Order and rules of the National Employment Savings Trust

Order applicable from 29 April 2026
Rules applicable from 31 August 2026

This is a consolidation of the Nest Order and Rules which is updated on a regular basis. If there is any difference or discrepancy between this consolidation document and the legislation which adopts and amends the Order from time to time, the legislation will prevail.

Consolidated Order and Rules of the National Employment Savings Trust.



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The order

The National Employment Savings Trust Order 2010 as amended[1] on 1 April 2013, 1 April 2017, 6 April 2018, 25 May 2018 and 29 April 2026. Effective from 29 April 2026

2010 no. 917

[1] The National Employment Savings Trust Order 2010 (SI 2010/917), as amended by the National Employment Savings Trust (Amendment) Order 2013 (SI 2013/597). the National Employment Savings Trust (Amendment) Order 2015 (SI 2015/178), the National Employment Savings Trust (Amendment) Order 2018 (SI 2018/368), the National Employment Savings Trust (Amendment) Order 2026 and Data Protection Act 2018

The Secretary of State makes the following Order in exercise of the powers conferred by sections 67(1) and (8), 68(1) to (3) and (5), 69(1) to (3) and (5), 70(1) and (2), 144(2) to (4) and 145(1) of the Pensions Act 2008.

In accordance with section 143(4) of that Act, a draft of this instrument was laid before Parliament and approved by resolution of each House of Parliament.

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Part 1

General

Citation and commencement

1.

(1) This Order may be cited as the National Employment Savings Trust Order 2010.

(2) Article 20 shall come into force on 5 July 2010 and cease to have effect on 1 March 2018.

(3) The remaining provisions of this Order shall come into force on 5th July 2010.

Interpretation

2.

In this Order –

"the 1999 Act" means the Welfare Reform and Pensions Act 1999;

"the 1999 Order" means the Welfare Reform and Pensions (Northern Ireland) Order 1999;

"the Act" means the Pensions Act 2008;

"the NI Act" means the Pensions (No. 2) Act (Northern Ireland) 2008;

"the NI Preservation Regulations" means the Occupational Pension Schemes (Preservation of Benefit) Regulations (Northern Ireland) 1991;

"the Preservation Regulations" means the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991;

"the corporation" means the National Employment Savings Trust Corporation established under section 75 of the Act;

"employers' panel" means the panel referred to in article 6(2)(b);

"jobholder" has the meaning given by –

(a) in relation to Great Britain, section 1(1) of the Act; or

(b) in relation to Northern Ireland, section 1(1) of the NI Act;

"member of the Scheme" means a person who has been admitted as a member of the Scheme under article 19 and whose pension account has not yet been fully discharged through the provision of one or more benefits under article 32;

"members' panel" means the panel referred to in article 6(2)(a);

"member's pension account" means an account maintained by the Trustee for a member of the Scheme comprising –

(a) the member's contributions;

(b) contributions made by any participating employer;

(c) any sums transferred into the Scheme in respect of the member;

(d) investment returns; and

(e) any other amounts paid to the Trustee

to be applied to the member's pension account, less any expenses and outgoings properly deducted by the Trustee;

"the panels" means the members' panel and the employers' panel;

"participating employer" means an employer that has been admitted to participation in the Scheme and, except in articles 8 and 19, may include an employer that was formerly participating in the Scheme;

"pension credit" means a credit –

(a) in relation to Great Britain, under section 29 of the 1999 Act; or

(b) in relation to Northern Ireland, under Article 26 of the 1999 Order;

"personal data" has the same meaning as in Parts 5 to 7 of the Data Protection Act 2018 (see section 3(2) and (14) of that Act).

"qualifying arrangement" has the same meaning –

(a) in relation to Great Britain, as in paragraph 6(1) of Schedule 5 to the 1999 Act; or

(b) in relation to Northern Ireland, as in paragraph 6(1) of Schedule 5 to the 1999 Order;

"qualifying person" and **"qualifying self-employed person"** have the same meanings as –

(a) in Great Britain, in regulation 2(1) of the Occupational Pension Schemes (Cross-border Activities) Regulations 2005; or

(b) in Northern Ireland, in regulation 2(1) of the Occupational Pension Schemes (Cross-border Activities) Regulations (Northern Ireland) 2005;

"quality requirement" means the quality requirement under –

(a) in relation to Great Britain, Part 1 of the Act; or

(b) in relation to Northern Ireland, Part 1 of the NI Act;

"rules" means rules made under section 67 of the Act;

"the Scheme" means the pension scheme established by article 3(1); and

"the Trustee" means the person appointed as trustee of the Scheme.

Part 2

Establishment, Constitution of the Scheme and Appointments

Establishment of the National Employment Savings Trust

3.

(1) There is to be a pension scheme known as the National Employment Savings Trust.

(2) The purpose of the Scheme is the provision of pensions and other benefits in relation to its members.

Trustee

4.

The corporation is appointed as trustee of the Scheme.

Appointment of members of the corporation

5.

Where the members' panel has been established, then, in relation to the appointment by the corporation of an individual as a member of the corporation, or a member of the corporation as chair of the corporation –

(a) the corporation must consult the members' panel with respect to any job description or selection criteria that the corporation proposes to use;

(b) the members' panel must nominate one of their members to participate in any meeting or other discussion that is to be held by the corporation with respect to the creation of a shortlist of candidates, and in any interview of a candidate; and

(c) the corporation must supply that member with a copy of any documents that the corporation is to consider when it decides who should be included in the shortlist, or who should be appointed, and must take into account any views expressed by that member before it makes its decision.

Consultation of members and employers

6.

(1) The Trustee must make and maintain such arrangements as the Trustee considers expedient for consulting members of the Scheme and participating employers about the operation, development or amendment of the Scheme.

(2) Those arrangements must include the establishment and maintenance of –

(a) a panel to represent members of the Scheme (the members' panel); and

(b) a panel to represent participating employers (the employers' panel).

Research

6A.

The Trustee must, from time to time, carry out research about the administration and management of the Scheme, as the Trustee considers expedient, on –

(a) members of the Scheme;

(b) participating employers; and

(c) any representatives of members of the Scheme and participating employers,

in connection with the operation, development or amendment of the Scheme.

Establishment of the panels

7.

The Trustee must take all reasonable steps to establish the panels as soon as practicable and, in any event, within 12 months after the first day on which a contribution is made to the Scheme by, or on behalf or in respect of, a member of the Scheme.

Composition and functions of the panels

8.

(1) The Trustee must make provision in relation to –

(a) the composition of the panels;

(b) the selection, appointment and removal of their members; and

(c) the functions of the panels.

(2) Such provision must –

(a) ensure that, in relation to each panel, the minimum number of members of the panel is 9 and the maximum number is 15;

(b) ensure that the members' panel cannot be comprised entirely of individuals who are not members of the Scheme;

(c) ensure that the employers' panel cannot be comprised entirely of individuals who are not a participating employer or connected with such an employer;

(d) provide for the functions of the employers' panel to include –

(i) without prejudice to the generality of paragraph (ii), providing comments to the Trustee where the employers' panel is consulted by the Trustee on the preparation or revision of a statement of investment principles; and

(ii) giving any assistance or advice that the Trustee may require or that the panel may consider expedient, in connection with the operation, development or amendment of the Scheme.

(e) provide for the functions of the members' panel to include –

(i) in relation to each financial year, making a report on the extent to which the Trustee has taken into account the views of members of the Scheme and the views of the members' panel (with respect to views which the panel is able to express pursuant to its functions), when the Trustee makes decisions about the operation, development or amendment of the Scheme;

(ii) participating in the process for the appointment of an individual as a member or chair of the corporation, as set out in article 5;

(iii) without prejudice to the generality of paragraph (iv), providing comments to the Trustee where the panel is consulted by it on the preparation or revision of a statement of investment principles; and

(iv) giving any assistance or advice which the Trustee may require or which the panel may consider expedient, in connection with the operation, development or amendment of the Scheme.

(3) In relation to the report referred to in paragraph (2)(e)(i) –

(a) the Trustee must make provision for the members' panel to send a copy of it to the Secretary of State and the Trustee;

(b) the Trustee must make it available by –

(i) placing a copy of it on the internet; and

(ii) subject to sub-paragraph (c), sending a copy of it to any person who requests a copy; and

(c) where the Trustee makes a charge in connection with the sending under sub-paragraph (b)(ii) of a copy of the report, the Trustee is not obliged to send the copy until the Trustee has received payment of the charge.

(4) Where the members' panel has been established, the Trustee must, before it prepares or revises a statement of investment principles, consult that panel.

(5) In this article –

(a) **"financial year"** means the 12 months ending on 31 March in each year; and

(b) **"statement of investment principles"** –

(i) in Great Britain, has the same meaning as in section 35 of the Pensions Act 1995; and

(ii) in Northern Ireland, has the same meaning as in Article 35 of the Pensions (Northern Ireland) Order 1995.

Payments to members of the panels

9.

(1) The Trustee may make provision for reasonable payments to be made to members of the panels.

(2) Any payments made under paragraph (1) shall be regarded as part of the general costs of administration and management of the Scheme for the purposes of article 27.

Part 3

Functions of the Trustee

Disclosure of requested data to the Secretary of State

10.

(1) This article applies where the Secretary of State (S) requests the disclosure of information held by the Trustee (**"requested information"**) which are –

(a) not personal data; and

(b) in any event, anonymised.

(2) The Trustee must disclose requested information to S if the information is necessary for S or the Trustee –

(a) to comply with any –

(i) legal obligation (in particular the duty of S to establish a pension scheme, contained in section 67 of the Act); or

(ii) requirement to notify or otherwise inform another person,

which, if S did not receive that information, would result in a breach of that obligation or requirement; or

(b) to comply with any request made by a person appointed by S under section 74 of the Act to review any of the matters listed in subsection (1) of that section.

(3) The Trustee must disclose requested information to S for the purpose of the matters listed in paragraph (5) where the Trustee considers that to comply with S's request would not involve disproportionate cost, time or effort.

(4) Where the Trustee –

(a) considers that to comply with S's request would involve disproportionate cost, time or effort; and

(b) gives to S its reasons for considering that this is the case, it need disclose to S only so much of the requested information as is agreed with S.

(5) The matters are –

(a) the assessment by S of the performance, administration or management of the Scheme; or

(b) the use by S for functions relating to private pensions policy or retirement planning.

(6) In this article, **"private pensions policy"** has the same meaning as in paragraph 4 of Schedule 10 to the Pensions Act 2004 and **"retirement planning"** has the same meaning as in paragraph 2 of that Schedule.

Disclosure of relevant personal data to the Secretary of State

11.

(1) This article applies where the Trustee is requested by the Secretary of State (S) to obtain the consent of one or more –

(a) members of the Scheme; or

(b) participating employers,

in order that those members or participating employers may be contacted by S for the purpose of research.

(2) The Trustee may contact any number of members or participating employers to obtain their consent, as the Trustee sees fit to comply with the request of S.

(3) Where –

(a) consent is given, the Trustee may then disclose relevant personal data to S; or

(b) consent is not given, the Trustee must not disclose any relevant personal data to S.

(4) Where paragraph (3)(a) applies –

(a) the Trustee must only disclose relevant personal data to S after satisfying itself that there is a secure means of disclosing them, agreed with S;

(b) S may contact the person from whom the consent was obtained; and

(c) S must state to that person S's specified and lawful purposes related to research.

(5) In this article, **"relevant personal data"** means personal data which enable S to contact a member of the Scheme or a participating employer of a member of the Scheme, and may include a person's –

(a) email address;

(b) address; or

(c) telephone number.

Disclosure: references to the Secretary of State

12.

1) In articles 10 and 11, references to the Secretary of State apply equally to –

(a) a person providing services to, or on behalf of, the Secretary of State or the Northern Ireland Department; or

(b) the Northern Ireland Department.

2) In this article, **"the Northern Ireland Department"** means the Department for Social Development in Northern Ireland.

Protection

13.

(1) Subject to paragraph (3), the Trustee and the members and staff of the corporation shall not be liable for any act or omission in connection with the administration or management of the Scheme except –

(a) an act or omission which amounts to a breach of trust and arises from its or their own wilful act or omission, fraud or dishonesty; or

(b) where the liability is a liability that cannot be excluded or restricted, by virtue of –

(i) in Great Britain, section 33 of the Pensions Act 1995; or

(ii) in Northern Ireland, Article 33 of the Pensions (Northern Ireland) Order 1995.

(2) Without prejudice to the generality of paragraph (1), the reference in paragraph (1) to liability for any act or omission in connection with the administration or management of the Scheme includes a reference to liability for any loss, however caused, occasioned to a member of the Scheme by –

(a) the arrangement by the Trustee of investment funds under article 29(2); or

(b) the member's choice to direct assets of the Scheme attributable to their pension account to any particular investment fund.

(3) In so far as paragraph (1) would exclude liability for the acts or defaults of a fund manager in the exercise of a discretion delegated to such a person under –

(a) in Great Britain, section 34(5)(b) of the Pensions Act 1995; or

(b) in Northern Ireland, Article 34(5)(b) of the Pensions (Northern Ireland) Order 1995, liability for such acts or defaults is only excluded provided that the steps set out in the provision specified in paragraph (4) have been taken by the Trustee.

(4) The specified provision is –

(a) in Great Britain, section 34(6) of the Pensions Act 1995; and

(b) in Northern Ireland, Article 34(6) of the Pensions (Northern Ireland) Order 1995.

(5) The Trustee may in accordance with paragraph (7) indemnify itself or the members or staff of the corporation against any losses, costs and damages it or they may incur in connection with the administration or management of the Scheme except for losses, costs or damages arising from –

(a) an act or omission which amounts to a breach of trust and arises from its or their own wilful act or omission, fraud or dishonesty;

(b) a liability which cannot be excluded or restricted, by virtue of –

(i) in Great Britain, section 33 of the Pensions Act 1995; or

(ii) in Northern Ireland, Article 33 of the Pensions (Northern Ireland) Order 1995; or

(c) a liability to pay a fine or penalty –

(i) in Great Britain, as described in section 256(1) of the Pensions Act 2004; or

(ii) in Northern Ireland, as described in Article 233(1) of the Pensions (Northern Ireland) Order 2005.

