

Schedule 3

CARE Rules

1. Definitions

1.1 The definitions in this Rule 1 apply in this Schedule 3 (CARE Rules):

"Actuary" means the actuary appointed in relation to the Scheme under section 47 of the PA 1995.

"Additional CARE Pensionable Service" means any notional period of CARE Pensionable Service attributed to or in respect of a CARE Member by virtue of Service Credits, on Total Incapacity or in the event of the death of a CARE Active Member in CARE Pensionable Service.

"Adoption Leave" mean a CARE Active Member's absence from Service permitted by Chapter 1A of Part VIII of the ERA 1996 together with any further period allowed by an Employer.

"Applicable Pay Reference Period" has the meaning given in Regulation 1 of the Automatic Enrolment Regulations.

"ATL Active Member" means a member in pensionable service under the Scheme on the Change Date.

"ATL Rules" means the Rules of the ATL Pension Scheme dated 27 March 2013 made between (1) the Association of Teachers and Lecturers; and (2) the trustees named therein (as amended) as they stood immediately before the Change Date.

"Automatic Enrolment Date" means the date on which a person qualifies as an Eligible Jobholder.

"Automatic Enrolment Regulations" means the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 (SI 2010/772).

"Automatic Enrolment Scheme" has the meaning given in section 17 of the PA 2008.

"Automatic Re-enrolment Date" means the date on which an Eligible Jobholder is automatically re-enrolled in the Scheme in accordance with section 5 of the PA 2008 and Regulation 12 of the Automatic Enrolment Regulations.

"Beneficiaries" has the meaning given in Rule 6.5 (Payment of lump sum death benefits) of the ATL Rules.

"CARE Active Member" means an Employee who has been admitted to the Scheme and who is in CARE Pensionable Service.

"CARE Deferred Member" means an Employee or former Employee who has been admitted to the Scheme and who has accrued benefits under the CARE Rules but is not yet in receipt of a CARE Pension.

"CARE Dependant's Pension" means a pension payable to a Qualifying Partner or Qualifying Child under Rules 15.3(a), 15.3(b), 15.5, 16.3(a), 16.5, 17.2(a), 17.4, 18.3(a) or 18.5.

"CARE Normal Retirement Age" means the date on which a CARE Member attains the age of 65.

"CARE Member" means a CARE Active Member, CARE Deferred Member and CARE Pensioner Member.

"CARE Pension" means the sum of the CARE Member's Pension Benefit Blocks for each Scheme Year of their CARE Pensionable Service revalued as described.

"CARE Pensioner Member" means an Employee who has been admitted to the Scheme who has accrued benefits under the CARE Rules and who is in receipt of a CARE Pension.

"CARE Pensionable Salary" means the basic salary paid to a CARE Active Member by their Employer over the previous 12 months ending on 31 December of each year including London weighting but excluding bonuses, overtime, casual or homeworkers' allowance and any other item of pay which the NEU deems to be non-pensionable.

"CARE Pensionable Service" means the period of Service measured in years and days which a CARE Active Member completes from the Change Date or after joining the Scheme (whichever is the earlier) during which they accrue benefits in accordance with the CARE Rules. A CARE Member's Pensionable Service includes any Additional CARE Pensionable Service (unless expressly excluded). For Former Final Salary Members, Pensionable Service and CARE Pensionable Service shall be continuous for the purposes of the PSA 1993.

"CARE Rules" means this Schedule 3 (CARE Rules).

"CARE Section" means the section of the Scheme under which on and from 1 July 2021 the CARE Active Members accrue benefits on a career-average revalued earnings basis and which is governed by the CARE Rules.

"Cash Transfer Sum" has the meaning given in section 101AB (3) of the PSA 1993.

"Change Date" means the end of 30 June 2021.

"Child" means:

- (a) a child born of, or legitimated by, a marriage entered into by the CARE Member before leaving Service (including a child conceived but not yet born when the CARE Member dies);
- (b) the CARE Member's stepchild by a marriage entered into by the CARE Member before leaving Service but only if they are financially dependent on the CARE Member at the date of the CARE Member's death;
- (c) a child legally adopted by the CARE Member before leaving Service; and
- (d) any other child who in the Trustees' opinion:
 - (i) was financially dependent on the CARE Member or dependent on the CARE Member because of disability before the CARE Member left Service; and
 - (ii) was so dependent at the time of the CARE Member's death; and
 - (iii) the Trustees agree in their absolute discretion to treat as a Qualifying Child.

"Civil Partner" means a person who has entered into a civil partnership with a CARE Member in accordance with the Civil Partnership Act 2004.

"Contribution Refund" has the meaning given in section 101AB (4) of the PSA 1993.

"CPI" means the Consumer Prices Index published by the Office for National Statistics.

"Deferral Date" means a date three months after an Eligible Jobholder's Automatic Enrolment Date.

"Defined Benefits Lump Sum Death Benefit" means a lump sum which is a defined benefits lump sum death benefit under paragraph 13 of Schedule 29 to the FA 2004.

"Eligible Jobholder" means an Employee who meets the requirements of section 1 (1) and 3 (1) of the PA 2008 in relation to an Employer with which they are in Service and is not exempt from the requirement to be automatically enrolled by virtue of an exception contained in the Automatic Enrolment Regulations.

"Employee" means any employee or director of an Employer.

"Employer" means the NEU and any employer participating in the Scheme.

"ERA 1996" means the Employment Rights Act 1996.

"FA 2004" means the Finance Act 2004.

"Former Final Salary Member" means either a ATL Active Member or a NUT Active Member.

"HMRC" means Her Majesty's Revenue and Customs.

"Ill-health Condition" has the meaning given in paragraph 1 of Schedule 28 to the FA 2004.

"Jobholder" means a jobholder for the purposes of section 1 (1) of the PA 2008.

"Maternity Leave" means a CARE Active Member's absence from Service permitted by Chapter I of Part VIII of the ERA 1996 together with any further period allowed by an Employer.

"Member Contribution" means a contribution payable to the Scheme by a CARE Active Member in accordance with Rule 8.

"NEU" means the National Education Union.

"Normal Minimum Pension Age" has the meaning given in section 279 of the FA 2004 (as varied by Schedule 36 to the FA 2004).

"NUT Active Member" means a member in pensionable service under the NUTSSF on the Change Date.

"NUTSSF" means the National Union of Teachers' Staff Superannuation Fund which is governed by the 2010 Deed.

"Opt-in Notice" means a notice by which an Employee opts into CARE Pensionable Service in a form determined by the Employer provided it complies with the requirements of Regulation 18 of the Automatic Enrolment Regulations.

"Opt-out Notice" means a notice by which a CARE Active Member opts out of CARE Pensionable Service in a form determined by the Trustees provided that it complies with the requirements of Regulation 9 of the Automatic Enrolment Regulations.

"Opt-out Period" means, in respect of an Eligible Jobholder, the period of one month from the later of:

- (a) their Automatic Enrolment Date or Automatic Re-enrolment Date as the case may be;
- (b) the date on which they received from the Employer with which they are in Service the enrolment information required under Regulation 2 of the Automatic Enrolment Regulations.

