

Policy Provisions

for the Suffolk Life SIPP (Deed Poll scheme)

This is a legally binding document between you and Suffolk Life.
It is part of a set all of which should be read together:

- » Key Features
- » Personal Illustration
- » Schedule of Fees
- » Schedule of Allowable Investments
- » Terms and Conditions
- » **Policy Provisions**



Policy Provisions for the Suffolk Life SIPP

These are the policy provisions referred to in the policy schedule

1. Definitions

In this policy the following expressions shall have the following meanings:

| | |
|----------------------|--|
| the Act | Finance Act 2004 |
| the company | Suffolk Life Annuities Limited |
| HMRC | HM Revenue & Customs |
| the investments | as defined in clause 4 of these policy provisions |
| rules | the rules of the scheme, as amended from time to time, which at the policy date are in the form annexed to these policy provisions |
| scheme | the Suffolk Life Self-Invested Personal Pension, established by a deed dated 21 February 1995 |
| terms and conditions | the terms and conditions, as amended from time to time, referred to in the application for a policy |

In this policy where the context so admits words importing the singular number shall include the plural and vice versa. Reference to any legislation or other regulation or instrument shall include any modification or re-enactment thereof.

Phrases defined in the rules and not otherwise defined in the policy shall have the same meanings in the policy.

2. Application for membership

This policy is issued on the basis of, and in reliance upon, the application form completed and submitted by the policyholder to the company.

3. Contributions and transfers

Any contributions paid in accordance with the terms and conditions to the scheme, will be paid in the form of a premium under the policy.

Any transfer payment to the scheme is subject to the terms and conditions.

4. Investments

The allowed investments shall be those permitted under the terms and conditions.

Any amount held in respect of or any part of the policyholder's fund in an interest-bearing deposit account shall be classified as an asset to which benefits under the policy are linked.

5. Ownership of investments

All allocations of investments to this policy or to a policyholder's fund are notional only and neither the policyholder nor any other person who may be entitled to benefit under this policy shall acquire any legal or beneficial interests in such investments, all of which remain in the absolute ownership of the company.

6. Charges

The company shall be entitled to make, and increase, the charges set out in the schedule of fees, on the basis set out in the schedule of fees.

7. Provision of information

The company may request, and the policyholder shall provide, such information as the company may reasonably require to give effect to the terms of the policy.

8. HMRC registration

The scheme is a registered pension scheme.

The company will be entitled to recover or reserve out of the policyholder's fund an amount equal to any tax for which it becomes (or reasonably expects to become) liable in respect of the policyholder as a result of the scheme ceasing to be registered and to make any other arrangements which in its absolute discretion it determines may be necessary.

9. Amendments

The company shall have the right to add to, alter or remove any of the policy provisions, unless such addition, alteration or removal:

- would prejudice the registration of the scheme under the Act;
- would prejudice the rights of a policyholder without his consent.

The company may issue a revised policy schedule if at any time in its opinion any information in the existing policy schedule is misleading, out of date or otherwise inaccurate.

10. Relationship with other documents

The rules contain the detailed provisions for the payment of the retirement benefits secured by the policy, payment of such benefits on the death of the policyholder, determining the pension date, and the management of transfers into and out of the scheme.

Where under the rules an annuity is payable the company will provide that annuity on the terms, annuity rates and conditions that the company applies at the time. As an alternative, the policyholder may, as described in the rules, choose to purchase an annuity from another insurer. In each case, the annuity purchased will be payable on the basis set out in the rules.

References to the 'member' in the rules refer to the policyholder under these policy provisions.

In the event of any conflict between the policy and the rules, the rules shall take precedence. The terms of the policy and of the rules are subject to any inconsistent provisions in the terms and conditions.

11. Legislation

If at any time during the term of this policy there should be any change in the law or in HMRC practice affecting this policy or the taxation of this policy or if the investment rights and powers of the company are restricted or removed or in the event of any circumstances which in the reasonable opinion of the company materially affect the implementation of any of the provisions of this policy or if for any other reason it becomes impossible or impracticable to give full effect to the provisions of this policy, the provisions of this policy may be varied by the company, in such manner as the appointed actuary for the time being to the company shall consider appropriate to enable these provisions to take effect as nearly as possible.