(6) The Trustee may insure –

(a) the Scheme against any loss caused by itself, the members or staff of the corporation, or its agents; or

(b) itself, the members or staff of the corporation against any losses, costs or damages arising from a liability in connection with the administration or management of the Scheme except for a liability –

(i) which arises from an act or omission which amounts to a breach of trust and arises from its or their own wilful act or omission, fraud or dishonesty;

(ii) that cannot be excluded or restricted, by virtue of section 33 of the Pensions Act 1995 (in relation to Great Britain) or Article 33 of the Pensions (Northern Ireland) Order 1995 (in relation to Northern Ireland); or

(iii) to pay a fine or penalty as described in section 256(1) of the Pensions Act 2004 (in relation to Great Britain) or Article 233(1) of the Pensions (Northern Ireland) Order 2005 (in relation to Northern Ireland).

(7) Where the Trustee decides to indemnify itself, or the members or staff of the corporation, under paragraph (5), the losses, costs or damages in question shall be regarded for the purposes of article 27 as part of the general costs of administration and management of the Scheme.

(8) Where the Trustee decides to take out insurance under paragraph (6), the costs of taking out the insurance shall be regarded, for the purposes of article 27, as part of the general costs of administration and management of the Scheme.

Steps for increasing awareness of the Scheme

14.

The Trustee may take such steps as it considers appropriate for increasing awareness and understanding of the Scheme in order that employers and individuals who may be admitted as members of the Scheme may assess whether they wish to use the Scheme.

Power to make rules

15.

The Trustee may make rules and may revoke, amend or re-enact any rules made by it or the Secretary of State.

Application of the Trustee Act 2000

16.

The Trustee Act 2000 applies as if this Order and any rules were a trust instrument.

Information about the Scheme

17.

(1) The Trustee must as soon as possible following the preparation of any of the documents specified in paragraph (2), make the document available by placing a copy of it on the internet.

(2) The specified documents are –

(a) a document of the kind referred to –

(i) in Great Britain, in regulation 6(1) of the Occupational Pension Schemes (Disclosure of Information) Regulations 1996; or

(ii) in Northern Ireland, in regulation 6(1) of the Occupational Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1997;

(b) the annual report of the corporation sent to the Secretary of State under paragraph 17 of Schedule 1 to the Act; and

(c) the annual statement of accounts of the corporation prepared under paragraph 20 of Schedule 1 to the Act.

Part 4

Scheme membership and employer participation

Duty to admit employers

18.

(1) Subject to paragraph (2), the Trustee must admit to participation in the Scheme, on condition that the employer agrees to employer terms and conditions –

(a) an employer of a jobholder that wishes to comply with its duty in relation to the jobholder under –

(i) in relation to Great Britain, section 3(2), 5(2) or 7(3) of the Act; or

(ii) in relation to Northern Ireland, section 3(2), 5(2) or 7(3) of the NI Act, by arranging for the jobholder to become a member of the Scheme or by making arrangements in relation to the jobholder as referred to in article 19(6A);

(b) an employer of a jobholder that wishes to arrange for the jobholder to become a member of the Scheme or to make arrangements in relation to the jobholder as referred to in article 19(6A), for the purposes of –

(i) in relation to Great Britain, section 2(3) of the Act (in connection with the duty under section 2(1) of the Act); or

(ii) in relation to Northern Ireland, section 2(3) of the NI Act (in connection with the duty under section 2(1) of the NI Act); and

(c) an employer of a worker that wishes to comply with its duty in relation to the worker under –

(i) in relation to Great Britain, section 9(2) of the Act; or

(ii) in relation to Northern Ireland, section 9(2) of the NI Act, by arranging for the worker to become a member of the Scheme or by making arrangements in relation to the worker as referred to in article 19(6A).

(2) Where paragraph (1)(a), (b) or (c) applies and the relevant duty arises by virtue of the employer satisfying the conditions in regulation 3(3) and (4) of the Employers' Duties (Implementation) Regulations 2010 (or, in Northern Ireland, the conditions in regulation 3(3) or (4) of the Employers' Duties (Implementation) Regulations (Northern Ireland) 2010), then paragraph (1) applies as if –

(a) for **"must admit"** there were substituted **"may admit"**; and

(b) **"on condition that the employer agrees to employer terms and conditions"** were omitted.

(3) Where –

(a) in relation to Great Britain, sections 2 to 9 of the Act; or

(b) in relation to Northern Ireland, sections 2 to 9 of the NI Act,

do not yet apply in relation to an employer, the Trustee may admit the employer to participation in the Scheme in the circumstances specified in paragraph (4).

(3A) Where an employer wishes to arrange for a worker to become a member of the Scheme other than in accordance with –

(a) in relation to Great Britain, section 2 to 9 of the Act; or

(b) in relation to Northern Ireland, sections 2 to 9 of the NI Act,

the Trustee may admit the employer to participation in the Scheme in the circumstances specified in paragraph (4).

(4) The specified circumstances are where –

(a) the employer is an employer of a worker who –

(i) works or ordinarily works in the United Kingdom under the worker's contract; and

(ii) is aged at least 16 and under 75; and

(b) the employer wishes to arrange for the worker to become a member of the Scheme or wishes to make arrangements in relation to the worker as referred to in article 19(6A).

(5) Where an employer is admitted to participation in the Scheme under this article, it is admitted with respect to any jobholder or worker of the employer who may at any time be admitted as a member of the Scheme, or with respect to whom arrangements may at any time be made as referred to in article 19(6A).

(5A) A participating employer may, by giving notice to the Trustee, terminate its participation in the Scheme in accordance with rules.

(6) In this article, **"employer terms and conditions"** means terms and conditions, provided for by rules, for admittance of employers to participation in the Scheme.

Admittance of members

19.

(1) Subject to paragraph (6), the Trustee must admit as a member of the Scheme –

(a) a jobholder employed by a participating employer, where the employer wishes to comply with its duty in relation to the jobholder under –

(i) in relation to Great Britain, section 3(2), 5(2) or 7(3) of the Act; or

(ii) in relation to Northern Ireland, section 3(2), 5(2) or 7(3) of the NI Act, by arranging for the jobholder to become a member of the Scheme;

(b) a jobholder employed by a participating employer, where the employer wishes to make arrangements for the jobholder to become a member of the Scheme for the purposes of –

(i) in relation to Great Britain, section 2(3) of the Act (in connection with the duty in section 2(1) of the Act); or

(ii) in relation to Northern Ireland, section 2(3) of the NI Act (in connection with the duty in section 2(1) of the NI Act); and

(c) a worker employed by a participating employer, where the employer wishes to comply with its duty in relation to the worker under –

(i) in relation to Great Britain, section 9(2) of the Act;

(ii) in relation to Northern Ireland, section 9(2) of the NI Act,

by arranging for the worker to become a member of the Scheme.

(2) Subject to paragraph (6), where –

(a) in relation to Great Britain, sections 2 to 9 of the Act; or

(b) in relation to Northern Ireland, sections 2 to 9 of the NI Act,

do not yet apply in relation to a participating employer, the Trustee may admit as a member of the Scheme a worker employed by the employer in the circumstances specified in paragraph (3).

(2A) Subject to paragraph (6), where an employer wishes to arrange for a worker to become a member of the Scheme other than in accordance with –

(a) in relation to Great Britain, sections 2 to 9 of the Act; or

(b) in relation to Northern Ireland, section 2 to 9 of the NI Act,

the Trustee may admit as a member of the Scheme a worker employed by the employer in the circumstances specified in paragraph (3).

(3) The specified circumstances are where –

(a) the worker is a worker who –

(i) is working or ordinarily works in the United Kingdom under the worker's contract; and

(ii) is aged at least 16 and under 75; and

(b) the employer and the worker wish the worker to become a member of the Scheme.

(4) Subject to paragraph (6), the Trustee must admit as a member a person who wishes to join the Scheme and who is –

(a) a self-employed person aged at least 16 and under 75, who is working or ordinarily works in the United Kingdom and who is not a qualifying self-employed person;

(b) a single person director aged at least 16 and under 75, who is working or ordinarily works in the United Kingdom and who is not a qualifying person; or

(c) a person entitled to a pension credit as referred to in article 31(1)(a)(i).

(4A) Subject to paragraph (6), the Trustee may admit as a member of the Scheme a person if –

(a) the conditions set out –

(i) in relation to Great Britain, in paragraphs (2) and (3) of regulation 12 of the Preservation Regulations (transfer of member's accrued rights without consent); or

(ii) in relation to Northern Ireland, in paragraphs (2) and (3) of regulation 12 of the NI Preservation Regulations (transfer of member's accrued rights without consent),

are satisfied in relation to that person; and

(b) the employer referred to –

(i) in relation to Great Britain, in regulation 12(2) of the Preservation Regulations as the employer of persons to which the receiving scheme relates; or

(ii) in relation to Northern Ireland, in regulation 12(2) of the NI Preservation Regulations as the employer of persons to which the receiving scheme relates,

is a participating employer and is making contributions to the Scheme in respect of or on behalf of a jobholder.

(4B) Subject to paragraph (6), the Trustee may admit as a member of the Scheme a person if –

(a) in relation to Great Britain, a scheme provides for a transfer of accrued rights in accordance with section 73(2)(a) of the Pension Schemes Act 1993; or

(b) in relation to Northern Ireland, a scheme provides for a transfer of accrued rights in accordance with section 69(2) (a) of the Pension Schemes (Northern Ireland) Act 1993

in relation to that person, and the employer of persons to which the receiving scheme relates is a participating employer and is making contributions to the Scheme in respect of or on behalf of a jobholder.

(5) In this article –

(a) a person is self-employed if the person is in employment but is not employed (in relation to that employment) by someone else;

(b) in sub-paragraph (a), **"employment"** includes any trade, business, profession, office or vocation;

(c) a **"single person director"** means a person who is –

(i) a director of a company; and

(ii) employed by the company under a contract of employment, where the company does not employ any other persons under a contract of employment;

(d) in sub-paragraph (c), a company includes any body corporate.

(6) Where a person has already been admitted as a member of the Scheme under this article, the Trustee must not admit the person afresh but instead must comply with paragraph (6A).

(6A) Where paragraph (6) applies, the Trustee must make arrangements for any amount received by the Trustee from, or in respect or on behalf of, the member in relation to the new employment or a new instance described in paragraph (4) or (4A) to be applied to the member's pension account.

Transitory provision

20.

Article 19(4) shall apply as if –

(b) for **"the Trustee must"** there were substituted **"the Trustee may"**.

Members' accounts

21.

(1) When a person is admitted as a member of the Scheme, the Trustee must allocate a member's pension account to that person.

(2) Subject to paragraphs (2A) and (3), the Trustee must accept all contributions made by –

(a) a member of the Scheme;

(b) a participating employer of a member of the Scheme, on behalf or in respect of the member, where the member is working or ordinarily works in the United Kingdom; or

(c) any other person in respect of the member.

(2A) The Trustee may refuse to accept contributions which relate to the employment of a member of the Scheme in which the member is –

(a) a qualifying person; or

(b) a qualifying self-employed person.

(3) The Trustee may determine –

(a) the form in which or the method by which the contributions referred to in paragraph (2) are to be made; or

(b) subject to paragraphs (4) and (5), that, in such cases as are determined by the Trustee, the Trustee may on any occasion refuse to accept a contribution from any of the persons specified in paragraph (2) where the contribution is below such amount as the Trustee determines.

(4) The Trustee must ensure that any determination that it makes under paragraph (3)(b) does not prevent the Scheme from satisfying the quality requirement.

(5) Where the Trustee makes a determination under paragraph (3)(b), it must have regard to the cost of administering contributions.

(6) Any amount received by the Trustee from, or in respect of or on behalf of, a member in relation to –

(a) the member's employment, or

(b) an instance described in article 19(4), (4A) or (4B),

must be applied to the relevant member's pension account.

(7) Subject to paragraph (8), in the cases specified in paragraph (9) the Trustee may provide a refund of contributions from a member's pension account –

(a) to the member, where the contributions were made by the member;

(b) to a participating employer of the member, where the contributions were made by the employer on behalf of or in respect of the member; or

(c) to the person who made the contributions, where the contributions have been made in respect of the member by a person other than the member or a participating employer.

(8) In the case specified in paragraph (9)(a), the Trustee must provide a refund of contributions –

(a) where the contributions were made by a participating employer in respect of or on behalf of the member, to the participating employer with respect to which the notice was given;

(b) where the member has made contributions to the Scheme on the member's own behalf, to the member; or

(c) where the contributions have been made by a person other than the member or a participating employer, to the person who made the contributions.

(9) The specified cases are where –

(a) the member has given notice under –

(i) in Great Britain, section 8 of the Act; or

(ii) in Northern Ireland, section 8 of the NI Act;

(b) the Trustee determines that the contributions have been paid in error; or

(c) the Trustee otherwise determines that a refund is appropriate in all the circumstances.

Removal of members

21A The Trustee may remove a member from the Scheme if –

(a) the amount in the member's pension account is zero;

(b) the period for which sub-paragraph (a) applies has been at least twelve months, starting with the date on which the member was admitted to the Scheme;

(c) once the period in sub-paragraph (b) has expired, the Trustee has notified the member in writing of the proposal to close the member's pension account; and

(d) the member has not complied with the requirements in the notice given under sub-paragraph (c), as provided for in the rules.

Part 5

The Scheme Fund

Deductions from members' accounts

27.

(1) The Trustee must make deductions from members' pension accounts to contribute to the general costs of the setting up, administration and management of the Scheme.

(2) The Secretary of State must determine the method of calculating how to make deductions during an initial period and for how long that initial period applies.

(3) After the initial period, the Trustee may determine subsequent methods of calculating how to make deductions.

(4) The Trustee must determine the level of deductions to be made from members' pension accounts, using the method of calculation determined by the Secretary of State or the Trustee thereafter.