"PA 1995" means the Pensions Act 1995.

"PA 2004" means the Pensions Act 2004.

"PA 2008" means the Pensions Act 2008.

"Paid Family Leave" means:

- (a) any Ordinary Maternity Leave Period as defined in section 71 of the ERA 1996, any Additional Maternity Leave Period as defined in section 73 of the ERA 1996 or any further period of absence due to pregnancy or confinement for which the CARE Active Member in question receives pay (including statutory maternity pay) from their Employer;
- (b) any Ordinary Adoption Leave Period as defined in section 75A of the ERA 1996, any Additional Adoption Leave Period as defined in section 75B of the ERA 1996 or any further period of adoption absence for which the CARE Active Member in question receives pay from their Employer; or
- (c) any Paternity Leave Period pursuant to sections 80A and 80B of the ERA 1996 and any period of paid Additional Paternity Leave, or paid Parental Leave pursuant to section 76 of the ERA 1996, or any other paid leave for family reasons.

"Partial Incapacity" means:

- (a) permanent physical or mental impairment (other than a decline in energy or ability) that prevents and will continue to prevent a CARE Active Member from following their normal occupation with the NEU; and
- (b) the Trustees have received medical advice from a medical practitioner that the CARE Active Member is permanently incapable of doing any comparable position to their own which is reasonably available to them in the NEU's employment.

The NEU's decision as to whether a CARE Active Member is suffering Partial Incapacity is final.

"Partial Retirement Member" means a CARE Active Member who has chosen to draw their CARE Pension in full while remaining in CARE Pensionable Service.

"Partner" means a person of either sex whom the Trustees consider had a relationship with a CARE Member closely resembling marriage or a registered civil partnership.

"Part-time Service" means a period of employment that a CARE Active Member serves with an Employer which involves less than full-time employment and which is notified to the Trustees by an Employer.

"Paternity Leave" means a CARE Active Member's absence from Service permitted by Chapter 3 of Part VIII of the ERA 1996 together with any further period allowed by an Employer.

"Pension Benefit Blocks" means 1/66th of CARE Pensionable Salary received by the CARE Active Member during the course of each Scheme Year whilst they are in CARE Pensionable Service.

Each Pension Benefit Block of a CARE Member shall be increased each 1 January on a compound basis starting on 1 January at the start of the second Scheme Year following that in which the Pension Benefit Block has been accrued by the lesser of:

- (a) the percentage increase in the CPI during a reference period of 12 months ending on the preceding 30 September (which shall not be less than 0%); and
- (b) 2.5% (or such higher amount as the NEU and the Trustees may agree from time to time).

"Pension Commencement Lump Sum" means a lump sum which is a pension commencement lump sum under Part 1 of Schedule 29 to the FA 2004 unless a CARE Member is entitled to receive a higher lump sum under paragraphs 31 to 34 of Schedule 36 to the FA 2004.

"Pension Protection Lump Sum Death Benefit" means a lump sum which is pension protection lump sum death benefit under paragraph 14 of Schedule 29 to the FA 2004.

"PSA 1993" means the Pension Schemes Act 1993.

"Qualifying Child" means a Child who is:

- (a) under age 18; or
- (b) under age 23 and in full-time education or training approved by the Trustees; or
- (c) is suffering from a disability to the satisfaction of the Trustees at the date of the CARE Member's death. The Trustees may continue to treat the Child as a Qualifying Child for as long as they are satisfied that the Child is suffering from a disability.

"Qualifying Children" means more than one Qualifying Child.

"Qualifying Partner" means a CARE Member's surviving Spouse, Civil Partner or Partner at the date of their death or such other person as the NEU may decide. If there is more than one person who qualifies as the Qualifying Partner, the Trustees will pay the relevant benefits to one or more of the Qualifying Partners in such shares as the Trustees decide.

"Residual CARE Pension" means the CARE Pension attributable to a Partial Retirement Member's CARE Pensionable Service accrued on and after the Payment Date (as defined in Rule 11.2(b)).

"Salary Exchange Arrangement" means the salary exchange arrangement offered by the NEU to a CARE Active Member as varied from time to time.

"Salary Exchange Contribution" means a contribution payable to the Scheme by an Employer for a Salary Exchange Member.

"Salary Exchange Member" means a CARE Active Member who has opted to join a Salary Exchange Arrangement.

"Same Sex Marriage" means the same sex marriage of a CARE Member pursuant to the Marriage (Same Sex Couples) Act 2013.

"Scheme" means the NEU Pension Scheme (formerly known as the ATL Pension Scheme before the Change Date).

"Scheme Year" means a period of 12 months ending on 31 December each year or such other period as the NEU and the Trustees may agree.

"Serious Ill-health Lump Sum" means a lump sum which is a serious ill-health lump sum under Part 1 of Schedule 29 to the FA 2004.

"Service" means employment with the Employers.

"Service Credits" means any period of Additional CARE Pensionable Service attributed to a CARE Active Member by virtue of a transfer into the Scheme under Rule 17.1 of the ATL Rules or any augmentation or enhancement of benefits under Rule 16.5 of the ATL Rules.

"Small Lump Sum" means an authorised member payment under section 164 (1) (f) of the FA 2004 that meets the conditions set out in Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009 (SI 2009/1171).

"Spouse" means the person to whom a CARE Member is legally married at the date of death. Any reference to a marriage within this Schedule 3 (CARE Rules) shall be construed as if it also referred to a Same Sex Marriage.

"State Pension Age" means a member's state pensionable age under the rules in paragraph 1 of Schedule 4 to the PA 1995.

"Total Incapacity" means:

- (a) permanent physical or mental impairment (other than a decline in energy or ability) that prevents and will continue to prevent a CARE Active Member from following their normal occupation with the NEU; and
- (b) the Trustees have received medical advice from a registered medical practitioner that the CARE Active Member is permanently incapable of working for the NEU in any capacity whatsoever.

The NEU's decision as to whether a CARE Member is suffering Total Incapacity is final.

"Trivial Commutation Lump Sum" means a lump sum which is a trivial commutation lump sum under Part 1 of Schedule 29 to the FA 2004.

"Trivial Commutation Lump Sum Death Benefit" means a lump sum which is a trivial commutation lump sum death benefit under paragraph 20 of Schedule 29 to the FA 2004.

"Trustees" means the trustee or trustees for the time being of the Scheme.

"Unauthorised Payment" has the meaning given in section 208 of the FA 2004.

"Unpaid Family Leave" means a period of Maternity Leave, Paternity Leave or Adoption Leave which is not Paid Family Leave.

"2010 Deed" means the Definitive Trust Deed and Rules dated 27 August 2010 made between (1) the Central Executive Body of the National Union of Teachers; and (2) the National Union of Teachers; and (3) the trustees named therein (as amended).

2. **Eligibility**

- 2.1 The Scheme was closed to the future accrual of benefits on a final salary basis with effect from the Change Date.