12. Surrender

The policy shall not be capable of assignment or surrender except to the extent permitted by the rules.

13. Termination

The company shall have the right at any time to terminate the policy and to apply the proceeds in any manner, consistent with the registration of the scheme, as it in its absolute discretion may think fit, including without limitation application as a premium under a further policy, to be held subject to the scheme or any other pension scheme registered under the Act.

14. Governing law

This policy shall be governed by and construed in accordance with English law.

The Rules of the Scheme

as adopted by a deed varying the rules of the Suffolk Life Self-Invested Personal Pension dated 29 January 2009.

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1. Introduction

Tax registration

- 1.1 The scheme is a registered pension scheme.

Status of rules

- 1.2 These rules are subject to any inconsistent provisions in the terms and conditions but override inconsistent provisions in any other scheme documents. These rules do not override the law. If any provision conflicts with the law, the law will apply.
- 1.3 References to any legislation or any provision includes references to any previous legislation or provision relating to the same subject matter and to any modification or re-enactment for the time being in force.

Contracting out

- 1.4 It is not possible to contract out of the State Second Pension through this scheme.

Provider

- 1.5 The provider of the scheme is Suffolk Life Annuities Limited.

Scheme administrator

- 1.6 The scheme administrator at the date of introduction of these rules is Suffolk Life Pensions Limited. The provider may by notice remove the scheme administrator provided that at the same time it appoints another, or assumes the role itself.
- 1.7 The scheme administrator must be a person resident in the United Kingdom. The scheme administrator is responsible for discharging the duties imposed by these rules and by the Act.

2. Definitions

In these rules the following words have the following meanings:

Act means the Finance Act 2004. References to the Act include any regulations made under it.

Arrangement means an arrangement (as described in Part 3 of these rules) made by a person with the scheme provider and/or the scheme administrator to provide benefits under these rules.

Civil partner in relation to an individual, means a person who has entered into a civil partnership with that individual within the meaning of Section 1 of the Civil Partnership Act 2004.

Connected is defined by Section 839 of ICTA.

Dependant means:

- » a person who was married to the member or was the member's civil partner at the date of the member's death;
- » a person who was married to the member or was the member's civil partner when the member first became entitled to benefits under the scheme;

- » a child of the member if the child –
 - a) has not reached the age of 23; or
 - b) has reached that age and, in the opinion of the scheme administrator, was at the date of the member's death dependant on the member because of physical or mental impairment;
- » a person who was not married to the member and was not the member's civil partner at the date of the member's death and is not a child of the member if, in the opinion of the scheme administrator, at the date of the member's death –
 - a) the person was financially dependant on the member,
 - b) the person's financial relationship with the member was one of mutual dependence; or
 - c) the person was dependant on the member because of physical or mental impairment.
- » any other person who under the Act is or may be treated as a dependant for the purposes of a registered pension scheme.

It is for the scheme administrator to decide whether a person is a dependant.

Employee share scheme means:

- » an approved share incentive plan as defined in Section 488 ITEPA; or
- » an SAYE option scheme as defined in Section 516 ITEPA.

Employer means the current employer or employers of a member.

Ex-spouse means an individual to whom pension credit rights have been or are to be allocated following a pension sharing order, agreement or equivalent provision (including, where applicable, a civil partner).

HMRC means HM Revenue & Customs.

ICTA means Income and Corporation Taxes Act 1988.

Insurer means:

- » a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance; or
- » an EEA firm of the kind mentioned in Paragraph 5(d) of Schedule 3 to the Financial Services and Markets Act 2000 (certain direct insurance undertakings) which has permission under Paragraph 15 of that Schedule (as a result of qualifying for authorisation under Paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance.

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

Member means an individual who has made one or more arrangements under the scheme for the provision of benefits. It also includes an individual who:

- » at the time the arrangement was made was under the age of 18 and whose legal guardian made the arrangement on the individual's behalf under the scheme; or
- » has had one or more arrangements made on his or her behalf following the winding-up of another scheme.

Member's fund means the aggregate, under an arrangement, of the accumulated values of:

- » the contributions paid to the scheme by or in respect of the member,
- » any transfer payment accepted by the scheme in respect of the member;
- » any pension credit rights accepted by the scheme in respect of the member; and
- » any income or capital gain (or capital loss) arising from the investment of such amounts.

