member's Average Qualifying Earnings multiplied by the number of years of contributory service (additional completed months and odd days counting proportionately) which is contracted-out employment under the Scheme for the purposes of the Pension Schemes Act 1993 completed after 5 April 1997 and before 6 April 2016 PROVIDED THAT the period to be taken into account for this purpose shall be restricted so that the pension so calculated will not exceed one-quarter of such Average Qualifying Earnings.
 - (f) The widow or widower of a Pensioner to whom this Rule applies shall be entitled to a pension calculated as in Rule 32A(e) above and subject to the same proviso, but increased on a basis at least as favourable as a basis under which increases would be effected both in accordance with the requirements of Chapter II of Part IV of the Pension Schemes Act 1993 in respect of any period during which the Pensioner's pension was deferred, and also in line with any increases granted to the Pensioner's pension under Rule 15 in respect of the period between the date of commencement of the Pensioner's pension and the date of the Pensioner's death.
 - (g) Any pension under this Rule shall be payable from the date of the death of the Member or (as the case may be) the Pensioner and for the avoidance of doubt shall be subject to increase from time to time in accordance with the provisions of

Rule 15.

- (h) This Rule 32A shall apply in respect of a Surviving Civil Partner as if the words “Surviving Civil Partner” were substituted, on each occasion, for the words “surviving spouse” and “widow or widower” and all related terms shall be construed accordingly.

33. **Guaranteed minimum pensions**

33.1 In this Rule:

- (1) the expressions “**Accrued Rights**”, “**Contracted-Out Scheme**”, “**Contributions Equivalent Premium**”, “**Guaranteed Minimum**”, “**Guaranteed Minimum Pension**” and “**Tax Year**” have the meanings conferred or adopted by the Pensions Schemes Act 1993.
- (2) “**Appropriate Policy**” means a policy of insurance or an annuity contract which in either case is appropriate for the purposes of section 19 of the Pension Schemes Act 1993.
- (3) “**Contracted-Out Employment**” means contracted-out employment (within the meaning of the Pension Schemes Act 1993) by reference to the Scheme.
- (4) “**Contracted-Out Member**” means a Member who has a Guaranteed Minimum in relation to the pension for him under the Scheme in accordance with section 14 of the Pension Schemes Act 1993.
- (5) “**State Pensionable Age**” means age 65 (for men) and age 60 (for women).
- (6) “**Transfer Regulations**” means the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991, the Contracting-Out (Transfer and Transfer Payment) Regulations 1996, and the Occupational Pension Schemes (Transfer Values) Regulations 1996 so far as they govern transfer of benefit relating to occupational pension schemes, personal pension schemes and buy-out policies.

33.2 The remaining provisions of this Rule apply if any employment becomes Contracted-Out Employment. They then override any other provisions of the Rules which are inconsistent with them except the Rule dealing with the National Insurance Act (1959 and 1965) but on the basis that earnings for any period of employment completed after 5 April 1997 shall not give rise to the attribution to or in respect of a Member of entitlement to a Guaranteed Minimum for the purposes of the Pension Schemes Act 1993.

33.3 The Rules are deemed to include any mandatory provision that the Contracting-out Laws require to be incorporated in respect of benefits held within the Scheme which were accrued during a Member’s contracted-out employment, and any optional provision that must under the Contracting-out Laws be incorporated in the Rules in order for the Trustees’ administration of such benefits to comply with the Contracting-out Laws.

33.4 Except as provided below in respect of Members who cease to be in Contracted-Out Employment at 6 April 2016, if any Member ceases to be in Contracted-Out Employment before State Pensionable Age the Guaranteed Minimum in respect of him at State Pensionable Age or at the date of his earlier death shall be equal to the Guaranteed Minimum Pension which had accrued up to the date of cessation, increased in accordance with method (iii) below PROVIDED THAT:

- (A) the Management Trustees may, subject as set out below, from time to time change the method currently applying to such one of the other methods set out below as they shall decide and notify to HM Revenue Pensions Schemes Services. In relation to Members who cease to be in Contracted-Out Employment at 6 April 2016, (iii) below will apply until such time as the Member ceases to be in Contributory Service (including upon death), or until State Pensionable Age, if earlier (and for this purpose only, the relevant order applied under (iii) will be the last such order which comes into force before the end of the tax year in which the Member ceases to be in Contributory Service or reaches State Pensionable Age, if earlier). In relation to any period after the date on which the Member ceases to be in Contributory Service and before State Pensionable Age or death (if earlier), either (ii) or (iii) below shall apply, as decided by the Management Trustees. The Management Trustees may from time to time decide that the other method shall apply, instead of the method currently being used, for all relevant Members ceasing to be in Contributory Service after a specified date;
- (B) in relation to any amount of Guaranteed Minimum Pension liability for which has been transferred to the Scheme under Clause 25A of the Trust Deed, the Management Trustees may in circumstances permitted or required by the Transfer Regulations decide that such Guaranteed Minimum Pension shall be increased in accordance with any of methods (i), (ii) and (iii); and
- (C) if a transfer is made to some other retirement benefits scheme or personal pension scheme which accepts liability for the Member's Accrued Rights to a Guaranteed Minimum Pension or an Appropriate Policy is purchased in respect of such Accrued Rights, the terms on which such Accrued Rights will be subject to increase after the transfer shall be consistent with the requirements of the Transfer Regulations.