(5) Subject to paragraph (6), the Trustee must set the deductions at a level that –

(a) meets the general costs of the setting up, administration and management of the Scheme; and

(b) allows it to maintain such reserve as it reasonably considers is needed in order to ensure that the Trustee is able to meet its costs where there are unexpected changes in income to, or costs payable by, the Scheme.

(6) In determining the level, the Trustee must have regard to any other sources of income to, and costs payable from, the Scheme.

(7) The Trustee may make further deductions from members' pension accounts to meet the costs of providing a service with respect to members' pension accounts in a particular case or class of case.

(8) In determining a method of calculating how to make deductions, determining the level of deductions under paragraph (4) and making deductions under paragraph (7), the Secretary of State or the Trustee, as the case may be, must ensure that –

(a) deductions will be applied on a consistent basis between members' pension accounts; and

(b) a pension account of a member of the Scheme (A) will not be subject to a different level or amount of deduction to another member's pension account solely on the basis of –

(i) where A is a worker, the number of persons who are or may in the future become members of the Scheme and workers in relation to A's employer;

(ii) the amount of time during which contributions may be made by, or on behalf or in respect of, A;

(ii) where A is a worker, the amount of time during which contributions may be made by, or on behalf or in respect of, other persons who are or may in the future become members of the Scheme and workers in relation to A's employer;

(iv) the income that is, or may in the future be, earned by A; or

(v) where A is a worker, the income that is or may be earned by other persons, as referred to in paragraph (9),

or solely on the basis of more than one of paragraphs (i) to (v) above, in any combination.

(9) The income referred to is income that –

(a) is, or may in the future be, earned by other members of the Scheme who are workers in relation to A's employer; or

(b) may in the future be earned by other persons who may become members of the Scheme and workers in relation to A's employer,

(10) Where the Secretary of State –

(a) has given financial assistance in the form of a loan to the Trustee pursuant to paragraph 18 of Schedule 1 to the Act for the purposes of setting up, administering and managing the Scheme and such assistance is still ongoing; and

(b) is of the opinion that the level of deductions under paragraph (4) is, or the deductions under paragraph (7) are, unreasonably high in the circumstances, having regard in particular to the principle that the cost of participation in the Scheme to members should be minimised,

the Secretary of State may determine an upper limit to the level of deductions under paragraph (4) or deductions under paragraph (7) that may be made from members' pension accounts.

(11) Where the Secretary of State –

(a) has given financial assistance in the form of a loan to the Trustee pursuant to paragraph 18 of Schedule 1 to the Act for the purposes of setting up, administering and managing the scheme and such assistance is still ongoing; and

(b) is of the opinion that the trustee is in breach of any condition of the loan,

the Secretary of State may determine a lower limit to the level of deductions under paragraph (4) or deductions under paragraph (7) that may be made from members' pension accounts.

(12) Where the Secretary of State determines an upper limit, the Trustee may not exceed that limit in the level of deductions it determines or the deductions which it makes.

(13) Where the Secretary of State determines a lower limit, the Trustee must determine a level of deductions, or make deductions, at or above that limit.

(14) Where the Secretary of State determines an upper or lower limit –

(a) the Secretary of State may make a further determination removing that limit; and

(b) on the date any financial assistance given or ongoing for the purposes of paragraphs (10) and (11) is repaid to the Secretary of State, such a further determination shall be deemed to have been made removing that limit.

(15) The Trustee must consult with the members' panel before –

(a) determining subsequent methods of calculating how to make deductions, as referred to in paragraph (3); or

(b) making changes to the level of deductions from members' pension accounts under paragraph (4) or to deductions under paragraph (7).

(16) The Trustee must make available the information specified in paragraph (17) by placing it on the internet.

(17) The specified information is information about –

(a) the method of calculating how to make deductions, determined under paragraph (2), and any subsequent method of calculating how to make deductions, determined under paragraph (3); and

(b) the level of deductions determined under paragraph (4) and any deductions made or to be made under paragraph (7), as they have effect from time to time.

Power to invest the Scheme's assets

28.

(1) The Trustee has the power to invest all the assets of the Scheme.

(2) Subject to paragraph (3), for the purposes of this power, the assets of the Scheme include –

(a) contributions as referred to in article 21(2);

(b) any other monies received by the Trustee, including under article 31; and

(c) returns from any investments of assets referred to in sub-paragraph (a) or (b).

(3) For the purposes of this power, the assets of the Scheme do not include any financial assistance given to the Trustee pursuant to paragraph 18 of Schedule 1 to the Act.

(4) Without prejudice to the generality of the power conferred on the trustees of a trust scheme –

(a) in Great Britain, under section 34 of the Pensions Act 1995; or

(b) in Northern Ireland, under Article 34 of the Pensions (Northern Ireland) Order 1995,

the power in paragraph (1) includes power to take the action specified in paragraph (5).

(5) The specified action is to –

(a) underwrite or sub-underwrite the subscription, offer or issue of any stocks, shares or other securities or investments, as the Trustee may determine;

(b) give any warranty or indemnity the Trustee determines as appropriate in connection with the exercise of that power (or any other power conferred on it by law), to any person;

(c) participate in stock lending arrangements within the meaning of section 263B of the Taxation of Chargeable Gains Act 1992; and

(d) invest in derivative instruments –

(i) in Great Britain, as defined by regulation 4(11) of the Occupational Pension Schemes (Investment) Regulations 2005; or

(ii) in Northern Ireland, as defined by regulation 4(11) of the Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 2005.

Investment and default investment funds

29.

(1) The Trustee may establish any number of notional funds, by reference to such investment principles and criteria as the Trustee determines (**"investment funds"**).

(2) Subject to the following paragraphs, investment funds may be arranged by the Trustee in such number, combination or type as the Trustee determines.

(3) From time to time, the Trustee may make different arrangements (including closing, withdrawing or terminating the availability of any investment funds).

(4) The Trustee must, subject to the provisions in the following paragraphs, direct assets of the Scheme to at least one investment fund.

(5) Where a member of the Scheme does not express a choice as to where assets of the Scheme attributable to their pension account are to be directed, the investment funds to which those assets of the Scheme are directed shall be known as default investment funds.

(6) Any assets of the Scheme which the Trustee has the power to invest are to be invested by the Trustee in at least one default investment fund, except where –

(a) the member of the Scheme expresses a choice that assets of the Scheme attributable to their pension account be directed to an investment fund other than a default investment fund, in which case paragraph (7) applies;

(b) contributions are made to the member's pension account during the period prescribed in regulations –

(i) in Great Britain, made by virtue of section 8(5)(b) of the Act; or

(ii) in Northern Ireland, made by virtue of section 8(5)(b) of the NI Act;

(c) assets of the Scheme are not attributable to a member's pension account; or

(d) the Trustee decides to invest the assets of the Scheme in cash or on deposit in circumstances where liquid reserves are required for the purposes of the Scheme,

and where sub-paragraph (b), (c) or (d) applies, assets of the Scheme are to be invested as the Trustee determines.

(7) Where a member of the Scheme expresses a choice as to where assets of the Scheme attributable to their pension account are to be directed –

(a) the Trustee may determine –

(i) the form in, and method by, which a member expresses that choice;

(ii) any limits on the number of occasions on which a member may express that choice; and

(iii) the number of investment funds to which assets of the Scheme may be directed, having regard to the value of the assets of the Scheme attributable to a member's pension account; and

(b) subject to the member's choice complying with any determination made by the Trustee for the purposes of sub-paragraph (a), the Trustee must accept that choice unless the Trustee is of the opinion that in doing so it would breach any of its legal obligations, including those imposed –

(i) in Great Britain, by regulation 4 of the Occupational Pension Schemes (Investment) Regulations 2005; or

(ii) in Northern Ireland, by regulation 4 of the Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 2005.

Pension sharing

31.

(1) Where a pension credit derives –

(a) from the Scheme, the Trustee may –

(i) confer appropriate rights on the person entitled to the pension credit; or

(ii) pay the amount of the credit to the person responsible for a qualifying arrangement with a view to acquiring rights under that arrangement for the person entitled to the credit, in accordance with paragraph 1(3) of Schedule 5 to the 1999 Act (in Great Britain) or to the 1999 Order (in Northern Ireland); or

(b) from another scheme, the Trustee may accept a payment of the amount of the pension credit by the trustees or managers of the scheme from which the pension credit derives, provided that the person to whom that pension credit relates is already a member of the Scheme.

(2) In this article, **"appropriate rights"** has the same meaning –

(a) in Great Britain, as in paragraph 5 of Schedule 5 to the 1999 Act; or

(b) in Northern Ireland, as in paragraph 5 of Schedule 5 to the 1999 Order.

Payment of benefits by the Trustee

32.

(1) Without prejudice to article 31, the Trustee may, in the circumstances set out in rules, use a member's pension account in order to provide one or more of the benefits described in paragraph (2) (and only those benefits).

(2) The benefits are –

(a) where a member is alive –

(i) the payment to the member of a lump sum;

(ii) the payment to the member of a scheme pension;

(iii) the purchase of a lifetime annuity policy in the name of the member;

(iv) the payment to the member of a drawdown pension.

(b) where a member has died –

(i) the payment of a lump sum to a person nominated by the member or to the personal representatives of that member;

(ii) the payment of a lump sum to any one or more persons to be determined by the Trustee in accordance with rules;

(iii) the payment of a charity lump sum death benefit;

(iv) the purchase of a dependants' annuity;

(v) the payment of a dependants' scheme pension;

(vi) the payment of a drawdown pension to a dependant of the member, a nominee of the member, or a successor of the member.

(4) In this article –

"charity lump sum death benefit" has the same meaning as in paragraph 18 of Schedule 29 to the Finance Act 2004;

"dependants' annuity" has the same meaning as in paragraph 17 of Schedule 28 to the Finance Act 2004;

"dependant of the member" has the same meaning as in paragraph 15 of Schedule 28 to the Finance Act 2004;

"dependants' scheme pension" has the same meaning as in paragraph 16 of Schedule 28 to the Finance Act 2004;

"drawdown pension" has the same meaning as in paragraph 4 of Schedule 28 to the Finance Act 2004;

"lifetime annuity" has the same meaning as in paragraph 3 of Schedule 28 to the Finance Act 2004;

"nominee of the member" has the same meaning as in paragraph 27A of Schedule 28 to the Finance Act 2004;

"scheme pension" has the same meaning as in paragraph 2 of Schedule 28 to the Finance Act 2004;

"successor of the member" has the same meaning as in paragraph 27F of Schedule 28 to the Finance Act 2004.

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Explanatory note to the original National Employment Savings Trust order 2010 (SI 2010/917)

(This note is not part of the Order)

This Order establishes a pension scheme known as the National Employment Savings Trust (**"the Scheme"**) and makes provision for its administration and management and incidental matters.

Article 3 establishes the Scheme and provides for its purpose.

Article 4 appoints the National Employment Savings Trust Corporation (**"the Corporation"**) as trustee of the Scheme (**"the Trustee"**).

Article 5 provides for the involvement of the members' panel (that is to be established by arrangements under article 6) in the appointment of a member or chair of the Corporation.

Article 6 requires the Trustee to make arrangements for consulting members of the Scheme and employers admitted to participation in the Scheme (**"participating employers"**) about the operation, development or amendment of the Scheme including the establishment and maintenance of a panel to represent members of the Scheme (**"members' panel"**) and a panel to represent participating employers.

Article 7 provides for the timing for the establishment of the panels.

Article 8 requires the Trustee to make provision in relation to the composition, appointment and functions of the panels. It provides that the functions of the panels are to include providing comments to the Trustee on any statement of investment principles and that the functions of the members' panel are to include making an annual report on the extent to which the Trustee has taken into account the views of members of the Scheme.

Article 9 provides for reasonable payments to be made to members of the panels.

Articles 10 to 12 provide for the disclosure of data by the Trustee to the Secretary of State in specified circumstances.

Article 13 provides for the exclusion of the liability of the Trustee, and its members and staff, for certain acts and omissions in connection with the administration and management of the Scheme and enables the Trustee to indemnify or insure itself, or its members or staff, against certain losses, costs or damages connected with the administration or management of the Scheme.

Article 14 enables the Trustee to take such steps as it considers appropriate for increasing awareness and understanding of the Scheme.

Article 15 enables the Trustee to make rules under section 67 of the Pensions Act 2008 (c.30) (**"the 2008 Act"**).

Article 16 provides that the Trustee Act 2000 (c.29) applies as if the Order and any rules made under section 67 of the 2008 Act were a trust instrument.

Article 17 requires the Trustee to place on the internet a copy of the annual report and accounts for the Scheme and associated documents.

Article 18 provides for the circumstances in which an employer may be admitted to participation in the Scheme including where an employer wishes to use the Scheme in order to comply with a duty on it under sections 2 to 9 of the 2008 Act (in Great Britain) or sections 2 to 9 of the Pensions (No. 2) Act (Northern Ireland) 2008 (c.13 (N.I.)) (in Northern Ireland) (**"the NI Act"**) to enrol one of its employees in a pension scheme.

Articles 19 and 20 provide for the circumstances in which a person may be admitted as a member of the Scheme, including where that person is an employee who must, under sections 2 to 9 of the 2008 Act (in Great Britain) or sections 2 to 9 of the NI Act (in Northern Ireland), be enrolled in a pension scheme by their employer and where that person is a self-employed person, a single person director or a person entitled to a pension credit.

Article 21 provides for the allocation of a pension account to a person who is admitted as a member of the Scheme, for contributions to be applied to the member's pension account and for refunds of contributions to be made in specified circumstances.

Article 22 provides for an annual contribution limit for contributions made in each tax year by, or on behalf or in respect of, a member of the Scheme. It also provides for the adjustment of that limit in accordance with changes in the average earnings index.

Article 23 provides for the contributions that are to count, and those that are not to count, towards the annual contribution limit in article 22.

Article 24 provides for the circumstances in which contributions that are made in a tax year in excess of the annual contribution limit may be refunded to a member of the Scheme, a participating employer or a person other than a participating employer.

Article 25 provides that all contributions counting towards the annual contribution limit are to be treated as made to the Scheme when they are received by the Trustee.