- 2.2 All Former Final Salary Members became CARE Active Members in the CARE Section with effect from 1 July 2021 unless they opted not to join the CARE Section.
- 2.3 An Employee employed by the NEU after 1 July 2021 is eligible to join the Scheme if their contract of employment so provides and as long as the Employee has not reached State Pension Age.
- 2.4 The NEU may allow an Employee to join the Scheme even though the Employee does not satisfy the conditions at Rule 2.3 and will do so for any period during which the NEU has designated the Scheme as an Automatic Enrolment Scheme for Jobholders.
- 2.5 An eligible Employee may join the Scheme as soon as they start Service. The Employer and, if applicable, the Trustees will provide the eligible Employee with joining information either before or within one month after the date on which the eligible Employee first joins the Scheme.
- 2.6 If an eligible Employee, not being a Jobholder, does not join the Scheme at their first opportunity, that Employee may join later only with the consent of the NEU but may not do so after reaching State Pension Age.
- 2.7 A CARE Active Member will cease to be eligible if:
 - (a) their contract of employment is varied so that the CARE Active Member is no longer eligible for future active membership of the Scheme; or
 - (b) it would otherwise be unlawful to allow the CARE Active Member to continue accruing benefits under the Scheme.

A CARE Active Member will be treated as having left CARE Pensionable Service immediately on ceasing to be eligible. Unless the NEU agrees otherwise, a CARE Active Member entitled to a preserved pension from the Scheme cannot choose an early pension under Rule 12 before actually leaving Service.

- 2.8 The NEU may, at any time by notice in writing to the Trustees and any other Employer, direct that membership of the Scheme will be closed to new entrants. If this happens, no Employee will be entitled to become a CARE Active Member with effect from the date on which the notice closing the Scheme takes effect without the express written consent of the NEU.
- 2.9 An Employer must notify the Trustees as soon as reasonably practicable if a CARE Active Member opts to become a Salary Exchange Member.

3. Automatic enrolment

- 3.1 Within six weeks after the Automatic Enrolment Date of an Eligible Jobholder automatically enrolled in the Scheme, the Employer with which the Eligible Jobholder is in Service must provide the Trustees with the information about the Eligible Jobholder referred to in Regulation 3 of the Automatic Enrolment Regulations unless the Trustees notify the Employer in advance that they do not require this information (either generally or with reference to a particular Eligible Jobholder).
- 3.2 An Eligible Jobholder who has been automatically enrolled in the Scheme or automatically re-enrolled in the Scheme may opt out of CARE Pensionable Service by giving an Opt-out Notice within the Opt-out Period to the Employer with which they are in Service.
- 3.3 An Employer must inform the Trustees as soon as reasonably practicable if it receives an Opt-out Notice in relation to an Eligible Jobholder under Rule 3.2. If so informed by the Employer, the Trustees will treat the Eligible Jobholder as not having become a CARE Active Member on this occasion.

3.4 The Trustees will admit as a CARE Active Member an Eligible Jobholder who opts into CARE Pensionable Service before their Deferral Date by giving an Opt-in Notice to the Employer with which they are in Service. The Employer must notify the Trustees as soon as reasonably practicable if it receives an Opt-in Notice from an Eligible Jobholder.

3.5 The Trustees will admit as a CARE Active Member a Jobholder who opts into CARE Pensionable Service by giving an Opt-in Notice to the Employer with which they are in Service. The Employer must notify the Trustees as soon as reasonably practicable if it receives an Opt-in Notice from a Jobholder. Rule 3.2 and Rule 3.6 applies equally to a Jobholder who is admitted as a CARE Active Member under this Rule 3.5 as if they were an "Eligible Jobholder".

3.6 If an Eligible Jobholder opts out of CARE Pensionable Service under Rule 3.2 after being automatically enrolled in the Scheme:

- (a) the Employer must refund to the Eligible Jobholder any contributions made to the Scheme by the Eligible Jobholder (less tax) within one month of the date on which the Eligible Jobholder gave a valid Opt-out Notice to their Employer or, if a valid Opt-out Notice is given to the Employer after its payroll arrangements have closed for the Applicable Pay Reference Period, the last day of the next Applicable Pay Reference Period following the date on which a valid Opt-out Notice is given; and
- (b) provided the Employer with which the Eligible Jobholder is in Service has informed the Trustees that it has received an Opt-out Notice, the Trustees must refund to the Employer any contributions made to the Scheme by the Eligible Jobholder (less tax) within one month of the date on which the Eligible Jobholder gave a valid Opt-out Notice to their Employer or, if a valid Opt-out Notice is given to the Employer after its payroll arrangements have closed for the Applicable Pay Reference Period, the last day of the next Applicable Pay Reference Period following the date on which a valid Opt-out Notice is given.

3.7 An Eligible Jobholder who opted out of CARE Pensionable Service will be automatically re-enrolled as a CARE Active Member on their Automatic Re-enrolment Date unless they again opt out under Rule 3.2.

4. Opting out of the Scheme while in Service (not within an Opt-out Period) and re-joining the Scheme

4.1 A CARE Active Member may opt out of CARE Pensionable Service at any time after the Opt-out Period ends, by giving one month's notice in writing to the Trustees and the Employer (or such shorter period of written notice, including with immediate effect, as the Employer agrees to accept). The notice will be in such form as the Trustees may require from time to time.

4.2 If the CARE Pensionable Service of a CARE Active Member who opts out under Rule 4.1:

- (a) ceases within their Opt-out Period, the Trustees and the Employer will take appropriate action so that the CARE Active Member is treated as if they had never been included in the Scheme;
- (b) is more than one month but less than three months, they shall be entitled to receive a Contribution Refund (less tax) in accordance with Rule 19.1;
- (c) is more than three months but less than two years, they shall be entitled to receive a Contribution Refund (less tax) or a Cash Transfer Sum in accordance with Rule 19.2; and

(d) exceeds two years, they shall become a CARE Deferred Member from the day after the date on which their CARE Pensionable Service is deemed to end and is subject to the provisions of Rule 19.5.

If the CARE Active Member is entitled to a pension from the Scheme under Rule 4.2(d), a CARE Pension will not be paid to the CARE Active Member until they actually leave Service (or reach age 75, if earlier) unless the NEU agrees otherwise.

4.3 A CARE Deferred Member who opted out of CARE Pensionable Service under Rule 4.1 but who continues to meet the eligibility requirements in Rule 2 (Eligibility) may re-join the Scheme only with the consent of the NEU and the Trustees. The CARE Deferred Member:

- (a) may re-join the Scheme as a CARE Active Member at any time, not being less than twelve months after the date they gave written notice to the Trustees and the Employer to opt-out of the Scheme under Rule 4.1 (or such other period agreed in writing by the NEU) by providing the Employer with a written request to re-join the Scheme. The request will be in such form as the Trustees may require from time to time; and
- (b) will re-join the Scheme as a CARE Active Member on the next Automatic Enrolment Date applicable to the Employer if they are an Eligible Jobholder unless they choose to opt-out within the Opt-out Period.

4.4 If a CARE Deferred Member to whom Rule 4.3 applies re-joins the Scheme for future active membership, the CARE Deferred Member's benefits will be calculated separately and their CARE Pensionable Service shall not be continuous.

4.5 An Employer must notify the Trustees as soon as reasonably practicable if a Salary Exchange Member stops participating in a Salary Exchange Arrangement.