The following are the methods which may be applied :

- (i) in relation only to a period of Contracted-out Employment ceasing on or before 5 April 1997:
 - (1) by 5% compound for each complete Tax Year after that in which Contracted-Out Employment ceases up to and including the last complete Tax Year before State Pensionable Age or previous death; or
 - (2) by the percentage by which earnings factors for the Tax Year in which Contracted-Out Employment ceases are increased by the

last order under section 148 of the Social Security Administration Act 1992 to come into force before the Tax Year in which he reaches State Pensionable Age or dies (if earlier),

whichever makes the lesser increase;

- (ii) for each complete Tax Year after that in which Contracted-Out Employment ceases up to and including the last complete Tax Year before State Pensionable Age or previous death, by such rate as regulations, made under section 16(2) and (3) of the Pension Schemes Act 1993, specify as being relevant to the date of cessation; and
- (iii) by the percentage by which earnings factors for the Tax Year in which Contracted-out Employment ceases are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the Tax Year in which he reaches State Pensionable Age or dies (if earlier).

33.5 A Contracted-Out Member may not exchange or surrender under the Rules so much of his pension that the amount remaining would be less than his Guaranteed Minimum.

33.6 Except as provided in the Pension Schemes Act 1993, no part of a Member's, widow's, widower's or Surviving Civil Partner's pension under the Scheme may be used to frank an increase in the Member's, widow's, widower's or Surviving Civil Partner's GMP under this Rule 33.

33.7 Nothing done under the Rule dealing with the National Insurance Acts (1959 and 1965) shall be taken into account for the purposes of this Rule.

34. **Discretionary Benefits**

(a) An Employer may by notice in writing to the Management Trustees before 15 November 1989 specify that there shall be provided under the Scheme:

- (i) increased or additional benefits to or in respect of any Member Pensioner or category of Member or Pensioner; and
- (ii) benefits on different terms and conditions from usual for or in respect of any Member, Pensioner or category of Member or Pensioner; and
- (iii) benefits under the Scheme in respect of any employee or former employee of that Employer or category thereof (other than Members or Pensioners)

and the Management Trustees shall thereupon provide the same accordingly (subject to the payment to the Fund by that Employer of such sum or sums if any as may be advised by the Actuary to be necessary).

(b) Any benefits provided under (a) above shall not qualify for commutation under Rule 14.

- (c) Any benefits provided under (a) above shall not be reckonable for the purpose of calculating any Spouse's pension, Surviving Civil Partner's pension or Dependent Child's allowance.
- (d) Where a Member has crystallised his pension entitlement under Rule 20(l) their Employer may (in its absolute discretion) specify whether or not any benefits provided under (a) shall be subject to the provisions of Rule 15.

35. **Opting-out**

- (a) A Member may elect, while remaining in Service, that he will cease to be a Member. On making this election, he will cease to pay contributions to the Scheme and will be entitled to benefits under Rule 13 as if he had left Service (except that Rule 13(b) shall not apply to him while he remains in Service, unless the Management Trustees otherwise agree).
- (b) A Member who wishes to exercise the option under Rule 35(a) must give the Management Trustees at least one month's notice in writing. The option will then take effect at the start of the calendar month next following the month in which the notice expires.
- (c) In order to become eligible to elect for a transfer to be made or for payment of benefits to commence on or after Normal Retirement Age in the circumstances described in Rules 8A(a)(i) and (ii), a Member who remains in Service with an Employer after Normal Retirement Age may elect, while remaining in such Service, to cease to be a Member, subject to the following terms and conditions:
 - (i) The notice requirement for such election shall be as described in Rule 8A(a)(iii) (unless the Management Trustees in any particular case permit a shorter period of notice for the purposes effecting the opt-out), with the date of cessation of membership for all the purposes of the Scheme (including the provision of death benefits under Rule 19) being the date of expiry of the relevant notice period, and the calculation of the benefits applicable being as described in Rules 35(c)(ii) and (iii) below.
 - (ii) Where such a Member has already ceased payment of contributions (including Notional Contributions) under Rule 5, the benefits to which the transfer relates (where Rule 8A(a)(i) applies) or the benefits which will come into payment (where Rule 8A(a)(ii) applies) will be determined by reference to Rule 5(e)(iv), so that in the case of a transfer its value shall be determined by the Management Trustees having taken actuarial advice by reference to the value of benefits which would have come into payment under that Rule 5(e)(iv) at the relevant date selected by the Management Trustees for calculation of the transfer value.
 - (iii) Where a Member has not already ceased payment of contributions (including Notional Contributions) under Rule 5, the benefits to which the transfer relates, or the benefits which will come into payment, will be determined by reference to the benefits which would have become payable if the Member had retired from Service as described in Rule 8(a) on the date of expiry of the relevant notice of election under Rule

8A(a)(iii), so that the benefits which will come into payment (where the Member so elects) will be the equivalent value of the benefits which would otherwise have come into payment at that date, as determined by the Management Trustees having taken actuarial advice, and so that in the case of a transfer its value shall be determined by the Management Trustees having taken actuarial advice by reference to the value of the benefits which would otherwise have come into payment (if the Member had so elected) at the relevant date selected by the Management Trustees for calculation of the transfer value.

- (d) A Member exercising the option under this Rule will not be permitted to become a Member of any Part of the Scheme again.