Article 26 provides for the circumstances in which, where a member of the Scheme is in multiple employment, the Trustee may accept contributions that are in excess of the annual contribution limit and may refund such contributions to a participating employer or a member of the Scheme.

Article 27 provides for the Trustee to make deductions from members' pension accounts to cover the general costs of the setting up, administration and management of the Scheme and the costs of providing a service with respect to members' accounts in a particular case or class of case. It provides for the Secretary of State to be able, in certain circumstances, to determine upper or lower limits to the level or amount of deductions that the Trustee may make, for the Trustee to consult the members' panel over the method of calculating, or the level or amount of, deductions and to make available information in relation to deductions.

Article 28 provides that the Trustee has the power to invest the assets of the Scheme, including the power to take certain specified actions by way of investment.

Article 29 provides for the Trustee to establish investment funds. It also makes provision for what the Trustee may and must do where a member of the Scheme expresses a choice as to where assets of the Scheme are to be directed.

Article 30 provides that the Trustee may accept a cash transfer sum in relation to a member of the Scheme. Such a sum represents the cash equivalent of that person's benefits from another scheme at the date on which a person's pensionable service in relation to the other scheme terminates.

Article 31 allows the Trustee to confer appropriate rights on a person entitled to a pension credit, where the credit derives from the Scheme, and to pay the amount of the credit to a person responsible for a qualifying arrangement. It also allows the Trustee to accept a payment of a pension credit from the trustees or managers of another pension scheme, where the credit relates to a member of the Scheme.

Article 32 provides for the benefits that the Trustee may provide using a member's pension account.

An assessment of the impact on business, charities and the voluntary sector of the provision made by this Order is included in the Impact Assessment relating to the legislation made under Part 1 of the Pensions Act 2008 (c.30) as a whole. A copy of this assessment has been placed in the libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Work and Pensions, ERSP, Level 7, Caxton House, Tothill Street, London SW1H 9NA.

The rules

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The Trustee of the National Employment Savings Trust makes the following rules, and revokes all previous rules of the National Employment Savings Trust, in exercise of the power conferred on it by article 15 of the National Employment Savings Trust Order 2010 having published a draft of the rules and invited comments on it. The rules shall come into force on 31 August 2026.

1. Definitions

In these rules (unless the context otherwise requires):

"1993 Act" means the Pension Schemes

Act 1993;

"1993 NI Act" means the Pension Schemes (Northern Ireland) Act 1993;

"1995 Act" means the Pensions Act 1995;

"1995 NI Order" means the Pensions (Northern Ireland) Order 1995;

"1999 Act" means the Welfare Reform and Pensions Act 1999;

"1999 NI Order" means the Welfare Reform and Pensions (Northern Ireland) Order 1999;

"2008 Act" means the Pensions Act 2008;

"2008 NI Act" means the Pensions (No. 2) Act (Northern Ireland) 2008;

"annual contribution limit" means the maximum amount of contributions which could be made by, on behalf of or in respect of a member to the Scheme in a tax year and which was in effect in respect of the Scheme immediately prior to 1 April 2017;

"automatic enrolment" means automatic enrolment:

(a) in relation to Great Britain, under section 3 of the 2008 Act; or

(b) in relation to Northern Ireland, under section 3 of the 2008 NI Act, where a participating employer has nominated the Scheme as the automatic enrolment scheme into which a jobholder is to be automatically enrolled;

"automatic enrolment date" has the meaning given by:

(a) in relation to Great Britain, section 3(7) of the 2008 Act; or

(b) in relation to Northern Ireland, section 3(7) of the 2008 NI Act;

"automatic enrolment scheme" has the meaning given by:

(a) in relation to Great Britain, section 17 of the 2008 Act; or

(b) in relation to Northern Ireland, section 17 of the 2008 NI Act;

"automatic re-enrolment" means automatic re-enrolment:

(a) in relation to Great Britain, under section 5 of the 2008 Act; or

(b) in relation to Northern Ireland, under section 5 of the 2008 NI Act, where a participating employer has nominated the Scheme as the automatic enrolment scheme into which a jobholder is to be automatically re-enrolled;

"automatic re-enrolment date" has the meaning given by:

(a) in relation to Great Britain, regulations made under section 5(8) of the 2008 Act; or

(b) in relation to Northern Ireland, regulations made under section 5(8) of the 2008 NI Act;

"beneficiaries" means persons (including the trustees of another existing trust) named by the deceased member in an expression of wish form, which has been completed by the member and submitted to the Trustee during the member's lifetime in accordance with rule 18.2. Such persons may include a body corporate, trust, charity, club or society but may not include any person in their capacity as the deceased member's personal representatives or the deceased member's estate;

"benefit age" means in relation to a member, the date for the time being determined in accordance with rule 16.1 as the date on which the member intends, or is deemed to intend, to take benefits from their pension account under the Scheme. There will be no benefit age in relation to the member's drawdown account;

"by notice" means circumstances whereby:

(a) a worker gives notice to the worker's employer under section 9(2) of the 2008 Act in relation to Great Britain (or under section 9(2) of the 2008 NI Act in relation to Northern Ireland); and

(b) the worker's employer wishes to comply with its duty in relation to the worker under section 9 of the 2008 Act in relation to Great Britain (or under section 9 of the 2008 NI Act in relation to Northern Ireland) by arranging for the worker to become a member;

"contribution arrangements" means, in relation to a member,

(a) arrangements by the Trustee in respect of that member under article 19(6A) of the Order; or

(b) any other arrangements by the Trustee in respect of that member whereby contributions may be made by, or on behalf or in respect of, that member in relation to an employment (not being admittance to membership under article 19(1) to (3) of the Order or arrangements under article 19(6A) of the Order);

"drawdown account" means an account maintained by the Trustee for a member comprising:

(a) the sums or assets which the member has designated as available for the payment of drawdown pension; and

(b) investment returns in relation to such sums or assets,

less any expenses and outgoings properly deducted by the Trustee from the drawdown account;

"employer" means:

(a) in relation to Great Britain, an employer for the purposes of section 88(7) of the 2008 Act; or

(b) in relation to Northern Ireland, an employer for the purposes of section 70(7) of the 2008 NI Act,

who applies to be admitted to participation in the Scheme;

"Employers' Panel" means the panel referred to in article 6(2)(b) of the Order;

"excess contributions account" means the account established and maintained by the Trustee in accordance with rule 11.6;

"ex-spouse" means a person who is entitled to a pension credit following the making of a pension sharing order. **"Ex-spouse"** shall include a former civil partner (as defined in the Civil Partnership Act 2004);

"former participating employer" means, in respect of any period, a person that was a participating employer during the period and has terminated its participation in accordance with rule 6.4 with effect from the end of the period;

"general account" means the account established and maintained by the Trustee in accordance with rule 11.4;

"HMRC" means Her Majesty's Revenue & Customs;

"incapacity" means physical or mental impairment which renders the member incapable of carrying on any occupation;

"investment funds" means the notional funds established by the Trustee under article 29(1) of the Order;

"jobholder" has the meaning given by –

(a) in relation to Great Britain, section 1(1) of the 2008 Act; or

(b) in relation to Northern Ireland, section 1(1) of the 2008 NI Act;

"joining event" means an event listed in rule 8 which applies on the first admission of a person to membership or on the making of contribution arrangements;

"lifetime annuity" has the same meaning as in paragraph 3 of Schedule 28 to the Finance Act 2004;

"lifetime annuity policy" means, in relation to a member, a policy which makes provision for the payment of a lifetime annuity to the member and which, unless the context requires otherwise, may make provision for any other authorised member payment (within the meaning of section 164 of the Finance Act 2004) which may be provided with a lifetime annuity;

"member" means a person who has been admitted as a member of the Scheme under article 19 of the Order and whose pension account has not yet been fully discharged through the provision of one or more benefits under article 32 of the Order;

"membership" means being a member;

"member's employer" means a participating employer employing the member;

"Members' Panel" means the panel referred to in article 6(2)(a) of the Order;

"minimum contributions" means contributions made to the Scheme by a participating employer, on behalf of or in respect of a member which satisfy the quality requirement for a money purchase scheme:

(a) in Great Britain, under Part 1 of the 2008 Act; or

(b) in Northern Ireland, under Part 1 of the 2008 NI Act;

"nominated beneficiary" means a person, body corporate, trust, charity, club or society nominated by the member in accordance with rule 18.1.2;

"normal minimum pension age" has the same meaning as in section 279 of the Finance Act 2004, unmodified by part 3 of Schedule 36 of the Finance Act 2004;

"opt-in" means a joining event in respect of a jobholder (**"J"**):

(a) to whom –

(i) in relation to Great Britain, section 7 of the 2008 Act applies; or

(ii) in relation to Northern Ireland, section 7 of the 2008 NI Act applies,

(b) who has by notice –

(i) in relation to Great Britain, under section 7(3) of the 2008 Act; or

(ii) in relation to Northern Ireland, under section 7(3) of the 2008 NI Act, required J's employer to make arrangements for membership of an automatic enrolment scheme; and

(c) whose employer has nominated the Scheme as the automatic enrolment scheme for the purpose of giving effect to its obligations

(i) in relation to Great Britain, under section 7 of the 2008 Act; or

(ii) in relation to Northern Ireland, under section 7 of the 2008 NI Act;

"opt-out period" means the period prescribed by regulations made:

(a) in relation to Great Britain, under section 8(5) of the 2008 Act; or

(b) in relation to Northern Ireland, under section 8(5) of the 2008 NI Act;

"Order" means The National Employment Savings Trust Order 2010 (S.I. 2010/917) which established the Scheme;

"panels" means the Members' Panel and the Employers' Panel;

"participating employer" means an employer that has been admitted to participation in the Scheme under article 18 of the Order and whose participation has not been terminated;

"pension account" means an account maintained by the Trustee for a member comprising:

(a) the member's contributions;

(b) contributions made by any participating employer;

(c) any sums transferred into the Scheme in respect of the member;

(d) investment returns; and

(e) any other amounts paid to the Trustee to be applied to the member's pension account,

less any expenses and outgoings properly deducted by the Trustee;

"pension credit" means a credit:

(a) in relation to Great Britain, under section 29 of the 1999 Act; or

(b) in relation to Northern Ireland, under Article 26 of the 1999 NI Order;

"pension credit benefits" means the benefits payable to or in respect of an ex-spouse in respect of whom a pension credit is discharged in the Scheme under rule 24.1;

"pension sharing order" means any order or provision as referred to:

(a) in relation to Great Britain, in section 28(1) of the 1999 Act; or

(b) in relation to Northern Ireland, under Article 25 of the 1999 NI Order;

"permitted maximum" has the same meaning as in paragraph 2 of Schedule 29 to the Finance Act 2004, unmodified by Part 3 of Schedule 36 of the Finance Act 2004;

"pre-duty period" means:

(a) in relation to a participating employer, the period starting on the day when rule 7.1.2 applies to that participating employer and ending on the day before the day when sections 2 to 9 of the 2008 Act (or sections 2 to 9 of the 2008 NI Act in relation to Northern Ireland) apply to that participating employer; and

(b) in relation to a member, the period starting on the day when rule 9.2 applies to that member and ending on the day before the day when sections 2 to 9 of the 2008 Act (or sections 2 to 9 of the 2008 NI Act in relation to Northern Ireland) apply to the member's employer;

"qualifying arrangement" has the same meaning:

(a) in relation to Great Britain, as in paragraph 6(1) of Schedule 5 to the 1999 Act; or

(b) in relation to Northern Ireland, as in paragraph 6(1) of Schedule 5 to the 1999 NI Order;

"qualifying recognised overseas pension scheme" means a scheme as defined in section 169 of the Finance Act 2004;

"registered medical practitioner" has the same meaning as it has for the purposes of Schedule 28 and Schedule 29 of the Finance Act 2004;

"registered pension scheme" has the same meaning as in Chapter 2 of Part 4 of the Finance Act 2004;

"relevant amount" means such amount as shall be determined by the Trustee from time to time for the purposes of the payment of death benefits under rule 18;

"rules" means rules made under section 67 of the 2008 Act;

"Scheme" means the National Employment Savings Trust established by the Order;

"scheme administrator" means the person appointed under rule 3.3;

"self-employed" means that a person is in employment but is not employed by someone else in relation to that employment;

"serious ill-health" means that the member is expected to live for less than one year;

"single person director" means a person who is:

(a) a director of a company; and

(b) employed by the company under a contract of employment,

where the company does not employ any other persons under a contract of employment. For the purposes of this definition, a company includes any body corporate;

"State Pension age" has the same meaning as **"pensionable age"**:

(a) in relation to Great Britain, for the purposes of section 126 of and Schedule 4 to the 1995 Act; or

(b) in relation to Northern Ireland, for the purposes of Article 123 of and Schedule 2 to the 1995 NI Order;

whenever there is a change to State Pension age, made by legislation, the Trustee shall determine the date it will give effect to that change, for the purpose of these rules;

"tax year" has the meaning given by:

(a) in relation to Great Britain, section 99 of the 2008 Act; or

(b) in relation to Northern Ireland, section 78 of the 2008 NI Act;

"Trustee" means the person appointed as Trustee of the Scheme;

2. Interpretation

2.1

Where terms are used in these rules which are defined in the 2008 Act or the 2008 NI Act, they shall have the same meaning in these rules as that given to them in the 2008 Act or the 2008 NI Act respectively.

2.2

These rules will be construed without reference to the introduction, the list of contents or the headings or the typeface in which they are printed, each of which is included or used for convenience only.

2.3

In these rules:

2.3.1

unless the context otherwise requires, the singular includes the plural and vice versa; and

2.3.2

references to any legislation include (where appropriate) legislation which it replaces, amends or supplements and legislation for the time being in force which replaces, amends or supplements it.

2.4

Where these rules confer a power or impose a duty it is implied, unless the contrary intention appears, that the power may be exercised, or the duty is to be performed, from time to time as occasion requires.

3. Trustee powers

3.1

The Trustee may appoint a secretary to the Scheme on such terms and conditions as it sees fit.