5. **Members absent on leave for family reasons**

5.1 The Trustees must treat a CARE Active Member who is on Paid Family Leave as remaining in CARE Pensionable Service subject to the following provisions of this Rule 5:

- (a) a CARE Active Member's CARE Pensionable Salary must be calculated as if they had continued working normally and had been receiving normal pay for doing so during the period of Paid Family Leave;
- (b) subject to Rule 5.1 (d), a CARE Active Member on Paid Family Leave must continue to pay Member Contributions to the Scheme in accordance with Rule 8 except that the Member Contributions must be calculated by reference to the CARE Pensionable Salary received by the CARE Active Member during the period of Paid Family Leave including any statutory maternity, paternity or adoption pay received by the CARE Active Member in accordance with the ERA 1996;
- (c) the Employer must pay its contributions in respect of the CARE Active Member in a period of Paid Family Leave by reference to the CARE Pensionable Salary that the CARE Active Member would receive if they had continued working normally and had been receiving normal pay for doing so, and must also pay the additional contributions required to make up the CARE Active Member's Member Contributions to the amount that would have been payable by them if they had been working normally and receiving the normal remuneration for doing so;
- (d) the Employer of a Salary Exchange Member who is on Paid Family Leave must pay Salary Exchange Contributions for them calculated in accordance with Rule 8.

- 5.2 The Trustees must treat a CARE Active Member on Unpaid Family Leave as a CARE Deferred Member and Rule 19 applies. However, the NEU may agree with a CARE Active Member on Unpaid Family Leave to treat that CARE Active Member as still in CARE Pensionable Service for some or all purposes of the Scheme.
- 5.3 If Rule 5.2 applies, the NEU will agree terms with the CARE Active Member as to the Member Contributions (if any) and benefits for any period of Unpaid Family Leave and shall notify the Trustees promptly in writing of what has been agreed with the CARE Active Member for the period of leave in question.
- 5.4 If a CARE Active Member (including a Salary Exchange Member) who has been treated as a CARE Deferred Member under Rule 5.2 returns to work and re-joins the Scheme after a period of Maternity Leave, Paternity Leave or Adoption Leave, the Trustees must treat the two periods of CARE Pensionable Service as continuous (but excluding the break in the case of Unpaid Family Leave unless Rule 5.5 applies). If the CARE Active Member (including a Salary Exchange Member) does not return to work, the Trustees must treat them as a CARE Deferred Member and Rule 19 applies.
- 5.5 If a CARE Active Member returns to work and re-joins the Scheme after a period of Unpaid Family Leave, the CARE Active Member may require the Trustees to treat all or part of their Unpaid Family Leave as CARE Pensionable Service. In order to do this, the CARE Active Member must pay within 6 months of returning to work and re-joining the Scheme (or such longer or shorter period as the NEU may decide and notify to the Trustees) the Member Contributions which the CARE Active Member would have paid to the Scheme under Rule 8 based on the CARE Pensionable Salary that the CARE Active Member received immediately prior to the Unpaid Family Leave.

6. Members absent on leave for other reasons

- 6.1 The Trustees must treat a CARE Active Member who is away from work and who is no longer receiving contractual pay from an Employer as a CARE Deferred Member and Rule 19 applies.
- 6.2 The NEU and the Trustees may agree to treat any CARE Active Member who is away from work or on secondment as still in CARE Pensionable Service:
 - (a) for the period of absence where it is due to injury or illness or any period of service with the armed forces or other work of national importance for the United Kingdom;
 - (b) otherwise where there is a definite expectation of a return to work, for such period of absence before CARE Normal Retirement Age as is determined by the Trustees.
- 6.3 The Trustees or NEU may at any time terminate a period of CARE Pensionable Service under Rule 6.2.
- 6.4 If Rule 6.2 applies, the NEU and the Trustees shall determine in relation to the relevant period:
 - (a) the benefits to be treated as accruing;
 - (b) the benefits to which the CARE Active Member will be entitled to on death in Service;
 - (c) the contributions required to be paid by or in respect of the CARE Active Member; and
 - (d) any other conditions.
- 6.5 Benefits payable under the Scheme on death of a CARE Active Member in CARE Pensionable Service who is absent from work shall be calculated as if their CARE Pensionable Salary had been at the level that they would have received, in the Trustees' opinion, but for their absence.

6.6 Where a CARE Active Member is absent from work, any Member Contributions payable by him under Rule 8 may, as the Trustees may decide with the agreement of the NEU, either:

- (a) continue at the appropriate rate then in force, in which case the period of absence shall be deemed to be CARE Pensionable Service;
- (b) continue at a reduced rate having regard to any reduction in the CARE Active Member's total income, in which case the period of absence shall be deemed to be CARE Pensionable Service, but the benefits provided in respect of such period shall be adjusted to take account of the reduced contribution rate, provided that, if on the CARE Active Member's return to work, they repay any unpaid contributions either as a lump sum or by such instalments over such a period as the Trustees may determine, and the Employer agrees to pay such contributions as the Trustees acting on the advice of the Actuary shall determine to be payable in respect of such period, no such adjustment shall be made; or
- (c) be suspended, in which case the period of absence shall not be deemed to be CARE Pensionable Service, provided that if on the CARE Active Member's subsequent return to work they pay the whole of the contributions due for such period either as a lump sum or by such instalments over such a period as the Trustees may determine, and the Employer agrees to pay such contributions as the Trustees acting on the advice of the Actuary shall determine to be payable in respect of such period, the period of absence shall be deemed to be CARE Pensionable Service.

7. **Members with overseas service**

7.1 The NEU may direct special terms for a CARE Active Member employed outside the UK, provided that, if a CARE Active Member becomes a "qualifying person" under the Occupational Pension Schemes (Cross-border Activities) Regulations 2005 (SI 2005/3381) with the effect that the Trustees would breach section 287 of the PA 2004 if they accepted contributions for them, the CARE Active Member is deemed to have left CARE Pensionable Service and become a CARE Deferred Member.

8. **CARE Active Members' contributions**

8.1 A CARE Active Member must pay Member Contributions to the Trustees as set out in this Rule 8 unless they are a Salary Exchange Member in which case only Rules 8.6 to 8.8 apply.

8.2 Subject to Rules 8.3 and 8.6, a CARE Active Member must pay Member Contributions at the following rates of their CARE Pensionable Salary:

NEU earnings band	% of CARE Pensionable Salary
Bands 6 to 8	7%
Bands 3 to 5	9.5%
Bands 1 and 2	12%

8.3 A CARE Active Member whose earnings are in NEU earnings band 5 must pay Member Contributions at the following rates of their CARE Pensionable Salary:

- (a) 8% of their CARE Pensionable Salary between 1 July 2021 and 30 June 2022;
- (b) 8.5% of their CARE Pensionable Salary between 1 July 2022 and 30 June 2023; and
- (c) 9.5% of their CARE Pensionable Salary on and after 1 July 2023.

8.4 Member Contributions shall be deducted from a CARE Active Member's pay by the Employer and remitted to the Trustees (or as the Trustees direct) at whatever intervals the Trustees stipulate.