It excludes:

- » any administrative or investment expenses of the scheme and any payments of commission, and
- » any pension debit arising as a result of a pension sharing order.

Pension credit rights means rights to benefits arising from a credit as defined in Section 101P of the Pension Schemes Act, as inserted by Section 37 of the Welfare Reform and Pensions Act 1999, or under corresponding Northern Ireland legislation.

Pension date is the effective start date of a lifetime annuity or income withdrawals under an arrangement. Where an arrangement is split into separate arrangements under rule 3.6 each separate arrangement may have a different pension date.

Pension debit means a debit under Section 29(1)(a) Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

Pension Schemes Act means the Pension Schemes Act 1993.

Pension sharing order means any order or provision mentioned in Section 28(1) Welfare Reform and Pensions Act 1999 or Article 26 of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

Provider means Suffolk Life Annuities Limited.

Registered pension scheme means a pension scheme registered under Section 153 of the Act or treated as a registered pension scheme under the Act.

Rules means these rules of the scheme and rule is a reference to a rule in this document.

Scheme means this scheme.

Scheme administrator has the meaning given in rule 1.6.

Scheme documents means the documents that govern the scheme and the arrangements with a member (including these rules the policy and other documents referred to in rule 3.6 and the terms and conditions).

Terms and conditions means the terms and conditions that relate to a member's arrangement.

Unsecured pension has the meaning given in Schedule 28 to the Act.

3. Members and arrangements

Becoming a member

- 3.1 The scheme administrator may, subject to applicable law, determine the categories of individual who may become members of the scheme.
- 3.2 A person who wants to become a member must go through such application procedure and give such undertakings as may be required by the scheme administrator.
- 3.3 Where the scheme administrator determines that persons under the age of 18 may become members of the scheme, the legal guardian of any such person under 18 must complete the necessary application and give such undertakings as may be required.

Ex-spouse

- 3.4 Subject to the agreement of the scheme administrator an ex-spouse may become a member of the scheme.

Making an arrangement

Single or multiple arrangement(s)

- 3.5 A member will have a single arrangement under the scheme unless the scheme administrator decides that there should be more than one arrangement. An arrangement may be treated by the scheme administrator as being split into any number of separate units. These rules will apply to each arrangement separately.

Form of arrangements

- 3.6 The arrangements under the scheme will take the form of an insurance policy issued by the scheme provider, together with the terms and conditions and other documents referred to in the terms and conditions, to the member (or, if applicable, the legal guardian acting for a person under 18 where that person is regarded as the member).

4. Contributions

Eligibility to make contributions

Contribution

- 4.1 A member may make contributions of such amount as that member decides, subject to any limits or conditions set from time to time by the scheme administrator and in particular any conditions as may be necessary to satisfy any requirements of applicable legislation or of HMRC.
- 4.2 Contributions may be accepted from the member's employer or from any other person in respect of a member.

Member contributions

- 4.3 Unless the scheme administrator agrees otherwise, contributions made by the member or other individual in respect of the member must be paid in money form and by such method as the scheme administrator from time to time permits. If the scheme administrator does agree that contributions may be settled in a form other than money then the scheme administrator will specify both what is acceptable and in what manner such a contribution is to be made.

Employee share schemes

- 4.4 Subject to rule 4.3, contributions may be made by an individual in the form of eligible shares from an employee share scheme. Such contributions must be made by transfer made by the member within ninety days of the member:
- » exercising options under an SAYE option scheme (as defined in Section 516 ITEPA), or
 - » directing the trustees of a share incentive plan (as defined in Section 488 ITEPA) to transfer ownership of the shares to the member.

Use of contributions

- 4.5 The contributions and their proceeds under the scheme must be used to provide benefits in accordance with these rules, except so far as they are used to meet administrative expenses of the scheme and to pay advisers' fees and commission.

Evidence of earnings

- 4.6 The member or employer must produce such evidence of earnings as the scheme administrator may reasonably require.

Tax relief on contributions

- 4.7 The scheme administrator will, to the extent contributions to the scheme are entitled to tax relief, seek to recover the amounts from HMRC, and add the recovered amounts to the member's fund in accordance with these rules.