3.2

The Trustee may appoint such professional advisers as the Trustee determines on such terms and conditions as it sees fit.

3.3

The Trustee may appoint any person or persons to be the scheme administrator in accordance with sections 270 to 274 of the Finance Act 2004.

3.4

The Trustee may open and maintain in its name a bank account or bank accounts for the Scheme with an institution authorised under the Financial Services and Markets Act 2000 to hold monies belonging to the Scheme. The Trustee may, with the agreement of that institution, set terms for the operation of that bank account or accounts.

4. Administrative provisions

4.1

Trustee may benefit

The Trustee, and any of its members or staff, may be a member and may retain any benefit from the Scheme whether received as a result of being a member or otherwise, including any benefit resulting from the exercise of a discretion by the Trustee. No decision of the Trustee shall be invalidated or questioned on the grounds that the Trustee (or any of its members or staff) had a direct or personal interest in the subject matter of the decision.

4.2

Power to determine questions and matters of doubt

To the extent permitted by law, the Trustee may determine all questions and matters of doubt in relation to the Scheme.

4.3

Alienation

4.3.1

Subject to rules 4.3.3 and 4.3.4, an entitlement to any benefit under the Scheme and a right to any future benefit under the Scheme cannot be assigned, commuted or surrendered, cannot be charged or a lien exercised in respect of it and no set-off can be exercised in respect of it; and any act purporting to do any of such things shall have no effect and shall not be binding on the Trustee.

4.3.2

Rule 4.3.1 is without prejudice to the provisions of the rules permitting a member to decide how an amount equal to the value of the member's pension account and/or drawdown account is to be applied to provide benefits to or in respect of the member or permitting the commutation of the member's pension account and/or drawdown account.

4.3.3

Where any person has any entitlement to any benefit under the Scheme or any right to any future benefit under the Scheme and that person incurs a monetary obligation to the Scheme arising out of a criminal, negligent or fraudulent act or omission, the Trustee may impose a charge or lien on that person's entitlement or right or exercise a set-off in respect of it for the purpose of discharging that monetary obligation. This rule is subject to section 91(6) of the 1995 Act.

4.3.4

Where any person has any entitlement to any benefit under the Scheme or any right to any future benefit under the Scheme and that person incurs a monetary obligation to the Scheme arising out of a payment made in error in respect of that person, the Trustee may impose a charge or lien on that person's entitlement or right or exercise a set-off in respect of it for the purpose of discharging that monetary obligation. This rule is subject to section 91(6) of the 1995 Act.

4.4

Forfeiture

4.4.1

Subject to rules 4.4.2 and 4.4.3, an entitlement to any benefit under the Scheme and a right to any future benefit under the Scheme cannot be forfeited (and for this purpose, the forfeiting of any entitlement or right includes any manner of deprivation or suspension).

4.4.2

The Trustee may forfeit any entitlement to any benefit under the Scheme and any right to any future benefit under the Scheme in the circumstances set out in, or prescribed by regulations made under, sections 92(4) and 92(6) of the 1995 Act or section 93 of the 1995 Act and subject to the requirements of those sections.

4.4.3

If the Trustee forfeits any entitlement to any benefit under the Scheme or any right to any future benefit under the Scheme in accordance with rule 4.4.2, the Trustee may deduct from the member's pension account and/or drawdown account (as applicable) an amount equal to the value of the forfeited entitlement or right and transfer such amount to the general account, except that if the forfeiture is in the circumstances set out in section 93 of the 1995 Act and the Trustee determines under section 93(5) that an amount not exceeding the amount forfeited is to be paid to the participating employer, the Trustee shall pay the amount in question to the participating employer instead of crediting it to the general account.

4.5

Costs

In relation to the costs of the setting up, administration and management of the Scheme, the Trustee may determine:

4.5.1

which costs are the general costs of the setting up, administration and management of the Scheme for the purpose of article 27(1) of the Order;

4.5.2

which costs are the costs of providing a service with respect to members' pension accounts for the purpose of article 27(7) of the Order that are to be met by making further deductions from members' pension accounts; and

4.5.3

which costs shall be met or contributed to by charges made by the Trustee under paragraph 19 of Schedule 1 to the 2008 Act, otherwise than by way of deductions under article 27 of the Order.

4.6

Taxation and charges

4.6.1

If the Trustee or the scheme administrator is or will become accountable or liable for any tax or charge in respect of any benefit or payment which is to be paid to or in respect of a member, the Trustee or scheme administrator (as appropriate) may deduct the tax or charge from the relevant member's pension account or from the benefit or payment giving rise to the tax or charge.

4.6.2

If a member or beneficiary under the Scheme is or will become liable for any tax or charge which arises in respect of any contributions payable by or in respect of any member or in respect of any benefit or payment which is to be paid to or in respect of that member or beneficiary, that tax or charge shall be met by the member or other person on whom the liability to the tax or charge falls unless the Trustee determines that:

(a) to the extent permitted by law, that tax or charge shall be deducted from the member's pension account or from the benefit or payment giving rise to the charge; or

(b) that tax or charge shall be met in such other way as the Trustee may determine.

4.7

Relief at source

To the extent that a member is entitled

to be given relief in accordance with section 192 of the Finance Act 2004, the scheme administrator may, to the extent permitted by law:

4.7.1

make a claim to HMRC in respect of that member for any amount treated as income tax paid for the purposes of relief at source;

4.7.2

subsequently receive any amounts paid by HMRC pursuant to a claim under rule 4.7.1 and allocate it to the appropriate member's pension account;

4.7.3

act on behalf of the member in dealings with HMRC in relation to relief at source in so far as that relief relates to contributions paid or payable to the Scheme; and

4.7.4

do all such things necessary to make good the position in respect of any member who has claimed relief at source at a time when that member was not entitled to do so.

4.8

Notices etc.

Notices of any matter under the rules (including notice of a direction, request or selection) must be given to the Trustee at the time and place and in the form and manner, and with the supporting evidence (if any) as the Trustee may determine.

5. Members' and Employers' Panels

5.1

Appointment

The Trustee shall:

5.1.1

appoint to the Members' Panel such members and such other persons representing the interests of members as it considers appropriate having regard to the membership profile of the Scheme from time to time; and

5.1.2

appoint to the Employers' Panel such individuals who are, or who represent, a participating employer and such other persons representing the interests of participating employers as it considers appropriate having regard to the profile of participating employers from time to time.

5.2

Selection, appointment and removal

The Trustee shall establish such procedures for attracting, selecting, appointing and removing members of each of the panels as it sees fit.

5.3

Reporting

5.3.1

Each of the panels shall report to the Trustee periodically on the exercise of the panel's functions in such format and at such intervals as the Trustee may reasonably require, and recorded in the terms of reference to be prepared under rule 5.4 below.

5.3.2

The Trustee shall report to members on the exercise of the panels' functions in such format and at such intervals as the Trustee sees fit.

5.4

Terms of reference

5.4.1

The Trustee must secure that:

(a) terms of reference are prepared and maintained for each of the panels; and

(b) the terms of reference are reviewed at such intervals, and on such occasions, as the Trustee may reasonably determine and, if necessary, revised.

5.4.2

The terms of reference shall document:

(a) the functions of the panels; and

(b) matters relating to the administration and operation of the relevant panels consistent with their functions.

5.4.3

The Trustee may, having consulted the relevant panel, amend the terms of reference where the Trustee considers this to be necessary or desirable.

5.4.4

The terms of reference and any amendments to them from time to time shall be published in such a way as to be available to any interested person and such publication may be limited to electronic publication.

6. Employer participation

6.1

Subject to rule 6.2

6.1.1

an employer falling within article 18(1) of the Order shall be admitted to participation;

6.1.2

an employer falling within articles 18(2) and (3) of the Order may be admitted to participation with the agreement of the Trustee; and

6.1.3

any other employer falling within article 18(3A) of the Order that wishes to arrange for a worker to become a member of the Scheme, may be admitted to participation with the agreement of the Trustee.

6.2

Participation under rule 6.1 above is conditional on the employer agreeing to the following terms and conditions for admittance of employers to participation in the Scheme.

6.2.1

The employer shall at all times comply with the obligations of a participating employer set out in the Order and the rules (as amended from time to time).

6.2.2

The employer shall at all times comply with the following requirements in relation to the efficient administration of the Scheme:

(a) such requirements about the provision of information in relation to the employer and any person employed by that employer as the Trustee may determine to be necessary or desirable in order to admit that person to membership and enable the Trustee to administer the member's pension account;

(b) such requirements as the Trustee may determine to be necessary or desirable in order to obtain tax relief on members' contributions;

(c) such requirements as the Trustee may determine to be necessary or desirable in order to facilitate the use of electronic communications and the electronic processing of data consistently with the requirements of the Data Protection Act 1998;

(d) such requirements as the Trustee may determine to be necessary or desirable to facilitate payments by the employer to the Scheme and (if applicable) payments from the Scheme to the employer;

(e) such requirements about website usage as the Trustee may determine to be appropriate; and

(f) such other or additional requirements as the Trustee may determine to be necessary or desirable in order to facilitate the efficient administration of the Scheme and limit the costs of the administration and management of the Scheme.

6.2.3

The employer shall nominate the Employers' Panel to represent the employer in the exercise of the functions conferred on the Employers' Panel by article 8 of the Order.

6.2.4

The employer shall make such payments to the Trustee as may be required under the Scheme's payment schedule applicable to the employer and such charges (if any) as may be payable by the employer under the schedule of employer charges which the Trustee determines to be payable in order to recover from employers the costs of the administration and management of the Scheme which the Trustee determines to be attributable to the acts or omissions of employers.

6.3

The agreement referred to in rule 6.2 shall be in such form as the Trustee shall determine and notify to the employer.

6.4

The participation of a participating employer in the Scheme shall terminate subject to and in accordance with the following provisions.

6.4.1

A participating employer may terminate its participation in the Scheme by giving notice to the Trustee stating that it wishes to terminate its participation with effect from a date specified in the notice.

6.4.2

The Trustee may determine the form of the notice and, if it does so, then to be valid a notice must be in the form so determined unless the Trustee agrees to accept notice in another form.

6.4.3

For the notice to be valid the date specified in the notice as the date on which the participating employer's participation will terminate must be not earlier than 28 days after the date on which the notice is received by the Trustee unless the Trustee agrees to accept an earlier date.

6.4.4

The Trustee shall notify the participating employer if the notice is not valid. If the notice is valid, then at the later of:

(a) the end of the date specified in the notice as the date on which the participating employer wishes to cease participation, and

(b) the date of payment of any amounts due and unpaid by it,

the participating employer shall cease to be a participating employer and shall become a former participating employer in respect of the period of participation ending with that cessation.

6.4.5

If:

(a) no contributions have been paid to the Scheme by a participating employer on behalf or in respect of any member for such period of time as the Trustee may determine; or

(b) a participating employer notifies the Trustee that it has ceased, or with effect from a specified date will cease, payment of contributions to the Scheme,

the Trustee may by giving notice to the participating employer, which shall be in such form as the Trustee may determine, terminate that participating employer's participation in the Scheme. Unless the participating employer makes a contribution to the Scheme prior to such date as is notified by the Trustee, the participating employer shall cease to be a participating employer with effect from the date specified in the notice issued by the Trustee, and shall become a former participating employer in respect of the period of participation ending with that termination.

6.4.6

A former participating employer shall have no obligation or liability to the Trustee under the Scheme in relation to any period of participation immediately preceding the termination of its participation except in respect of any act or omission by it that occurred before its participation ceased.

6.4.7

A former participating employer may be re-admitted to participation in the Scheme subject to and in accordance with article 18 of the Order and rules 6.1 to 6.3 and thereby become a participating employer in respect of the period from its re-admittance to participation.

7. Employer contributions

7.1

The following provisions of this rule shall apply subject to rules 12 and 14. If more than one joining event applies to a member at any one time, contributions shall be paid seperately by each of the member's employers in accordance with whichever of rules 7.1.1 to 7.1.5 are currently applicable.

7.1.1

Where in respect of a member a participating employer has elected to use the Scheme to:

(a) fulfil its duties under:

(i) in relation to Great Britain, section 2(1) (by virtue of section), 3(2), 5(2) or 7(3) of the 2008 Act; or

(ii) in relation to Northern Ireland, section 2(1) (by virtue of section), 3(2), 5(2) or 7(3) of the 2008 NI Act),

or

(b) arrange for a worker to become a member of the Scheme within article 19(2A) of the Order,

from the date that admission to membership or the making of contribution arrangements in relation to that member takes effect, the participating employer shall pay and the Trustee shall accept such contributions as may be required in order for the Scheme to meet the quality requirement referred to in Part 1 of the 2008 Act (Part 1 of the 2008 NI Act), or the alternative requirement referred to in Part 1 of the 2008 Act (or Part 1 of the 2008 NI Act), in relation to the member, having regard to the contributions being paid by the member under rule 9.1.

7.1.2

Each participating employer that has been admitted to the Scheme under article 18(3) of the Order must, in respect of each member for whom that participating employer has elected to use the Scheme under article 19(2) of the Order, pay during the pre-duty period, contributions at the rate set out in section 29(1)(a) of the 2008 Act (or section 29(1)(a) of the 2008 NI Act in relation to Northern Ireland), or where the participating employer has elected to use the alternative requirement referred to in section 28(2) of the 2008 Act (or section 28(2) of the 2008 NI Act) contributions at the rate for the first transitional period as set out in regulation 32I of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 (or regulation 32I of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010. From the day after the final day of the pre-duty period, rule 7.1.1 will apply to a participating employer to whom this rule 7.1.2 applied during the pre-duty period.

7.1.3

Where a member is working or ordinarily works in the United Kingdom and is employed by a participating employer to which neither of rules 7.1.1 or 7.1.2 applies,the participating employer may pay such contributions as the participating employer shall notify to the Trustee and the member.

7.1.4

A participating employer may at any time before the member attains age 105, pay, and the Trustee shall accept, additional contributions in respect of any member employed or formerly employed by that participating employer where the member is working or ordinarily works in the United Kingdom.