8.5 Subject to complying with all applicable statutory and regulatory requirements, the NEU may reduce or increase the rates of Member Contributions payable by CARE Active Members from time to time.

8.6 A Salary Exchange Member pays no Member Contributions but their Employer must pay Salary Exchange Contributions for them of an amount equal to the Member Contributions the Salary Exchange Member would have paid if they had not been a Salary Exchange Member.

8.7 If Rule 8.6 applies, to ensure that the benefits of a Salary Exchange Member are not affected:

- (a) the Salary Exchange Member's earnings at any date and for any period during which the CARE Active Member participates in the Salary Exchange Arrangement for pension contributions will include the amount by which those earnings are reduced due to the Salary Exchange Contribution; and
- (b) when calculating any benefit under the Scheme, a Salary Exchange Member will be treated as having paid Member Contributions equal to those which they would have paid if the Salary Exchange Member had not participated in the Salary Exchange Arrangement.

8.8 The Trustees must return any Member Contributions or Salary Exchange Contributions that have been paid to the Scheme in error subject to any requirements of HMRC and provided such refund does not amount to an Unauthorised Payment.

9. Additional voluntary contributions

9.1 CARE Active Members are not permitted to pay additional voluntary contributions to the Scheme to secure additional benefits.

10. Normal retirement for CARE Active Members

10.1 The Trustees must pay a CARE Active Member who leaves CARE Pensionable Service on reaching CARE Normal Retirement Age:

- (a) a CARE Pension;
- (b) if the CARE Active Member is a Former Final Salary Member, a deferred pension in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member; and
- (c) any benefit deriving from a transfer into the Scheme after the Change Date in accordance with Rule 17.1 of the ATL Rules for which the Trustees have granted benefits in the Scheme as a CARE Active Member.

10.2 A pension payable under this Rule 10:

- (a) is payable from the CARE Active Member's CARE Normal Retirement Age; and
- (b) is payable for the rest of the CARE Active Member's life.

11. Partial retirement for CARE Active Members

11.1 A Partial Retirement Member may with the consent of the NEU and on such terms as the NEU may decide draw a CARE Pension in full before leaving CARE Pensionable Service provided:

- (a) they have reached Normal Minimum Pension Age but have not attained age 75;
- (b) in the case of a Former Final Salary Member, they may also be able to draw their pension relating to Pensionable Service prior to the Change Date in accordance with the terms of Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member if they meet the consent requirements and such other terms and conditions as may be specified therein;
- (c) the option may only be exercised once by a Partial Retirement Member.

11.2 A Partial Retirement Member may exercise the option in Rule 11.1 by giving the NEU and the Trustees such notice in writing as they may from time to time require. The notice must inform the NEU and the Trustees:

- (a) that the Partial Retirement Member wishes to be paid their CARE Pension in full;
- (b) the date from which they wish their CARE Pension to be paid (the "**Payment Date**"); and
- (c) if they are a Former Final Salary Member, whether they wish to draw their pension relating to Pensionable Service prior to the Change Date on the Payment Date or at such later date as is allowed under the terms of Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

11.3 A CARE Pension must be payable for the rest of a Partial Retirement Member's life with effect from the Payment Date. The Trustees must calculate the CARE Pension on the basis applying under Rule 10 but adjusted in accordance with Rule 11.4.

11.4 If a Partial Retirement Member wishes to be paid their CARE Pension in full:

- (a) the Trustees must calculate the Partial Retirement Member's CARE Pension as though they were leaving CARE Pensionable Service on the day before the Payment Date;
- (b) if the Partial Retirement Member has not reached CARE Normal Retirement Age, the Trustees must reduce the CARE Pension for early payment in accordance with Rule 12;
- (c) the Trustees must adjust to zero a Partial Retirement Member's CARE Pensionable Service accrued for the period up to and including the Payment Date; and
- (d) the Partial Retirement Member continues in CARE Pensionable Service until the earlier of the date they leave Service and the date they give notice to the Trustees that they wish to draw their Residual CARE Pension in the Scheme provided that if they have not reached CARE Normal Retirement Age when they draw their Residual CARE Pension, the Trustees must reduce the Residual CARE Pension for early payment in accordance with Rule 12.

11.5 A Partial Retirement Member who decides to draw all of their CARE Pension in accordance with this Rule 11 may also exercise a commutation option under Rule 14 to the extent that it does not result in an Unauthorised Payment. On subsequently drawing any Residual CARE Pension,

the Partial Retirement Member may exercise a further commutation option under Rule 14 again to the extent that it does not result in an Unauthorised Payment.

11.6 A Partial Retirement Member who has exercised an option under Rule 11.1 counts as both a CARE Active Member and a CARE Pensioner Member under the CARE Rules. But if a Partial Retirement Member dies before starting to draw their Residual CARE Pension, they are entitled to receive death benefits calculated in accordance with Rule 15 or Rule 16 in respect of their Residual CARE Pension and death benefits calculated in accordance with Rule 18 in respect of their CARE Pension put into payment on the Payment Date.

12. Early retirement for CARE Active Members

12.1 A CARE Active Member is entitled to draw a pension on leaving CARE Pensionable Service before reaching CARE Normal Retirement Age in the following situations:

- (a) if they suffer from Partial Incapacity provided the Ill-health Condition is met and they obtain the consent of the NEU for early retirement;
- (b) if they suffer from Total Incapacity provided the Ill-health Condition is met and they obtain the consent of the NEU for early retirement;
- (c) if they have attained Normal Minimum Pension Age and they obtain the consent of the NEU for early retirement.

12.2 If a CARE Active Member wishes to draw a pension early in any of the situations referred to in Rule 12.1, they must apply to the Trustees in writing in such form as the Trustees may decide from time to time. A pension payable under this Rule 12 is payable from the day after the date the CARE Active Member leaves CARE Pensionable Service.

12.3 The Trustees must pay a CARE Active Member who retires early under Rule 12.1 (a):

- (a) a CARE Pension which must not be reduced for early payment;
- (b) if the CARE Active Member is a Former Final Salary Member, a deferred pension payable in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member; and
- (c) any benefit deriving from a transfer into the Scheme in accordance with Rule 17.1 of the ATL Rules for which the Trustees have granted benefits in the Scheme as a CARE Active Member.

12.4 The Trustees must pay a CARE Active Member who retires early under Rule 12.1 (b):

- (a) a CARE Pension calculated on the basis of their CARE Pensionable Salary at retirement and their CARE Pensionable Service at retirement increased to reflect 50% of the Additional CARE Pensionable Service that the CARE Active Member would have completed if they had remained in Service until reaching CARE Normal Retirement Age;
- (b) if the CARE Active Member is a Former Final Salary Member, a deferred pension payable in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions that may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member; and

- (c) any benefit deriving from a transfer into the Scheme in accordance with Rule 17.1 of the ATL Rules for which the Trustees have granted benefits in the Scheme as a CARE Active Member.