Repayment of contributions

- 4.8 If a member has paid contributions exceeding the amount on which tax relief is available he may request such excess contributions to be repaid and the scheme administrator may, subject to rule 4.10, agree to do so.
- 4.9 If a member did not satisfy any condition as to eligibility for membership or other limits set by the scheme administrator under rule 3.1 the scheme administrator may, subject to rule 4.10, arrange (and if so required by law must arrange) for the contributions to be repaid to the member and, if applicable, the member's employer(s).
- 4.10 Where the scheme administrator agreed to a repayment, it may so agree subject to such conditions as the scheme administrator thinks fit, in particular any conditions as may be necessary to satisfy any requirements of applicable legislation or of HMRC.
- 4.11 The scheme administrator may adjust a repayment of contributions as it considers to be appropriate to take account of expenses and interest and of any change in the value of the underlying assets during the intervening period.

5. Date member's benefit starts

Multiple arrangements

- 5.1 Rules 5.2 to 5.4 will apply separately to each arrangement. This means that benefits may start at different times from each arrangement or in respect of one or more of the units into which each arrangement is split. The scheme administrator will determine the nominated date for reviewing income withdrawal limits for each arrangement.
- 5.2 Subject to rules 5.3 and 5.4, payment of benefit derived from the whole or part of a member's fund commences on such a date as chosen by the member, but that date cannot, unless the scheme administrator agrees, be earlier than his or her 50th birthday (or on or after 6 April 2010, his or her 55th birthday) nor later than his or her 75th birthday.

Incapacity

- 5.3 A member's benefit may start earlier than age 50 (or, on or after 6 April 2010, 55) if:
- » the scheme administrator has received evidence satisfactory to the scheme administrator from a registered medical practitioner that the member is (and will continue to be) incapable of carrying on the member's occupation because of physical or mental impairment; and
 - » the member has in fact ceased to carry on the member's occupation.

Occupations with a low retiring age

- 5.4 A member in an occupation which was on 5 April 2006 (or which had then been) prescribed in regulations made by HMRC and who either:
- » had an actual or prospective right to a pension at an age less than 50 under the scheme on 5 April 2006; or
 - » had an actual or prospective right to a pension at an age less than 50 under another pension scheme on 5 April 2006 and has been the subject of a block transfer to the scheme,
- may take benefits before the age specified in rule 5.3, in the circumstances provided in Schedule 36 of the Act.

6. Benefits for member

Member's choice of lump sum

- 6.1 The member may choose to receive a lump sum in respect of an arrangement or in respect of one or more of the units into which each arrangement is split.
- 6.2 If that payment would not be an authorised member payment for the purposes of the Act, the scheme administrator may set such conditions as to the circumstances in which a lump sum may be paid as it thinks fit. The provisions of rules 10.6 to 10.9 will then apply.

Member's pension

- 6.3 Except for any lump sum paid as described in rule 6.1 or as provided in rules 6.11 to 6.16 the member's fund will be used to secure a pension for the life of the member through the purchase of a lifetime annuity from an insurer.
- 6.4 A lifetime annuity must be purchased no later than the member's 75th birthday unless the scheme administrator agrees to operate an alternatively secured pension in accordance with rule 6.16.
- 6.5 The lifetime annuity must, unless the scheme administrator otherwise agrees, conform with the requirements laid down in Schedule 28 of the Act.
- 6.6 If the scheme administrator agrees that a lifetime annuity need not comply with the provisions of Schedule 28 of the Act the scheme administrator may do so on such conditions as it thinks fit. The provisions of rules 10.6 to 10.9 will then apply.

Member's right to choose insurer (open market option)

- 6.7 The member must choose the insurer from which a lifetime annuity is to be purchased. Once the member has chosen the insurer, he or she must write to tell the scheme administrator which insurer he or she has chosen.

Scheme administrator's choice of insurer

- 6.8 If the member does not choose an insurer by writing to tell the scheme administrator (or, if permitted, has not made an election under rule 6.12) or has not completed any documentation required by the scheme administrator by the latest date permitted by the scheme administrator, the scheme administrator will choose an insurer from whom the lifetime annuity will be bought.

