

## Note for the Pension Trustee: Proposed new URCMPF Trust Deed and Rules

This note updates the paper discussed on 24<sup>th</sup> September to reflect the final version of the

specific delegation powers in 15.6.3 (for investment), 15.7 (general) and 15.9.1 (administration).

Appendix 1.2 describes the delegations that the Board are invited to agree should apply from the date of the new Rules.

### Important Changes

- 1.



used.

While we have no plans to allow further taxed withdrawals from AVC funds at retirement proposals, the new rules (17.1) would allow the member, with the consent of the Trustee, to take a transfer of just his or her AVC funds to a pension arrangement that did offer the new flexibility.

#### 6. Early leavers' benefits – 0 to 24 months' service

As a simplification of the current approach, the new rules (8.1-3) will provide that

(a) members who leave with less than 3 months service have no right to a deferred pension and so must take either a refund of their contributions with interest, or a similar transfer to another fund, and

(b) that the deferred pension available to any member leaving with between 3 and 24 months service will be the same as granted for over 2 years service, i.e. based on accrued service and stipend at the leaving date, increased as appropriate under the statutory revaluation basis.

This removes the current requirement for the actuary to calculate early leaver benefits for a member with less than 24 months' service based upon the service to date. As one might expect, the actuary does not recall ever having handled the calculation of benefits for a leaver with less than two years service. To do so as a one-off would be quite expensive and might give rise to a broadly similar total cost to that of improving the early leaver benefit as proposed.

This has knock-on implications for the death benefits of those with deferred pensions where the new rules remove the special death benefits applying to those who left with less than

10. Re-





6.5.2	Review of state of health of member receiving Ill Health pension	Pensions Executive
6.5.3	Judgment on Ill-Health status; judgement of employment capability; suspension or reduction of pension	Pensions Executive
6.7.2	Applying serious ill health or trivial commutation rule	Pensions Executive
7.6.1		Pensions Executive
7.6.6		Pensions Executive
10.5	Recipient(s) of funds under discretionary trusts	Pensions Executive
10.8	Dealing with an incapacitated beneficiary	Pensions Executive

15.6.4-  
7,  
15.6.11,  
15.6.14





Subject	New Rules	Old Rules	Notes
---------	-----------	-----------	-------

Subject	New Rules	Old Rules	Notes
Retirement Benefits	6		Now relies on extended/new definitions of Pensionable Service and Pensionable Stipend
Normal Retirement	6.1	18.1	Schedule 1 contains pre 1971 benefits (18.2). Schedule 2 covers 18.3 & 18.4. 18.5 covers provided separately
Late Retirement	6.2	19.2	19.1 is now in Schedule 2. 19.3 is now in 6.4
Early Retirement	6.3	21	Now provides for appropriate treatment for pre 2013 benefits
Postponed Pension	6.4	19.3	No change
Ill-Health Retirement	6.5	20, 20A	No change
Additional Voluntary Contributions	6.6	-	A new provision that covers the payment of the AVC retirement benefits including as a cash lump sum
Cash Sum	6.7	26	Modified to reflect current legislation (see note to Trustees)
Death Benefits	7		NB old rule 49 re civil partnerships is now covered in each benefit section where spouse benefits arise and same-sex spouses are granted the same benefits
Death In Service	7.1	22	No change benefits are allowable
Death in Deferment	7.2	42	Major rewrite to include the benefits payable in respect of pre-2013. These were incorrect in the old rules
Death in Retirement	7.3	23.1, 23.2	No change benefits are allowable
Death in Postponement	7.4	23.3	This now applies to all postponed pensioners
Additional Voluntary Contributions	7.5	-	The previous rules did not explicitly cover AVC death benefits. This rule reflects discussions previously held by the trustees

# Content

Subject	New Rules	Notes
		Only covers the payments that legislation permits. Note that the legislation calculates the total benefit but then says that it should be applied equally for each benefit recipient. This implies that the benefit is reduced in order to allow the children to qualify.
Death of former spouse before implementation of Pension Sharing Order	7.7	New Rule Pension-sharing
Trivial commutation	7.8	New Rule
Leaving benefits		
Deferred pension		The footnote contains the wording to be agreed between Trustees and JRC to cover the effect of revaluation
Refund of Contributions		

Subject	New Rules	Old Rules	Notes
Payment of Benefits	10.3	27, 31	No change
Provision of Information	10.4	39	No change
Payment of Lump Sum Death Benefits	10.5	-	

Subject	New Rules	Old Rules	Notes
---------	-----------	-----------	-------

Subject	New Rules	Old Rules	Notes
Disclosure	15.8	37	

Subject	New Rules	Old Rules	Notes
---------	-----------	-----------	-------