12.5 The Trustees must pay a CARE Active Member who retires early under Rule 12.1 (c):

- (a) a CARE Pension reduced by an appropriate factor reflecting its early payment before the CARE Active Member's CARE Normal Retirement Age on a basis agreed between the NEU and the Trustees after considering advice from the Actuary;
- (b) if the CARE Active Member is a Former Final Salary Member, a deferred pension payable in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member; and
- (c) any benefit deriving from a transfer into the Scheme in accordance with Rule 17.1 for which the Trustees have granted benefits in the Scheme as a CARE Active Member.

13. **Late retirement for CARE Active Members**

13.1 A CARE Active Member may remain in Service after reaching CARE Normal Retirement Age or any later date that they opt out from CARE Pensionable Service.

13.2 A CARE Active Member who remains in Service after reaching CARE Normal Retirement Age may with the consent of the NEU continue in CARE Pensionable Service until the date on which they leave Service.

In this case, the CARE Active Member is entitled to:

- (a) a CARE Pension based on the CARE Active Member's CARE Pensionable Salary and CARE Pensionable Service at the date they leave Service;
- (b) if the CARE Active Member is a Former Final Salary Member, a deferred pension in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member;
- (c) any benefit deriving from a transfer into the Scheme in accordance with Rule 17.1 of the ATL Rules for which the Trustees have granted benefits in the Scheme as a CARE Active Member; and
- (d) the death benefits described at Rule 16 in the event of their death before receiving their pension.

In this case, the CARE Active Member will continue to make Member Contributions in accordance with Rule 8. The NEU shall continue to pay Salary Exchange Contributions for a Salary Exchange Member who remains in CARE Pensionable Service after CARE Normal Retirement Age.

13.3 A CARE Active Member who remains in CARE Pensionable Service after reaching CARE Normal Retirement Age may opt out of CARE Pensionable Service at any time and defer drawing their pension until the date on which they leave Service.

In this case, the CARE Active Member is entitled to:

- (a) a CARE Pension based on the CARE Active Member's CARE Pensionable Salary and CARE Pensionable Service at the date they opt-out from CARE Pensionable Service increased by such amount as agreed between the NEU and the Trustees after considering advice from the Actuary;
- (b) if the CARE Active Member is a Former Final Salary Member, a deferred pension payable in respect of Pensionable Service prior to the Change Date. This pension is calculated in accordance with the terms of and subject to such terms and conditions as may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member;
- (c) any benefit deriving from a transfer into the Scheme in accordance with Rule 17.1 of the ATL Rules for which the Trustees have granted benefits in the Scheme as a CARE Active Member; and
- (d) the death benefits described at Rule 16 in the event of their death before receiving their pension.

In this case, the CARE Active Member will cease to make Member Contributions in accordance with Rule 8. The NEU must stop paying Salary Exchange Contributions for a Salary Exchange Member who remains in Service after reaching CARE Normal Retirement Age if they opt out of CARE Pensionable Service.

- 13.4 A CARE Active Member who remains in Service after CARE Normal Retirement Age may opt out of CARE Pensionable Service at any time and further opt to defer drawing their pension to such later date after they leave Service and shall become a CARE Deferred Member entitled to the benefits set out at Rule 22. In this case, the CARE Active Member will cease making Member Contributions in accordance with Rule 8. The NEU must stop paying Salary Exchange Contributions for a Salary Exchange Member who remains in Service after reaching CARE Normal Retirement Age if they opt out of CARE Pensionable Service.
- 13.5 A CARE Pension payable under Rule 13.2 and Rule 13.3 is payable from the date after the date on which the CARE Active Member leaves Service unless the CARE Active Member has opted for the CARE Pension to be paid at a later date in which case Rule 22 applies.
- 13.6 A CARE Active Member who stays in Service after reaching age 75 will be treated for all the purposes of the Scheme as having left CARE Pensionable Service on reaching age 75.

14. Commutation options

- 14.1 Before a CARE Member starts drawing a CARE Pension, they may commute part of their CARE Pension with the consent of the NEU and the Trustees in any amount up to the maximum permitted as a Pension Commencement Lump Sum by giving notice in writing to the Trustees specifying the amount of the lump sum they wish to draw. A CARE Member may commute their CARE Pension on a basis decided by the NEU after consulting with the Trustees and considering advice from the Actuary provided that a lump sum paid to a CARE Member must qualify as a Pension Commencement Lump Sum.
- 14.2 The Trustees may, having obtained advice from the Actuary and having regard to the financial position of the Scheme, allow a CARE Member to commute on grounds of serious ill-health the entirety of their CARE Pension before it comes into payment on a basis agreed with the NEU and considering advice from the Actuary provided that:

- (a) the Trustees have received evidence from a registered medical practitioner that the CARE Member is expected to live for less than one year;
- (b) the payment qualifies as a Serious Ill-health Lump Sum;
- (c) the CARE Member has consented to the commutation unless they are unable to give their consent because of their ill-health; and
- (d) any contingent benefits due to a Qualifying Partner or Qualifying Children of the CARE Member on the CARE Member's death must be provided under and payable from a separate arrangement in respect of the CARE Member for the purposes of the FA 2004.

14.3 The Trustees may on request by a CARE Member commute on grounds of triviality the entirety of a CARE Member's benefits from the Scheme on the following terms:

- (a) the CARE Member has attained Normal Minimum Pension Age;
- (b) the payment qualifies as a Trivial Commutation Lump Sum or a Small Lump Sum;
- (c) the Trustees will calculate the lump sum on a basis agreed with the NEU after considering advice from the Actuary.

14.4 The Trustees may commute in full on grounds of triviality a pension payable from the Scheme to a Qualifying Partner on the following terms:

- (a) the payment must qualify as a Trivial Commutation Lump Sum Death Benefit; and
- (b) the Trustees will calculate the lump sum on a basis agreed with the NEU after considering advice from the Actuary.

15. **Death benefits: CARE Active Members who die before reaching CARE Normal Retirement Age**

15.1 If a CARE Active Member dies before reaching CARE Normal Retirement Age, the benefits set out in this Rule 15 are payable.

15.2 The Trustees must hold on discretionary trusts and pay in accordance with Rule 6.5 of the ATL Rules a lump sum equal to:

- (a) four (4) times the CARE Pensionable Salary payable to the CARE Active Member at the date they died;
- (b) if the CARE Active Member was a Former Final Salary Member, such lump sum (if any) payable on death in deferment in respect of Pensionable Service prior to the Change Date. This lump sum shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

provided that:

- (c) the lump sum must qualify as a Defined Benefits Lump Sum Death Benefit;
- (d) no lump sum is payable if the CARE Active Member leaves no surviving Beneficiaries;
- (e) no lump sum is payable if the CARE Active Member dies after reaching age 75; and

(f) for the purposes of the lump sum calculated under this Rule 15.2 (a), if a CARE Active Member dies whilst in Part-time Service, the lump sum payable in respect of them will be based on their full-time equivalent salary.

15.3 If a CARE Active Member dies before reaching CARE Normal Retirement Age leaving a Qualifying Partner, the Trustees must pay the Qualifying Partner a pension for life.