Form of pension

- 6.9 If the insurer is chosen by the scheme administrator under rule 6.8, the scheme administrator may allow the member to choose what benefits the lifetime annuity will provide on his or her death. Alternatively the scheme administrator may choose the alternatives.
- 6.10 The provisions of part 7 of these rules apply in relation to the benefits payable on the member's death.

Annuity deferral and short-term annuities

- 6.11 If the scheme administrator permits, the member may choose under an arrangement or in respect of one or more of the units into which each arrangement is split to defer securing his or her pension benefit through the purchase of a lifetime annuity as specified in rule 6.3 and draw his or her pension direct from the member's fund at pension date in accordance with rule 6.13. If the member chooses this option he or she must notify the scheme administrator in writing and complete any documentation required by the scheme administrator no later than one month before the date benefit is to start. The member shall also notify the scheme administrator in writing when he or she wishes the deferral to end and a lifetime annuity to be purchased, again providing at least one month's notice.

General conditions

- 9.4 The scheme administrator may impose such conditions as it thinks fit on acceptance of any such transfer and in particular any conditions as may be necessary to satisfy any requirements of applicable legislation or of HMRC.

10. General provisions about benefits

Rights under the scheme

- 10.1 A person's rights under the scheme are only those given under the scheme documents or by any insurance or annuity contract bought with the member's fund.

The scheme will provide only money purchase benefits within Section 152(4) of the Act.

Assignment or surrender

- 10.2 Benefits of the rights under the scheme may not be assigned or surrendered if, as a consequence, the scheme would be treated as making an unauthorised member payment for the purposes of Sections 172 or 172A of the Act.
- 10.3 If the scheme administrator agrees that an assignment or surrender may be made that would constitute an unauthorised member payment for the purposes of the Act, the scheme administrator may do so on such conditions as it thinks fit. The provisions of rules 10.6 to 10.9 will then apply.

Information to members

- 10.4 The scheme administrator will provide such information to members and others as required by the Pension Schemes Act and the Act.

Beneficiary unable to act

- 10.5 If the scheme administrator believes that a person entitled to payments is unable to act for any reason, the scheme administrator may arrange that payments, instead of being made to that person, will be made for the maintenance of that person and/or any of that person's dependants. If any payments are not so made, they (and any proceeds) must be held for the person concerned until that person is again able to act. If that person dies without becoming able to act, payment must be made to that person's estate. Any payment made in accordance with this provision will discharge the scheme from any obligation to provide the benefits to which it relates.

Tax

- 10.6 If in any circumstances, the scheme administrator makes or permits a payment to be made that is not an authorised member payment for the purposes of the Act, the scheme administrator may permit that payment to be made on such conditions as the scheme administrator thinks fit, including such conditions as are necessary to ensure that the aggregate of scheme chargeable payments made by the scheme do not exceed the de-registration threshold set out in Section 158 of the Act. If a payment is made by the scheme administrator in the belief that or on the understanding that it is an authorised member payment but that payment is subsequently determined to be an unauthorised payment, the payment shall be treated as made by mistake and the scheme administrator shall be entitled to require it to be repaid.

- 10.7 The scheme administrator may make such deductions from the amount of any payment or from the member's fund in order to make provision for any tax liability (including without limitation any scheme sanction charge) that may fall upon the scheme administrator or the scheme as a consequence of any payment being an unauthorised member payment for the purposes of the Act.

- 10.8 The scheme administrator will also deduct from the member's fund the amount (or any such payment) of any lifetime allowance charge that may fall upon the scheme.

- 10.9 The scheme administrator shall make such reports to HMRC or to any other applicable tax authority as may be required under the Act or other applicable law, in relation to any payment made or benefits due under the scheme.

Whereabouts unknown

- 10.10 The scheme administrator may use discretion to decide that any person who is entitled to a payment under the scheme shall cease to have any claim to the payment if at least six years have passed from the date the payment became due and the address of the person is not known to the scheme administrator. The scheme administrator must, however, first take all reasonable steps to ascertain the address.

Evidence

- 10.11 The scheme administrator may require any member or any other person to whom a pension or lump sum is payable under the scheme to produce any evidence or information which the scheme administrator may from time to time reasonably require. If the member or the other person does not produce the evidence or information, the scheme administrator may withhold payment of any benefit to which it is relevant until it is produced.