7.1.5

Each participating employer must, in respect of any member who is absent from employment with that participating employer due to maternity leave, paternity leave, adoption leave, parental leave or family leave, pay such contributions as may be required in order to comply with the relevant provisions of applicable legislation in force from time to time.

7.2

Subject to rules 12 and 14, any contributions paid by a participating employer under rule 7.1 shall be applied to the credit of the relevant member's pension account.

8. Joining events

8.1

General provisions

8.1.1

A person shall be admitted to membership or the Trustee shall make contribution arrangements in relation to the member in the circumstances set out in rule 8.2 and in accordance with the following rules 8.1.2 to 8.1.5.

8.1.2

Admission to membership or the making of contribution arrangements in relation to the member will be subject in each case to receipt by the Trustee of all information required by the Trustee from the person or the employer in order to admit the person to membership or, as applicable, to make contribution arrangements.

8.1.3

The date on which:

(a) a person is admitted to membership in relation to an employment; or

(b) contribution arrangements are to be regarded as having been made in relation to an employment in respect of a person who is already a member,

(being the date on which that person becomes an active member of the Scheme in relation to that employment for the purposes of Part 1 of the 2008 Act or Part 1 of the 2008 NI Act (as applicable)) shall be such date as the Trustee shall determine and notify to that person, but such admission or the making of contribution arrangements shall be with effect from the relevant date set out in rule 8.2.

8.1.4

Subject to rule 8.1.5, when a person's admission to membership is by reason of automatic enrolment, automatic re-enrolment or opt-in, and that person gives notice under rule 12.1.1 with the result that section 8(2) of the 2008 Act or section 8(2) of the 2008 NI Act (as applicable) shall apply, the person's membership shall be treated for all purposes as having been cancelled on that occasion (so that the person shall be treated as not having become a member on that occasion) and the person's pension account shall be closed after any refund of contributions has been made. Following any cancellation of a person's membership in accordance with this rule, the person shall be eligible to be admitted to membership on a subsequent occasion in accordance with article 19(1) to (4) of the Order.

8.1.5

When:

(a) a person's admission to membership is by reason of automatic enrolment, automatic re-enrolment or opt-in;

(b) the person gives notice under rule 12.1.1 in respect of the person's admission to membership with the result that section 8(2) of the 2008 Act or section 8(2) of the 2008 NI Act (as applicable) shall apply;

(c) before the person's pension account is closed in accordance with rule 8.1.4, one or more contribution arrangements are made in respect of the person in relation to any other employment or a case as described in article 19(4) of the Order; and

(d) if such contribution arrangements:

(i) are only a case or cases within rule 8.2.1 or rule 8.2.2 and the person does not give notice under rule 12.1.1 in respect of the making of those contribution arrangements (or all of them if more than one are made); or

(ii) are or include arrangements in respect of which the person has no right to give notice, in relation to Great Britain, in accordance with section 8 of the 2008 Act or, in relation to Northern Ireland, in accordance with section 8 of the 2008 NI Act;

then the person's pension account shall not be closed and the person shall be treated as having been admitted to membership on the occasion of the contribution arrangements referred to in paragraph (c) above being made (or if more than one are made, the first in time to be made of the contribution arrangements in respect of which the person does not give notice under rule 12.1.1).

8.2

Specific joining events

8.2.1

Automatic enrolment and automatic re-enrolment

Admission to membership or the making of contribution arrangements by reason of automatic enrolment or automatic re-enrolment shall take effect from the automatic enrolment date or the automatic re-enrolment date if the employer has complied with its obligations in regulation 6(1)(a) or regulation 13(1) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 or in regulation 6(1) (a) or regulation 13(1) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 in relation to the timing of the making of arrangements and otherwise at a date to be determined by the Trustee.

8.2.2

Opt-in

Admission to membership or the making of contribution arrangements by reason of opt-in shall take effect from the date prescribed in regulations made under section 7(4) of the 2008 Act in relation to Great Britain or section 7(4) of the 2008 NI Act in relation to Northern Ireland if the employer has complied with its obligations in regulation 18(3) of the Occupational and Personal Pension Scheme (Automatic Enrolment) Regulations 2010 or in regulation 18(3) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 in relation to the timing of the making of arrangements and otherwise at a date to be determined by the Trustee.

8.2.3

Self-employed

Admission to membership or the making of contribution arrangements in respect of a person who is self-employed shall be with effect from such date as the Trustee may determine.

8.2.4

Single person director

Admission to membership or the making of contribution arrangements in respect of a person who is a single person director shall be with effect from such date as the Trustee may determine.

8.2.5

By notice

Admission to membership or the making of contribution arrangements by notice shall be with effect from the date notified to the Trustee by the member's employer.

8.2.6

By transfer in

Admission to membership or the making of contribution arrangements by reason of a bulk transfer in whether with or without consent of the individual concerned under either article 19(4A) or article 19(4B) of the Order shall be with effect from such date as the Trustee determines.

8.2.7

Admission in advance of the duties

Admission to membership or the making of contribution arrangements under article 19(2) of the Order where:

(a) in relation to Great Britain, sections 2 to 9 of the 2008 Act; or

(b) in relation to Northern Ireland, sections 2 to 9 of the 2008 NI Act,

do not yet apply in relation to a participating employer, shall be with effect from such date as the Trustee may determine.

8.2.8

Admission by consent

Admission to membership or the making of contribution arrangements in respect of a person under article 19(2A) other than in accordance with the provisions of:

(a) in relation to Great Britain, sections 2 to 9 of the 2008 Act; or

(b) in relation to Northern Ireland, sections 2 to 9 of the 2008 NI Act,

shall be with effect from such date as the Trustee may determine.

8.3

[Not in use]

8.4

Active membership

A member by, on behalf or in respect of whom:

8.4.1

Employer contributions under either rule 7.1.1 or rule 7.1.2, and

8.4.2

Member contributions under either rule 9.1 or rule 9.2 are not payable, shall continue to be treated as a member for all purposes of the Scheme, provided they have not opted out under rule 12.1.

9. Member contributions

If more than one joining event applies to a member at any one time, that member shall pay contributions separately in accordance with whichever of rules 9.1 to 9.6 are currently applicable to that member.

9.1

Automatic enrolment, automatic re-enrolment, admission by consent and opt-in

Where a member is admitted to membership or where in respect of a member the Trustee makes contribution arrangements because the member's employer is using the Scheme to:

9.1.1

fulfil its duties under:

(a) in relation to Great Britain, section 2(1) (by virtue of section 2(3)), 3(2), 5(2) or 7(3) of the 2008 Act; or

(b) in relation to Northern Ireland, section 2(1) (by virtue of section 2(3)), 3(2), 5(2) or 7(3) of the 2008 NI Act, or

9.1.2

arrange for a worker to become a member of the Scheme within article 19(2A) of the Order from the date that admission to membership or the making of contribution arrangements in relation to that member takes effect, the member shall pay and the Trustee shall accept such contributions as may be required in order for the Scheme to meet the quality requirement referred to in Part 1 of the 2008 Act (or Part 1 of the 2008 NI Act), or the alternative requirement referred to in Part 1 of the 2008 Act (or Part 1 of the 2008 NI Act) in relation to the member, having regard to the contributions being paid by the member's employer under rule 7.1.1.

9.2

Admission under article 19(2) of the Order

9.2.1

Each member who is admitted to membership or in respect of whom the Trustee makes contribution arrangements because the member's employer has elected to use the Scheme under articles 18(3) and 19(2) of the Order, must during the pre-duty period pay contributions as required to ensure that, having regard to the contributions paid by the relevant participating employer under rule 7.1.2, the requirement set out in section 29(1)(b) of the 2008 Act (or section 29(1)(b) of the 2008 NI Act in relation to Northern Ireland) is met.

9.2.2

From the day after the final day of the pre-duty period, rule 9.1 will apply to a member to whom rule 9.2.1 applied during the pre-duty period.

9.3

Other cases

Subject to rule 14, the Trustee shall accept such contributions:

9.3.1

from a member whose currently applicable joining event was under rules 8.2.3, 8.2.4, 8.2.5 or 8.2.6; or

9.3.2

from any other member aged between 16 and 105 who has a pension account, as that member notifies to the Trustee with such notification to be in such form as the Trustee may require.

9.4

Additional contributions

Subject to rule 14, a member to whom rules 8.2.1, 8.2.2, 8.2.6, 8.2.7 or 8.2.8 apply may pay such additional contributions at such rates as the member may notify to the Trustee, with such notification to be in such form as the Trustee may require.

9.5

Subsequent changes

Contributions shall be paid by reference to the joining event currently applicable to that member (whether on first admission to membership or due to the subsequent making of contribution arrangements by the Trustee).

9.6

Family leave

Subject to rule 14, a member shall pay and the Trustee shall accept such contributions from a member who is absent from employment due to maternity leave, paternity leave, adoption leave, parental leave or family leave as may be required under the relevant provisions of applicable legislation in force from time to time.

9.7

Finance Act 2004: refund of excess contributions lump sum

9.7.1

Subject to rule 9.7.2, the Trustee may pay a lump sum to a member from that member's pension account to the extent that the lump sum is a refund of excess contributions lump sum as defined in paragraph 6 of Schedule 29 to the Finance Act 2004.

9.7.2

The Trustee must ensure that any payment which it makes under rule 9.7.1 does not prevent the Scheme from satisfying the quality requirement under Part 1 of the 2008 Act or Part 1 of the 2008 NI Act.

10. Third party contributions

A person other than a participating employer or the member may pay, and the Trustee may accept, contributions in respect of a member before the member attains age 105 and such contributions shall be applied to the credit of the relevant member's pension account.

11. Pension accounts, drawdown accounts, general account and excess contributions account

11.1

Subject to rule 14, the Trustee shall establish and maintain a single pension account for each member to which all contributions paid by or in respect of that member shall be credited.

11.2

The Trustee may make any other entry or deduction in respect of the pension account and/or drawdown account of any member as it may consider necessary or desirable in order to account for any other change in the value of the Scheme assets which is attributable to the member's interest in the Scheme. This shall include, for the avoidance of doubt, but without limitation:

(a) any deduction under article 27 of the Order;

(b) any deduction which the Trustee determines is required to be made as a result of or in connection with:

  (i) a void transaction (including under the Insolvency Act 1986 (as amended from time to time);

  (ii) the insolvency of the employer or other party which has paid contributions in respect of the member;

  (iii) compliance with any order of a court of competent jurisdiction or the rules of any governmental or regulatory body; and

(c) any entry or deduction (as applicable) to correct any error relating to a member's pension account and/or drawdown account.

11.3

Each member's pension account and (where applicable) drawdown account shall be maintained by the Trustee solely for the purpose of calculating the benefits payable to and in respect of the member concerned, and no member shall have a proprietary right to any of the investments for the time being representing the balance of the member's pension account and (where applicable) drawdown account).

11.4

The Trustee shall establish and maintain an account, to be known as the general account, to which Scheme monies not attributable to a member's pension account or a member's drawdown account shall be allocated.
The Trustee may transfer an amount from a member's pension account or drawdown account (as applicable) to the general account in such cases as may be provided for in these rules or where the Trustee determines that such a transfer is appropriate in order to correct any error giving rise to a windfall gain in a member's pension account or drawdown account (as applicable). The general account shall be used for such purposes of the Scheme as the Trustee may determine.

11.5

The Trustee may transfer such amount as the Trustee determines from the general account to a member's pension account and/or drawdown account for such purposes and in such circumstances as the Trustee from time to time determines are appropriate and not otherwise contrary to the Order or these rules (including, but without limitation, in order to compensate a member for or in respect of any shortfall or discrepancy in their pension account or drawdown account, to meet costs or liabilities arising in respect of the member's pension account or drawdown account as determined by the Trustee, and any other circumstances which the Trustee determines are concerned with the administration and management of the Scheme).

Any transfer from the general account under this rule 11.5 shall be on such terms and subject to such conditions (if any) as the Trustee may determine. The Trustee may treat such amounts as general costs of administering and managing the Scheme under rule 4.5.1.

11.6

The Trustee shall establish and maintain an account, to be known as the excess contributions account, which shall hold contributions paid prior to 1 April 2017 by, on behalf of or in respect of, a member, which exceeded the annual contribution limit at the time such contributions were received by the Scheme and which were not rejected, refunded or applied to the member's pension account in accordance with the rules in force at the time. Such amounts shall be capable of being refunded in accordance with rule 14 on the grounds that at the time they were paid, prior to 1 April 2017, they exceeded the annual contribution limit in force at that time.

Any payments made to the Scheme which the Trustee determines have been paid in genuine error shall not be held in or otherwise allocated to the excess contributions account and the Trustee shall determine how to treat such amounts (which may include paying such amount(s) to the member and/or employer concerned).

11.7

The Trustee shall establish and maintain a drawdown account for each member who has, subject to the agreement of the Trustee, designated all or part of their pension account as available for the payment of a drawdown pension, to which the designated amount shall be credited from the member's pension account.

12. Ceasing payment of contributions

12.1

Right to opt-out

12.1.1

Those members whose most recent joining event was automatic enrolment, automatic re-enrolment or opt-in may give notice:

(a) in relation to Great Britain, in accordance with section 8 of the 2008 Act; or

(b) in relation to Northern Ireland, in accordance with section 8 of the 2008 NI Act,

at any time within the opt-out period.

12.1.2

On giving notice under rule 12.1.1 to opt-out of the Scheme, section 8(2) of the 2008 Act or section 8(2) of the 2008 NI Act (as applicable) shall apply. Any refund of contributions pursuant to section 8(2)(b) of the 2008 Act or section 8(2)(b) of the 2008 NI Act (as applicable) shall be refunded in such manner as the Trustee shall determine.

12.2

Right to cease payment of contributions

12.2.1

Without prejudice to rule 12.1 any member, or any member's employer on behalf of the member, may at any time give notice to the Trustee in such form and in such manner as the Trustee may determine to cease paying contributions to the Scheme. If the member's notice, or the member's employer's notice on their behalf, is to cease paying contributions under rules 9.1 or 9.2, then from the date that such notice takes effect, any corresponding obligation on the member's employer to make contributions under rules 7.1.1 or 7.1.2 will also cease, unless the employer notifies the Trustee otherwise.