A pension payable under this Rule 15.3 must be equal to:

(a) 1/160th of CARE Pensionable Salary received by the CARE Active Member during the course of each Scheme Year whilst they were in CARE Pensionable Service increased each 1 January on a compound basis starting on 1 January at the start of the second Scheme Year following accrual to the date of the CARE Active Member's death by the lesser of:

(i) the percentage increase in the CPI during a reference period of 12 months ending on the preceding 30 September (which shall not be less than 0%); and

(ii) 2.5% (or such higher amount as the NEU and the Trustees may agree from time to time); plus

(b) 1/320th of CARE Pensionable Salary received by the CARE Active Member at the date of death for such Additional CARE Pensionable Service as the CARE Active Member would have completed if the CARE Active Member had remained in Service from the date of their death until reaching CARE Normal Retirement Age; plus

(c) if the CARE Active Member was a Former Final Salary Member, a pension may be payable to a spouse, civil partner or dependant (as applicable) on death in deferment in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

15.4 If a Qualifying Partner is more than fifteen years' younger than the CARE Active Member, the pension payable under Rule 15.3 (a) and (b) will be reduced for each year of age difference greater than fifteen on such basis as the Trustees decide having taken advice from the Actuary.

15.5 If a CARE Active Member dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 15.3 (a) and (b) at the date of death, the Trustees must pay the Qualifying Child a pension (or if there is more than one Qualifying Child, in such shares as the Trustees decide). A pension payable under this Rule 15.5 must be equal to the pension that would otherwise have been paid to a Qualifying Partner under Rule 15.3 (a) and (b). A pension payable under this Rule 15.5 shall be payable until the earlier of the date on which the Qualifying Child stops being a Qualifying Child or dies.

15.6 If a CARE Active Member is a Former Final Salary Member and dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 15.3 (c) at the date of death, a pension may be payable to a dependant on death in deferment in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

16. Death benefits: CARE Active Members who die on or after reaching CARE Normal Retirement Age

16.1 If a CARE Active Member dies on or after reaching CARE Normal Retirement Age and before starting to receive a CARE Pension, the benefits set out in this Rule 16 are payable.

16.2 If the CARE Active Member has not opted out of CARE Pensionable Service and is entitled to receive the pension described at Rule 13.2, the Trustees must hold on discretionary trusts and pay in accordance with Rule 6.5 of the ATL Rules a lump sum equal to:

- (a) four (4) times the CARE Pensionable Salary payable to the CARE Active Member at the date they died; and
- (b) if the CARE Active Member was a Former Final Salary Member, such lump sum (if any) payable on death in deferment in respect of Pensionable Service prior to the Change Date. This lump sum shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

Provided that:

- (a) the lump sum must qualify as a Defined Benefits Lump Sum Death Benefit;
- (b) no lump sum is payable if the CARE Active Member leaves no surviving Beneficiaries;
- (c) no lump sum is payable if the CARE Active Member dies after reaching age 75; and
- (d) for the purposes of the lump sum calculated under this Rule 16.2 (a), if a CARE Active Member dies whilst in Part-time Service, the lump sum payable in respect of them will be based on their full-time equivalent salary.

16.3 If a CARE Active Member dies on or after reaching CARE Normal Retirement Age leaving a Qualifying Partner, the Trustees must pay the Qualifying Partner a pension for life.

A pension payable under this Rule 16.3 must be equal to:

- (a) one-half of the CARE Pension the Active CARE Member would have received had their CARE Pension been put into payment on the day immediately before their date of death; and
- (b) if the CARE Active Member was a Former Final Salary Member, a pension may be payable to a spouse, civil partner or dependant (as applicable) on death in deferment in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of an NUT Active Member.

16.4 If a Qualifying Partner is more than fifteen years' younger than the CARE Active Member, the pension payable under Rule 16.3 (a) will be reduced for each year of age difference greater than fifteen on such basis as the Trustees decide having taken advice from the Actuary.

16.5 If a CARE Active Member dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 16.3 (a) at the date of death, the Trustees must pay the Qualifying Child a pension (or if there is more than one Qualifying Child, in such shares as the Trustees decide). A pension payable under this Rule 16.5 must be equal to the pension that would

otherwise have been paid to a Qualifying Partner under Rule 16.3 (a). A pension payable under this Rule 16.5 shall be payable until the earlier of the date on which the Qualifying Child stops being a Qualifying Child or dies.

16.6 If a CARE Active Member is a Former Final Salary Member and dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 16.3 (b) at the date of death, a pension may be payable to a dependant on death in deferment in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

17. **Death benefits: CARE Deferred Members**

17.1 If a CARE Deferred Member dies before starting to receive a CARE Pension, the benefits set out in this Rule 17 are payable.

17.2 If a CARE Deferred Member dies before reaching CARE Normal Retirement Age leaving a Qualifying Partner, the Trustees must pay the Qualifying Partner a pension for life.

A pension payable under this Rule 17.2 must be equal to:

- (a) 50% of the CARE Pension that the CARE Deferred Member was entitled to at the date they left CARE Pensionable Service revalued to the date of their death; and
- (b) if the CARE Deferred Member was a Former Final Salary Member, a pension may also be payable to a spouse, civil partner or dependant (as applicable) on death in deferment in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

17.3 If a Qualifying Partner is more than fifteen years' younger than the CARE Deferred Member, the pension payable under Rule 17.2 (a) will be reduced for each year of age difference greater than fifteen on such basis as the Trustees decide having taken advice from the Actuary.

17.4 If a CARE Deferred Member dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 17.2 (a) at the date of death, the Trustees must pay the Qualifying Child a pension (or if there is more than one Qualifying Child, in such shares as the Trustees decide). A pension payable under this Rule 17.4 must be equal to the pension that would otherwise have been paid to a Qualifying Partner under Rule 17.2 (a). A pension payable under this Rule 17.4 shall be payable until the earlier of the date on which the Qualifying Child stops being a Qualifying Child or dies.

17.5 If a CARE Active Member is a Former Final Salary Member and dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 17.2 (b) at the date of death, a pension may be payable to a dependant on death in deferment in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

18. Death benefits: CARE Pensioner Members

18.1 If a CARE Pensioner Member dies after starting to receive a CARE Pension, the benefits set out in this Rule 18 are payable.

18.2 If a CARE Pensioner Member dies within five years after starting to receive a CARE Pension, the Trustees must hold on discretionary trusts and pay in accordance with Rule 6.5 of the ATL Rules, a lump sum equal to:

- (a) the pension payments which would have been made to the CARE Pensioner Member during the remainder of the five year period if the CARE Pensioner Member had not died disregarding any annual increases which would have taken effect after the CARE Pensioner Member's death; and
- (b) if the CARE Pensioner Member was a Former Final Salary Member, such lump sum (if any) payable on death in retirement in respect of Pensionable Service prior to the Change Date. This lump sum shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member

provided that:

- (a) the lump sum must qualify as a Defined Benefits Lump Sum Death Benefit unless the CARE Pensioner Member has notified the Trustees in writing before their death that it should be treated as a Pension Protection Lump Sum Death Benefit;
- (b) no lump sum is payable if the CARE Pensioner Member leaves no surviving Beneficiaries; and
- (c) no lump sum is payable if the CARE Pensioner Member dies after reaching age 75.