Notice to scheme administrator

- 10.12 Where these rules give a member or other person any choice, the scheme administrator may impose any requirements as to the period or form of the notice to be given by the member or other person, so long as these do not conflict with any requirements specified in these rules.

Pension input period

- 10.13 Unless otherwise altered by nomination in the circumstances permitted by the Act, the pension input period for the purposes of the Act shall be the period beginning on each 6 April and ending on the following 5 April.

Lump sum

- 7.7 If and to the extent any lump sum is payable the scheme administrator may, as soon as practicable and subject to rule 7.9, pay out the member's fund as a lump sum:
- 1) if at the time of the member's death the scheme administrator is satisfied that the contract is subject to a valid trust under which no beneficial interest in a benefit can be payable to the member, the member's estate or the member's legal personal representatives, to the trustees of the trust; or
 - 2) if (1) is not applicable, at the discretion of the scheme administrator, to or for the benefit of any one or more of the following in such proportions as the scheme administrator decides:
 - a) any person, charity, association, club, society or other body (including trustees of any trust whether discretionary or otherwise) whose names the member has notified to the scheme administrator in writing prior to the date of the member's death;
 - b) the member's surviving spouse or civil partner;
 - c) the parents and grandparents of the member or the member's surviving spouse or civil partner and any children and remoter issue of any of them;
 - d) the member's dependants;
 - e) any person, charity, association, club, society or other body entitled under the member's will to any interest in the member's estate;
 - f) the member's legal personal representatives.

For this purpose a relationship acquired by legal adoption is as valid as a blood relationship.

Lump sum payable by scheme administrator – time limit

- 7.8 The scheme administrator will pay any lump sum within two years of the earlier of:
- » the date on which the scheme administrator first knew of the member's death; or
 - » the date on which the scheme administrator could first reasonably have been expected to know of it,

or by such later date as may be permitted by the Act.

- 7.9 Any part of the member's fund that cannot be used to provide such benefits will be used by the scheme administrator to meet general administration expenses of the scheme.

8. Transfer out of the scheme

Member's right to a cash equivalent

- 8.1 A member has a right to a 'cash equivalent' under the Pension Schemes Act.

If a member elects to apply for a 'cash equivalent' then all the member's accrued rights in all arrangements under the scheme must be transferred, unless a transfer of part of the option is permitted by law and the scheme administrator so agrees.

Transfer payments

- 8.2 In the absence of an election to apply for a statutory right to transfer a 'cash equivalent' under rule 8.1, the scheme administrator may, nevertheless, at the written request of a member transfer the member's fund or part of it to another scheme of which he or she has become a member.
- 8.3 Unless the scheme administrator otherwise agrees, any such transfer may only be made if it is a recognised transfer for the purposes of Section 169 of the Act.
- 8.4 Each recognised transfer must be made in accordance with all applicable legislation and any requirements of HMRC.

Member withdrawing a request

- 8.5 The member may withdraw a request by giving the scheme administrator notice in writing to that effect but may not withdraw a request after the scheme administrator has entered into a binding agreement with a third party to make the transfer to the other scheme. A member who has withdrawn a request may make another.

Discharge of rights

- 8.6 Entitlement to benefit under the scheme for or in respect of the member or dependant will cease in respect of any rights transferred in accordance with this Part 8 of these rules and the scheme will be discharged from any obligation to provide benefits in respect of those rights.

Multiple transfers

- 8.7 A member may elect under this rule for different parts of the member's fund(s) to be transferred as described above to different schemes.

9. Transfer into the scheme

Transferring scheme

- 9.1 The scheme administrator may, at the written request of a member, accept a transfer payment representing the value of the member's rights (including any pension credit rights) from any arrangement from which a transfer may be made under the Act to a registered pension scheme or which is otherwise permitted by HMRC.
- 9.2 The scheme administrator may accept a transfer without the member's written request where the transfer originates from a scheme that is being wound-up and the rules of that scheme do not require the member's consent to that transfer or in such other circumstances as may be permitted by law.