12.2.2

A member who gives notice, or whose member's employer gives notice on their behalf, under rule 12.2.1 may subsequently and from time to time recommence the payment of contributions in accordance with rule 9 where any of those provisions apply. If rule 8.2.2 applies in relation to that member on such recommencement, the obligation on its participating employer to contribute under rule 7.1.1 will also recommence. There shall be no restriction on the number of times that a member can cease and recommence paying contributions to the Scheme.

13. Entitlement to benefits under the Scheme

A member shall be entitled to benefits under the Scheme in respect of the member's pension account payable in accordance with rules 16, 18 or 23 but subject to rules 4.3, 4.4, 4.5, 4.6, 12 and 17.

14. Annual contribution limit

14.1

Any contributions paid to the Scheme before 1 April 2017 by, on behalf or in respect of, a member, which are held by the Trustee in the excess contributions account on 1 April 2017 will be subject to rule 14.2 unless the Trustee determines that rule 14.4 applies.

14.2

Any contributions subject to this rule shall:

14.2.1

in the case of contributions made to the Scheme by a member, or by a member's employer on behalf of the member, be applied to the pension account of the member in the next following tax year or any subsequent tax year, as determined by the Trustee, unless the member requests the Trustee, in such form and within such timescale as the Trustee shall determine, to refund the amounts concerned to the member, subject to any terms and conditions as the Trustee may from time to time determine;

14.2.2

in the case of contributions made to the Scheme by a member's employer in respect of the member, be applied to the pension account of the member in the next following tax year, or any subsequent tax year as determined by the Trustee; and

14.2.3

in the case of contributions made to the Scheme by any other person in respect of the member, be applied to the pension account of the member in the next following tax year, or any subsequent tax year as determined by the Trustee provided that:

(a) minimum contributions must not be refunded whether under this rule 14 or any other provision of the rules; and

(b) the Trustee shall determine the arrangements which shall apply as regards the order in which contributions may be refunded under this rule 14.

14.3

No interest shall be paid on any refund of excess contributions under this rule.

14.4

The Trustee may determine not to refund contributions under this rule 14 if the annual contribution limit in effect at the relevant time was exceeded by an amount determined by the Trustee to be disproportionate to the cost of making a refund. In such case, the Trustee shall apply the contributions to the pension account of the member at such time as the Trustee shall determine.

15. Investment

15.1

Consolidation etc of investment funds

15.1.1

If the Trustee decides to exercise the powers conferred by article 29(3) of the Order, it must notify the members affected by that decision, explain the effect of that decision and invite the members so affected to choose an alternative investment fund.

15.1.2

In the absence of any instructions from the member following notification under rule 15.1.1, the Trustee shall allocate the assets referable to the relevant member's pension account to the investment funds referred to as default investment funds in article 29(5) of the Order.

15.2

Investment funds: general

15.2.1

The composition of the underlying investments attributed to each investment fund shall be determined by the Trustee.

15.2.2

No member shall be afforded any choice in relation to the composition of any underlying investment attributed to any investment fund.

16. Payment of benefits

16.1

Determination of benefit age

16.1.1

A member's benefit age:

(a) will be determined in accordance with rule 16.1.2 when the member is first admitted to membership;

(b) may be changed by the member in accordance with rule 16.1.3; and

(c) will be automatically changed in the circumstances set out in and in accordance with rules 16.1.4, 16.1.5 and 16.1.6.

16.1.2

When a member is first admitted to membership, the member's benefit age will be:

(a) such date as the member shall notify to the Trustee (in such form as the Trustee may require) being a date not earlier than the date the member attains normal minimum pension age (or the date the member is admitted to membership, if later) and not later than the day immediately before the member attains age 105; or

(b) in the absence of a notification under

(a) above,

(i) in the case of a member born on or before 5 December 1953, who has not yet attained age 65, the date the member attains age 65;

(ii) in the case of a member born after 5 December 1953, who has not yet attained State Pension age, the date the member attains State Pension age;

(iii) in the case of a member who has already attained the relevant age in (i) or (ii) above, but has not yet attained age 75, the member's benefit age will be the day the member attains age 75;

(iv) in the case of a member who has already attained age 75, the member's benefit age will be the day immediately before the member attains age 105.

16.1.3

A member's benefit age may be changed by the member giving notice to the Trustee in such form, within such time limits and subject to any other restrictions as the Trustee may reasonably determine.

16.1.4

If a member attains benefit age without the member's pension account being applied or having by that date been applied in full to provide benefits under rule 16, then unless the benefit age is the day immediately before the member attains age 105, benefit age for the member in relation to their pension account will become:

(a) in the case of a member who was born on or before 5 December 1953 and whose benefit age is under 65, the date the member attains age 65; or

(b) in the case of a member who was born on or before 5 December 1953 and whose benefit age is on or after the date the member attains age 65, but before the date the member attains age 75, the day the member attains age 75; or

(c) in the case of a member who was born on or before 5 December 1953 and whose benefit age is on or after the date the member attains age 75, the day immediately before the member attains age 105; or

(d) in the case of a member who was born after 5 December 1953 and whose benefit age is under State Pension age, the date the member attains State Pension age; or

(e) in the case of a member who was born after 5 December 1953 and whose benefit age is on or after the date the member attains State Pension age, but before the date the member attains age 75, the day the member attains age 75; or

(f) in the case of a member who was born after 5 December 1953 and whose benefit age is on or after the date the Member attains age 75, the day immediately before the member attains age 105.

16.1.5

If:

(a) a member's benefit age has been changed under either rule 16.1.4(a) or 16.1.4(d); and

(b) the member attains that later benefit age without the pension account being applied to provide benefits under rule 16,

benefit age for the member will become the day the member attains age 75.

16.1.6

If:

(a) a member's benefit age has been changed under either rule 16.1.4(b) or 16.1.4(e); and

(b) the member attains that later benefit age without the pension account being applied to provide benefits under rule 16,

benefit age for the member will become the day immediately before the member attains age 105.

16.2

Commencement of benefits at benefit age

On reaching benefit age and subject to such terms and conditions as the Trustee may determine from time to time, a member shall be entitled to have such amount as they may direct applied from their pension account to provide benefits for or in respect of that member in accordance with rules 16.4, 16.5, 16.6 or 16.8.

16.3

Early commencement of benefits

16.3.1

A member may give notice to the Trustee (in such form and within such time limits as the Trustee may reasonably require) requesting that the member's pension account be applied to provide benefits for or in respect of that member before the member's benefit age.

16.3.2

The Trustee shall comply with such request provided that:

(a) such benefits will only be paid on or after the member reaches normal minimum pension age; or

(b) the member:

(i) provides evidence to the Scheme administrator from a registered medical practitioner which states that the member is (and will continue to be) suffering from incapacity; and

(ii) certifies, in such form as the Trustee may require, that the member has in fact ceased to carry on any occupation.

16.4

Benefits

16.4.1

Subject to rule 16.6, a member who becomes entitled to have their pension account applied under rules 16.1 to 16.3 shall have the following options:

(a) the member may direct the Trustee to pay a cash equivalent transfer value in accordance with rule 23.2;

(b) the member may direct the Trustee to apply the member's pension account to purchase a (but only one) lifetime annuity policy in the member's own name, such lifetime annuity policy to be selected by the member;

(c) if and to the extent that the Trustee determines to provide the option to receive a scheme pension, the member may choose to apply the member's pension account to provide a scheme pension on such terms and conditions as the Trustee shall from time to time determine; or

(d) the member may designate all or part of their pension account as available for the payment of a drawdown pension from a drawdown account under the Scheme subject to Rule 16.8 and such other terms and conditions as the Trustee shall from time to time determine.

16.4.2

[Not in use]

16.4.3

A member may immediately before exercising the options at rule 16.4.1(b), (c) or (d) above elect in such form and manner as the Trustee may determine to commute part of the member's pension account (not exceeding the permitted maximum) for a lump sum.

16.4.4

The Trustee shall make such arrangements for the payment of the lump sum under rule 16.4.3 (including payment by an annuity provider as agent of the Trustee) as it sees fit.

16.4.5

The Trustee may make such arrangements and provide such information to members as it shall see fit (subject to any restrictions imposed by law) in relation to the selection of an annuity and the provider of such annuity.

16.5

Authorised lump sum payments

The Trustee may make such lump sum payments from a member's pension account and/or a member's drawdown account, subject to such terms and conditions as it shall from time to time determine, provided that any such payments must be authorised for the purposes of Part 4 of the Finance Act 2004.

16.6

Total commutation and lump sums

16.6.1

Subject to rule 17.3, the Trustee may commute a member's pension account for a lump sum if:

(a) the member provides evidence to the scheme administrator from a registered medical practitioner which states that the member is suffering from serious ill-health and the payment would be a serious ill-health lump sum for the purposes of paragraph 4 of Schedule 29 to the Finance Act 2004; or

(b) the requirements of either regulation 11 or 12 of The Registered Pension Schemes (Authorised Payments) Regulations 2009 are met.

16.6.2

Subject to rule 17.3, the Trustee may:

(a) pay the member's pension account in full as a single lump sum; or

(b) pay partial lump sums from the member's pension account,

(in either case subject to such terms and conditions as the Trustee may from time to time determine) provided that any such lump sum(s) payable under this rule 16.6.2 must be an uncrystallised funds pension lump sum for the purposes of paragraph 4A of Schedule 29 to the Finance Act 2004.

16.7

Discharge of Trustee's liability

Following the purchase of an annuity in accordance with rule 16.4 and/or the payment of a lump sum under rules 16.4.3, 16.5 or 16.6 (which in the case of a lump sum paid under rule 16.6.1 must extinguish the member's entitlement to benefits under the Scheme), the Trustee shall be discharged from all further liability to provide the benefits secured by the annuity policy or in respect of which the member has received a lump sum payment.

16.8

Drawdown account

16.8.1

Where a member has designated that all or part of their pension account shall be available for the payment of a drawdown pension, such funds designated by the member shall be credited to their drawdown account.

Where a member has a drawdown account which has not been discharged in full, their pension account shall not be considered to be fully discharged for the purposes of the Order and the rules.

16.8.2

The terms and conditions on which a member may designate sums or assets as available for the payment of a drawdown pension (including, without limitation, any minimum amounts, the frequency of such designations, the costs and charges applicable to the drawdown account and the notice requirements applicable to the designation to the drawdown fund) shall be determined by the Trustee from time to time subject to Rule 16.8.6 below.

16.8.3

The level of income payments which a member may elect to receive from their drawdown account and the frequency of such payments shall be subject to such terms and conditions as the Trustee shall from time to time determine provided that if the member's drawdown account is reduced in value to a level which shall be determined from time to time by the Trustee, the member may be required to withdraw the total remaining amount in their drawdown account as a single lump sum.

16.8.4

Where a member expresses a choice as to where assets of the Scheme attributable to their drawdown account are to be directed:

(a) the Trustee may determine –

(i) the form in, and method by, which a member expresses that choice;

(ii) any limits on the number of occasions on which a member may express that choice; and

(iii) the number of investment funds to which assets of the Scheme may be directed, having regard to the value of the assets of the Scheme attributable to a member's drawdown account; and

(b) subject to the member's choice complying with any determination made by the Trustee for the purposes of sub-paragraph (a), the Trustee must accept that choice unless the Trustee is of the opinion that in doing so it would breach any of its legal obligations.

16.8.5

Where a member does not express a choice as to the investment fund(s) to which assets referable to their drawdown account are to be directed, the assets in the member's drawdown account shall be invested by the Trustee in at least one default investment fund. The provisions of Article 29 shall also apply to the assets held in a member's drawdown account.

16.8.6

When determining the terms on which costs and charges are applied to the drawdown account from time to time, and any changes to those costs and charges, the Trustee:

(a) shall have regard in particular to the costs of administration and management of the Scheme as well as the other sources of income to, and costs payable from, the Scheme; and

(b) shall consult with the members' panel before making such determination or changes.

17. Unclaimed benefits

17.1

[Not in use]

17.2

[Not in use]

17.3

If a member's pension account remains unclaimed after that person has attained (or, if the member had been alive, would have attained) age 105 and the Trustee cannot trace the member, the benefit shall cease to be payable and the member's pension account shall become part of the general account.

17.4

The Trustee may later decide to pay any such benefit if claimed by the member and the Trustee thinks fit to make the payment. The Trustee may determine in each case whether interest is payable on any such payment.

18. Death benefits

18.1

Death of a member

This rule 18.1 shall apply on the death of a member unless either (a) the member has completed, and submitted to the Trustee, an expression of wish form for the purposes of rule 18.2 or (b) a dependant's scheme pension is payable in respect of the member under rule 18.4.

A member may not nominate a nominated beneficiary under this rule 18.1 at any time after having submitted an expression of wish form for the purposes of rule 18.2, whether or not such expression of wish form is later modified or revoked by the member.

18.1.1

On the death of a member the Trustee shall pay a lump sum equal to the value of the member's pension account to the member's nominated beneficiary or nominated beneficiaries in accordance with rule 18.1.3 or, if applicable, in accordance with rule 18.1.4 or 18.1.5.

18.1.2

A member may only nominate a nominated beneficiary by completing such nomination form as the Trustee may prescribe. A member may revoke a nomination by notifying the Trustee in such form as the Trustee may prescribe at any time prior to the member's death. A nomination under this rule 18.1 shall also be treated for all purposes as having been revoked if the member completes and submits to the Trustee either

(a) a new nomination form in accordance with this rule 18.1; or

(b) an expression of wish form in accordance with rule 18.2 below.

18.1.3

The lump sum referred to in rule 18.1.1 shall be paid to such nominated beneficiary or nominated beneficiaries that the member most recently notified to the Trustee in accordance with rule 18.1.2. If the member's most recent nomination is of more than one nominated beneficiary but the member has not indicated in the nomination form how the lump sum should be shared between them, the lump sum shall be paid to the nominated beneficiaries in equal shares.