18.3 If a CARE Pensioner Member dies leaving a Qualifying Partner, the Trustees must pay the Qualifying Partner a pension for life.

A pension payable under this Rule 18.3 must be equal to:

- (a) 41.25% of the CARE Pension payable to the CARE Pensioner Member at the date they died (or, if greater, 41.25% of the pension that would have been payable to the CARE Pensioner Member had they not commuted part of their pension in exchange for a Pension Commencement Lump Sum);
- (b) if the CARE Pension Member was a Former Final Salary Member, a pension may also be payable to a spouse, civil partner or dependant (as applicable) on death in retirement in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

18.4 If a Qualifying Partner is more than fifteen years' younger than the CARE Pensioner Member, the pension payable under Rule 18.3 (a) will be reduced for each year of age difference greater than fifteen on such basis as the Trustees decide having taken advice from the Actuary.

18.5 If a CARE Pensioner Member dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 18.3 (a) at the date of death, the Trustees must pay the Qualifying Child a pension (or equally between each Qualifying Child should there be more than one). A

pension payable under this Rule 18.5 must be equal to the pension that would otherwise have been paid to a Qualifying Partner under Rule 18.3 (a). A pension payable under this Rule 18.5 shall be payable until the earlier of the date on which the Qualifying Child stops being a Qualifying Child or dies.

18.6 If a CARE Active Member is a Former Final Salary Member and dies leaving Qualifying Children and no pension is payable to a Qualifying Partner under Rule 18.3 (b) at the date of death, a pension may be payable to a dependant on death in retirement in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as may be specified within Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

19. **Benefits for early leavers**

19.1 A CARE Active Member who leaves CARE Pensionable Service with less than three months' CARE Pensionable Service shall be entitled to a Contribution Refund (less tax).

19.2 A CARE Active Member who leaves CARE Pensionable Service having completed at least three months' CARE Pensionable Service but less than two years' CARE Pensionable Service may elect to receive a Cash Transfer Sum or a Contribution Refund (less tax). The Trustees must notify a CARE Active Member of their right to make this election within a reasonable period after they leave CARE Pensionable Service.

19.3 Any Contribution Refund paid under Rule 19.1 or Rule 19.2 shall not include any Salary Exchange Contributions paid by the NEU on behalf of the CARE Active Member to the extent that they were a Salary Exchange Member.

19.4 A former CARE Active Member may make an election under Rule 19.2 by giving notice in writing to the Trustees within such reasonable period as the Trustees specify stating:

- (a) whether they wish to receive a Cash Transfer Sum or a Contribution Refund; and
- (b) in the case of a Cash Transfer Sum, how they require it to be used in accordance with the requirements of Chapter 5 of Part IV of the PSA 1993.

19.5 If a CARE Active Member who leaves Service in accordance with Rule 19.2 fails to give notice in writing to the Trustees within the period specified, the Trustees are discharged from any further obligation to them subject to their obligation to pay a Contribution Refund (less tax).

19.6 A CARE Active Member who leaves Service after completing two years or more CARE Pensionable Service becomes a CARE Deferred Member and is entitled to preserved benefits in the Scheme that come into payment in accordance with Rule 20, Rule 21 or Rule 22 (as applicable).

20. **Normal retirement for CARE Deferred Members**

20.1 On reaching CARE Normal Retirement Age, a CARE Deferred Member is entitled to:

- (a) a CARE Pension including revaluation to CARE Normal Retirement Age; and
- (b) if the CARE Deferred Member is a Former Final Salary Member, a deferred pension in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

20.2 A pension payable under this Rule 20:

- (a) is payable from the CARE Deferred Member's CARE Normal Retirement Age; and
- (b) is payable for the rest of the CARE Deferred Member's life.

21. Early retirement for CARE Deferred Members

21.1 A CARE Deferred Member is entitled to draw a pension before reaching CARE Normal Retirement Age in the following situations:

- (a) if they suffer from Partial Incapacity or Total Incapacity provided that the Ill-health Condition is met and they obtain the consent of the NEU for early retirement;
- (b) if they have attained Normal Minimum Pension Age and they obtain the consent of the NEU for early retirement.

21.2 If a CARE Deferred Member wishes to draw a pension early in any of the situations referred to in Rule 21.1, they must apply to the Trustees in writing in such form as the Trustees may decide from time to time.

21.3 The Trustees must pay a CARE Deferred Member who retires early under Rule 21.1 (a) or Rule 21.1 (b):

- (a) a CARE Pension including revaluation to the date of retirement which may then be reduced by an appropriate factor reflecting its early payment before the CARE Deferred Member's CARE Normal Retirement Age on a basis agreed between the NEU and the Trustees after considering advice from the Actuary; and
- (b) if the CARE Deferred Member is a Former Final Salary Member, a deferred pension in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

22. Late retirement for CARE Deferred Members

22.1 On reaching CARE Normal Retirement Age, a CARE Deferred Member may with the consent of the NEU postpone drawing their CARE Pension for such period as they wish, up to age 75.

22.2 The Trustees must pay a CARE Deferred Member who draws a pension late under Rule 22.1:

- (a) a CARE Pension including revaluation to CARE Normal Retirement Age and increased by such amount as agreed between the NEU and the Trustees after considering advice from the Actuary to reflect its late payment after CARE Normal Retirement Age; and
- (b) if the CARE Deferred Member is a Former Final Salary Member, a deferred pension in respect of Pensionable Service prior to the Change Date. This pension shall be calculated in accordance with the terms of and subject to such terms and conditions as specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

23. Pension increases

23.1 The Trustees must increase:

- (a) a CARE Pension or CARE Dependant's Pension payable under the Scheme on 1 April each year by the percentage increase in the CPI during the 12 months ending 30 September in the previous year (or such other reference period as agreed between the NEU and the Trustees) up to a maximum of 2.5%; and
- (b) if the CARE Pensioner Member is a Former Final Salary Member, the pension payable in respect of Pensionable Service prior to the Change Date shall be increased in accordance with the terms of and subject to such terms and conditions as specified in Schedule 1 (Rules relating to ATL Members) in the case of an ATL Active Member and Schedule 2 (Rules relating to NUT Members) in the case of a NUT Active Member.

23.2 If a CARE Pension or CARE Dependant's Pension has been in payment for less than 12 months, the Trustees must increase the pension on the 1 April following the date the pension started to be paid in accordance with Rule 23.1 but reduced to reflect the fact that the pension has only been in payment for a proportion of the previous year by reference to the number of complete months for which the pension has been in payment.

24. Payment of benefits

24.1 The Trustees may make such arrangements as they consider appropriate for the payment of benefits under this Schedule 3 (CARE Rules).

24.2 A CARE Pension or CARE Dependant's Pension is payable in equal monthly instalments in advance on such date as the Trustees may determine provided that:

- (a) if the first regular payment date falls after the date the pension comes into payment under this Schedule 3 (CARE Rules), the Trustees may vary the amount of the first instalment to take into account the additional period of entitlement; and
- (b) if the Trustees consider that the amount of the pension payable is insufficiently large to justify its payment in equal monthly instalments, they may pay the pension at such other intervals as they consider appropriate (which must be no less often than annually).

[END]