Transfer in with pension debit

- 9.3 Where the scheme administrator accepts a transfer payment into the scheme and is informed by the transferring scheme of a pension debit relating to the transfer payment then the scheme administrator must retain details of this pension debit. If those benefits are transferred from the scheme in accordance with Part 8 of these rules then the scheme administrator must give full details of the pension debit to the receiving scheme's administrator.

11. Closing or winding-up the scheme

Closing the scheme

- 11.1 The provider may at any time:
- 1) stop admitting new members or members of any particular class or category to the scheme, but continue to accept contributions from, and in respect of, existing members; or
 - 2) stop admitting new members or members of any particular class or category to the scheme and stop accepting contributions from, and in respect of, existing members.
- 11.2 If the scheme is closed, the scheme administrator will continue to operate the scheme under the scheme documents, unless the provider is winding-up the scheme.

Terminating membership

- 11.3 If the scheme administrator so determines, it may notify any member or members that they are no longer eligible to remain as members of the scheme.
- 11.4 Any member so notified shall have such period as the scheme administrator may notify (not being less than one month) to select an alternative registered pension scheme to which his interests under the scheme can be transferred and notify the scheme administrator of that selection.
- 11.5 Where a member does not make a choice within such period or the registered pension scheme chosen will not accept such transfer, the scheme administrator may either choose not to accept further contribution from or in respect of that member or may, if and to the extent permitted by law, transfer the member's fund to another registered pension scheme of the scheme administrator's choice. The member's consent to such transfer will be deemed to have been given.

Winding-up the scheme

- 11.6 The provider may wind-up the scheme by giving notice to the scheme administrator. The scheme administrator will then notify each member of his or her rights and options. This notification will include notice of the member's rights to a transfer under part 8 of these rules.
- 11.7 When a member does not make a choice under this part of these rules, the scheme administrator will transfer the member's fund to another registered pension scheme of the scheme administrator's choice. The member's consent will not be necessary.

Withdrawal of registration

- 11.8 If HMRC withdraws the registration of the scheme under Section 157 of the Finance Act, the scheme administrator will inform the members (and other beneficiaries, as appropriate) within three months of the date of receipt of the notice of withdrawal unless the scheme administrator appeals. If an appeal is made, the scheme administrator will inform the members and other beneficiaries within three months of the date of receipt of the notice that the appeal has been dismissed or that the decision is to have effect from a different date. The scheme administrator will then wind-up the scheme as described in rule 11.6.

12. Investments or deposits held for the purpose of the scheme

Investment

- 12.1 It is a decision for the scheme administrator as to how scheme funds are invested and the degree of investment choice open to a member. It is the responsibility of the scheme administrator to ensure that any investments made conform with the requirements of these rules, the Act, and all other applicable legislation.
- 12.2 If the scheme administrator so permits, (and subject to such limitations or restrictions as may be set by the scheme administrator from time to time) a member may choose or direct how contributions and any transfer payment accepted by the scheme in respect of the member should be invested.

Loans

- 12.3 The scheme may not lend money to any person, whether or not that person is a member of the scheme, unless the scheme administrator agrees otherwise.

Borrowing

- 12.4 The scheme may only borrow money to the extent permitted by the Act, and as agreed by the scheme administrator.

Property

- 12.5 The scheme may only acquire property in the circumstances permitted by the Act, and as agreed by the scheme administrator.
- 12.6 Property held by the scheme may only be leased to a member on such terms and in such circumstances as is permitted by the Act, and as agreed by the scheme administrator.

Connected transactions

- 12.7 The scheme administrator shall not enter directly or indirectly into any investment transactions with a member or any person connected with that member (except as permitted by the Act, as amended from time to time, and as agreed by the scheme administrator).

13. Alterations to these rules

Power to alter these rules

- 13.1 The scheme administrator may at any time, in writing, make any alteration to these rules. This power of alteration may be exercised by the scheme administrator alone, and without any conditions except rule 13.2. Any such alteration may have retrospective effect.

Limitation on alterations

- 13.2 No amendment may be made that could prejudice the status of the scheme as a registered pension scheme unless the provider and scheme administrator have resolved in writing that the scheme should cease to be a registered pension scheme.