18.1.4

If:

(a) the member does not notify the Trustee of any nominated beneficiary; or

(b) any nominated beneficiary cannot be identified or traced by the Trustee, having taken reasonable steps to do so; or

(c) a nominated beneficiary has predeceased the member or, in the case of a body corporate, trust, charity, club or society has ceased to exist before the member's death, then, the lump sum payable under rule 18.1.1 (or the share of it payable to the nominated beneficiary who cannot be traced or who has predeceased the member, or which has ceased to exist) shall, if not more than the relevant amount be paid in accordance with rule 18.1.5, and if more than the relevant amount be paid to the deceased member's personal representatives.

18.1.5

If the circumstances in rule 18.1.4 apply after the application of rule 18.1.3 and the remaining value of the member's pension account due from the Scheme under rule 18.1.1 is not more than the relevant amount, then the Trustee shall pay or apply the remaining value of the member's pension account in accordance with such order of priority which the Trustee has determined shall apply for the purposes of the distribution of any amount under this rule 18.1.5.

18.2

This rule 18.2 shall apply on the death of a member who has completed, and submitted to the Trustee, an expression of wish form in such format as the Trustee shall prescribe. An expression of wish form under this rule 18.2 shall be treated for all purposes as having been revoked if the member completes and submits to the Trustee a new expression of wish form in accordance with this rule 18.2.

18.2.1

On the death of a member where this rule 18.2 applies, an amount equal to the value of the member's pension account on death will be applied by the Trustee to provide a lump sum which will be payable on the terms set out in rule 18.2.2.

18.2.2

Subject to rule 18.2.3, the Trustee may pay any lump sum benefit which is payable from the Scheme on the death of any person to or for the benefit of one or more of that person's beneficiaries in such shares as are stated in the expression of wish form, or, if no shares are specified, and the Trustee determines to pay the lump sum to the person's beneficiaries, the lump sum shall be paid to the beneficiaries in equal shares.

If:

(a) a beneficiary has died or, in the case of a body corporate, trust, charity, club or society has ceased to exist, either prior to the death of the member, or otherwise prior to any decision of the Trustee regarding the distribution of the lump sum benefit under this rule 18.2; or

(b) a beneficiary cannot be identified or traced by the Trustee, having taken reasonable steps to do so; or

(c) the Trustee determines not to pay an amount to or for the benefit of one or more of the beneficiaries;

the amount which would otherwise have been paid to or for the benefit of such individual(s), shall be applied for the benefit of the other beneficiaries who the Trustee determines shall receive a payment under this rule 18.2 in proportion to the shares set out in the expression of wish form (or divided equally if no shares have been specified).

18.2.3

If the Trustee determines that the lump sum benefit payable under this rule 18.2 shall not be paid to or for the benefit of any of the beneficiaries, the lump sum benefit shall instead, if not more than the relevant amount be paid in accordance with rule 18.2.4, and if more than the relevant amount be paid to the deceased member's personal representatives.

To the extent that the lump sum death benefit would be paid under this rule 18.2 to the deceased member's personal representatives, and there are no persons with an interest in the member's estate other than the Crown, the Duchy of Lancaster or the Duchy of Cornwall, such amount shall not be payable. In that event, the lump sum otherwise payable will instead be transferred to the general account.

18.2.4

Where the Trustee determines that the lump sum payable under this rule 18.2 shall not be paid to or for the benefit of any of the beneficiaries, and the lump sum is not more than the relevant amount, the Trustee shall pay or apply the remaining value of the member's pension account in accordance with such order of priority as the Trustee has determined shall apply for the purposes of the distribution of any amount under this rule 18.2.4.

18.3

Discharge of Trustee

18.3.1

On payment of a lump sum under this rule 18 the Trustee shall be discharged from all further liability to provide benefits in respect of the member on whose death the benefit was paid.

18.3.2

If the death benefit payable under rule 18 is not claimed within six years of the date of the member's death, that benefit shall be forfeit and the remaining balance in the member's pension account shall be transferred to the general account.

18.4

Dependant's scheme pension

If and to the extent that the Trustee determines to provide the option of a dependant's scheme pension, the value of the member's pension account may be applied to provide a dependant's scheme pension on such terms and conditions as the Trustee shall from time to time determine, which the Trustee may secure through the purchase of an insurance policy or annuity contract.

18.5

Death of a drawdown member

Where any unused funds in a person's drawdown account remain in the Scheme at the time of their death, an amount equal to the value of such unused funds will be applied by the Trustee in accordance with this Rule 18.5.

18.5.1

On the death of a member with a drawdown account unless rule 18.5.2 below applies, the provisions of rule 18.1 and rule 18.2 shall apply to such drawdown account in the same manner as they apply (or would have applied) to the member's pension account such that:

(a) where a member has completed and submitted to the Trustee either a nomination form or an expression of wish form, such form shall also apply in relation to the member's drawdown account;

(b) the value of the member's drawdown account shall be aggregated with the pension account (if any) in respect of the member when determining whether the relevant threshold in rule 18.1.4, 18.2.3 or 18.2.4 (as applicable) is met; and

(c) on payment of a lump sum from the member's drawdown account following the member's death in accordance with this rule 18.5, the Trustee shall be discharged from all further liability to provide benefits from the drawdown account in respect of the member on whose death the benefit was paid.

18.5.2

If and to the extent that the Trustee determines to provide the options set out in this Rule 18.5.2 and subject to such terms and conditions as the Trustee shall from time to time determine, all or part of the unused funds in a person's drawdown account may be:

(a) applied for the provision of a dependant's scheme pension; or

(b) designated as a dependant's, nominee's or successor's flexi-access drawdown fund (as appropriate and in each case as defined in the Finance Act 2004) to provide the relevant dependant, nominee or successor for whom it is designated with benefits in the form of a drawdown pension or a short-term annuity.

18.5.3

If the death benefit payable under this rule 18.5 is not claimed within six years of the date of the member's death, that benefit shall be forfeit and the remaining balance in the member's drawdown account shall be transferred to the general account.

19. Finance Act 2004: general provisions

19.1

Requirements of registration

Nothing in these rules shall entitle any person to a payment made to or in respect of that person under the Scheme which is not an authorised payment within the meaning given by the Finance Act 2004 and the Trustee shall be entitled to modify any payments accordingly.

19.2

Unauthorised payments

Notwithstanding rule 19.1, the Trustee may make a payment which by virtue of section 160 of the Finance Act 2004 would be an unauthorised payment.

19.3

Deductions from payments

If any payment due by the Trustee under rule 16 or 18 triggers a tax charge under the Finance Act 2004, the Trustee shall be entitled to modify that payment to take account of the tax charge.

19.4

Pension input periods

19.4.1

Prior to the commencement of the tax year 2016/2017:

(a) The nominated date for each member for the purposes of section 238(1)(a) of the Finance Act 2004 is the 31 March following that member's relevant commencement date, as defined in section 238(2) of the Finance Act 2004. This rule 19.4.1(a) constitutes a nomination by the scheme administrator for the purposes of section 238(3) of the Finance Act 2004 and notice to each member given by the scheme administrator for the purposes of section 238(4) of the Finance Act 2004; and

(b) The appropriate date for each member for the purposes of section 238(1)(b) of the Finance Act 2004 is the 31 March in each year after the year in which the nominated date referred to in rule 19.4.1(a) falls. This rule 19.4.1(b) constitutes a nomination by the scheme administrator for the purposes of section 238(3) of the Finance Act 2004 and notice to each member given by the scheme administrator for the purposes of section 238(4) of the Finance Act 2004.

19.4.2

With effect from 6 April 2016, the pension input period in respect of the Scheme is the tax year 2016/17 and each subsequent tax year, or such other period as is applicable under the Finance Act 2004.

20. Provision of information

Members and those claiming through them shall provide all information and supporting evidence to establish the benefit and their entitlement to it as the Trustee may require and the Trustee may withhold benefits pending receipt of the required information.

21. Incapacity of beneficiary

If any member, nominated beneficiary or other person entitled to a benefit under the Scheme is, in the opinion of the Trustee, unable by reason of minority, mental disorder or otherwise to manage that person's own affairs, the Trustee may pay the benefit to any other person for the benefit of that beneficiary and the receipt of the person to whom the benefit is paid shall be sufficient to discharge the Trustee from its obligation to pay the benefit.

22. Transfers in

22.1

The Trustee may accept into the Scheme any transfers made:

22.1.1

in relation to Great Britain, under section 73(2)(a)(i) of the 1993 Act; or

22.1.2

in relation to Northern Ireland, under section 69(2)(a)(i) of the 1993 NI Act in respect of a member (including a member admitted to membership under article 19(4A) and 19(4B) of the Order), subject to any requirements or restrictions it may determine.

22.2

The Trustee may accept a transfer of a cash sum:

22.2.1

in relation to Great Britain, within the meaning of section 101AB(3) of the 1993 Act, used in the way described in section 101AE(2)(a) of the 1993 Act in respect of a member; or

22.2.2

in relation to Northern Ireland, within the meaning of section 97AB(3) of the 1993 NI Act, used in the way described in section 97AE(2)(a) of the 1993 NI Act in respect of a member.

22.2.3

The Trustee may accept into the Scheme any other transfer that is consistent with the Scheme's status as a registered pension scheme, subject to any requirements or restrictions it may determine, and in accordance with the relevant laws.

22.3

Any transfer accepted into the Scheme under this rule 22 or rule 24.3 shall be applied to the credit of the member's pension account.

23. Transfers out

23.1

The Trustee may make transfers from the Scheme on a bulk basis, subject to the consent of the members affected:

23.1.1

in relation to Great Britain, under section 73(2)(a)(i) and (ii) of the 1993 Act; or

23.1.2

in relation to Northern Ireland, under section 69(2)(a)(i) and (ii) of the 1993 NI Act subject to any requirements or restrictions it may determine.

23.2

Subject to rules 23.3 to 23.5:

23.2.1

at the request of a member who has a right to a cash equivalent transfer under section 94(2) of the 1993 Act and has notified the Trustee of their intention to exercise that right in one of the ways listed in section 95(2) of the 1993 Act, the Trustee will transfer the cash equivalent of the entirety of that member's pension account to a registered pension scheme or a qualifying recognised overseas pension scheme nominated by the member, in accordance with the provisions of Chapter 1 of Part 4ZA of the 1993 Act; or

23.2.2

in circumstances where a member does not have a right to a cash equivalent transfer under section 94(2) of the 1993 Act, the Trustee may agree to a request of the member to transfer the entirety or part of that member's pension account and/or, where applicable, drawdown account, to another registered pension scheme or a qualifying recognised overseas pension scheme nominated by the member.

23.3

A request under rule 23.2 must take such form and be made within such time period as the Trustee shall determine.

23.4

The Trustee may require the member to provide details about any scheme nominated under rule 23.2 in such form as the Trustee may determine. The Trustee shall be permitted to delay or to refuse to make any transfer payment if such information is not provided in full to the Trustee or in the form which is required by the Trustee.

23.5

Subject to rule 23.2.1, the Trustee may effect a transfer under this rule 23 in respect of the entirety or part of a member's pension account (including any part of that pension account attributable to a pension credit) and/or, where applicable, the entirety or part of a member's drawdown account.

23.6

Following completion of a transfer from the Scheme under this rule 23, and in addition to an applicable statutory discharge, the Trustee is discharged from any further liability in respect of the benefits transferred.

24. Pension sharing on divorce

24.1

Discharge of pension credit derived from the Scheme

This rule 24.1 applies in the circumstances referred to in article 31(1)(a) of the Order, which, for the avoidance of doubt, is where a member's pension account is subject to a pension sharing order.

24.1.1

Unless the ex-spouse makes a request under rule 24.1.2, the Trustee shall discharge its liability in respect of a pension credit of an ex-spouse by conferring appropriate rights on the ex-spouse under the Scheme:

(a) in relation to Great Britain, in accordance with paragraph 1(2) of Schedule 5 to the 1999 Act; or

(b) in relation to Northern Ireland, in accordance with paragraph 1(2) of Schedule 5 to the 1999 NI Order

24.1.2

The Trustee shall at the request of the ex-spouse discharge its liability in respect of a pension credit by paying an amount equal to the pension credit to the person responsible for a qualifying arrangement with a view to acquiring rights under that qualifying arrangement for the ex-spouse:

(a) in relation to Great Britain, in accordance with paragraph 1(3) of Schedule 5 to the 1999 Act; or

(b) in relation to Northern Ireland, in accordance with paragraph 1(3) of Schedule 5 to the 1999 NI Order,

provided that such request shall be made within such period of the making of the pension sharing order as the Trustee shall determine.

24.1.3

If an ex-spouse dies after a pension sharing order is made but before it is implemented by the Trustee, death benefits will be payable in respect of the ex-spouse as though the pension sharing order had been implemented in accordance with rule 24.1.1.

24.1.4

For the avoidance of doubt, a pension sharing order will not be regarded as having been implemented for the purposes of rule 24.1.3 until:

(a) in cases to which rule 24.1.1 applies, the pension credit has been credited to the ex-spouse's pension account; or

(b) in cases to which rule 24.1.2 applies, the amount equal to the pension credit has been paid to the qualifying arrangement.

24.2

Rights and benefits

24.2.1

An ex-spouse in respect of whom a pension credit is discharged under rule 24.1.1 and who is not already a member shall be admitted to membership.

24.2.2

An ex-spouse in respect of whom a pension credit is discharged in the Scheme under rule 24.1.1 shall, so far as is permitted by law, be entitled, in respect of the pension credit, to the same benefits (including death benefits) payable in the same circumstances, as a member admitted to membership under rule 8.

24.3

Acceptance of pension credit rights from another scheme

In accordance with article 31(1)(b) of the Order, the Trustee may accept a payment in respect of a pension credit in accordance with rule 22 for a person who is already a member.

24.4

Identification of benefits

The Trustee shall separately identify within each member's pension account the pension credit benefits attributable to that member (including any such benefits transferred into the Scheme or into a member's pension account under rules 24.1.1 or 24.3).

Brendan McCafferty
Chair, Nest Corporation

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