- 6.12 If the scheme administrator permits, the member may choose under an arrangement or in respect of one or more of the units into which each arrangement is split to defer securing his or her pension benefit through the purchase of a lifetime annuity as specified in rule 6.3 and instead purchase a short-term annuity satisfying the provisions of Section 28 of the Act. If the member chooses this option he or she must notify the scheme administrator in writing and complete any documentation required by the scheme administrator no later than one month before the date the benefit is to start. The provisions of rules 6.3 to 6.10 apply in relation to the purchase of such short-term annuity.
- 6.13 Where the member chooses to defer annuity purchase or purchase a short-term annuity in accordance with rules 6.11 or 6.12 the whole of the member's fund must, subject to rule 6.16, still be used to secure pension benefits through a lifetime annuity contract before the member's 75th birthday, as detailed in rules 6.3 to 6.10.

Unsecured income

- 6.14 Where the member chooses to defer lifetime annuity purchase under rule 6.11 he or she must draw an unsecured income from the arrangement or in respect of those units of each arrangement for which the member has chosen to defer lifetime annuity purchase under rule 6.11 which, unless the scheme administrator otherwise agrees, will be calculated and made in accordance with, and subject to the limits set out in, Schedule 28 of the Act.
- 6.15 If the scheme administrator permits, the member may use part of the member's fund to secure a pension through lifetime annuity purchase whilst continuing to draw an unsecured pension from the remainder of the member's fund in respect of those units for which the member has chosen to defer lifetime annuity purchase under rule 6.11 in accordance with rule 6.14.

Alternatively secured pension

- 6.16 If the scheme administrator permits and if the sums and assets held for the purposes of the arrangement which were part of the member's unsecured pension fund when the member reached the age of 75 or became held for the purposes of the arrangement after the member reached the age of 75 (or directly or indirectly derive from such sums) may be applied to make payments from the member's alternatively secured pension fund (as defined in the Act) which, unless the scheme administrator otherwise agrees, shall be calculated and made in accordance with and subject to the limits set out in Schedule 28 of the Act).
- 6.17 Where any payment from a member's unsecured pension fund or any other payment under this part 6 of the rules would not be an authorised member payment for the purposes of the Act the scheme administrator may set such conditions as to the circumstances in which such payment may be made as it thinks fit. The provisions of rules 10.6 to 10.9 will then apply.

7. Benefits on member's death

Member's choice

- 7.1 A member may, if the scheme administrator so permits, be given the opportunity to make an election as to the benefits to be provided in the form of a lump sum or as a benefit for his or her dependants on the member's death. If the scheme administrator so agrees, the member may elect for any benefits that may be so paid in accordance with the provisions of the Act.

Member's choice

- 7.2 If the member is given a choice as to the dependants' benefits payable on his or her death but does not make a choice under this rule and there is a dependant then the scheme administrator may decide how the member's fund should be used.
- 7.3 Alternatively the scheme administrator may offer any dependant the opportunity to choose the form of benefit to be provided to them. Benefits shall be provided only in a form constituting authorised member payments for the purposes of the Act, unless the scheme administrator otherwise agrees. If the scheme administrator agrees that a benefit to a dependant may be made in a form that is not an authorised member payment for the purposes of the Act, the scheme administrator may do so on such conditions as it thinks fit. The provisions of rules 10.6 to 10.9 will then apply.

Member's or dependant's choice of insurer

- 7.4 If the member has notified the scheme administrator that he or she wishes any dependants' annuity (as defined in the Act) to be secured from a particular insurer, then the scheme administrator will, if it is able to do so, buy the annuity from that insurer.
- 7.5 In any other case the scheme administrator must write and tell the dependant that he or she has the right to choose an insurer. The dependant then has three months from the date of notification to write back and tell the scheme administrator which insurer he or she has chosen and complete any documentation required. If the dependant chooses an insurer, he or she may at the same time decide the terms of that annuity (subject to the requirements of Schedule 28 of the Act applicable to a dependant's annuity).

Scheme administrator's choice

- 7.6 If a member or dependant does not choose which insurer the annuity is purchased from by writing to tell the scheme administrator and completing any documentation required by the scheme administrator by the latest date permitted under rule 7.5 the scheme administrator will choose the insurer and will decide the terms to apply to that annuity.

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