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STATUTORY INSTRUMENTS

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**1994 No. 2005**

**TRANSPORT**

**The Railway Pensions (Transfer and  
Miscellaneous Provisions) Order 1994**

*Made - - - - 28th July 1994*

*Coming into force*

*Articles 1 and 3 to 5 1st August 1994*

*Articles 2(1) to (10), 6 and 7 1st October 1994*

*Article 2 (11) 2nd October 1994*

Whereas in so far as the following Order is made under paragraph 3 of Schedule 11 to the Railways Act 1993<sup>(1)</sup> the Secretary of State has consulted the trustees of the occupational pension schemes amended by article 4 below;

Whereas in so far as the following Order is made under paragraph 4 of that Schedule the Secretary of State has consulted the trustees of the occupational pension schemes which are, or are to be, the transferor scheme and the transferee scheme pursuant to article 2 below;

Whereas in so far as the following Order is made under paragraph 10 of that Schedule the Secretary of State has consulted the trustee of the occupational pension scheme to which qualifying pension rights are to be transferred by article 2 below;

Whereas it appears to the Secretary of State to be necessary or expedient in consequence of provisions made by the following Order to amend or modify the application of the legislation referred to in Schedule 6 to the Order as provided in that Schedule;

Whereas a draft of the Order was laid before Parliament and no comments have been received as referred to in paragraph 13(2) of Schedule 11 to the Railways Act 1993;

And whereas that draft was approved by resolution of each House of Parliament;

Now, therefore, the Secretary of State, in exercise of the powers conferred on him by section 143(3) and (4) of, and paragraphs 2 to 4, 6 to 8, 10 and 12 of Schedule 11 to, the Railways Act 1993<sup>(2)</sup> and of all other powers enabling him in that behalf, hereby makes the following Order:

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(1) 1993 c. 43.

(2) See the definitions of “existing scheme”, “new scheme” and “prescribed” in paragraph 1(1) of Schedule 11, the Railway Pensions (Protection and Designation of Schemes) Order 1994 (S.I. 1994/1432) which designates certain occupational pension schemes as existing schemes for the purposes of Schedule 11 and the Railways Pension Scheme Order 1994 (S.I. 1994/1433) which established the Railways Pension Scheme.

### **Citation and commencement**

1. This Order may be cited as the Railway Pensions (Transfer and Miscellaneous Provisions) Order 1994 and shall come into force as follows—

- (a) articles 1 and 3 to 5 on 1st August 1994;
- (b) articles 2(1) to (10), 6 and 7 on 1st October 1994;
- (c) article 2(11) on 2nd October 1994.

### **Transfer of members, assets and liabilities and the winding up of certain existing schemes**

2.—(1) All those persons with pension rights under the BR Pension Scheme (being an existing scheme) who are eligible to be members of the Railways Pension Scheme (being a new scheme) shall be members of the Railways Pension Scheme (“the transferee scheme”) instead of the BR Pension Scheme (“the transferor scheme”); and their pension rights under the transferor scheme shall be transferred so as to become pension rights under the transferee scheme.

(2) Subject to the provisions of paragraph (5) of this article, all of the assets held by the trustee of the transferor scheme for the purposes of that scheme shall be transferred so as to be held by the trustee of the transferee scheme for the purposes of that scheme, and any assets held by any other person for the purposes of the transferor scheme, whether on behalf of the trustee of the transferor scheme or otherwise, shall be transferred so as to be held by that person for the purposes of the transferee scheme on behalf of the trustee of the transferee scheme or otherwise, as the case may be.

(3) Subject to the provisions of paragraph (5) of this article, any liabilities under or in relation to the transferor scheme of an employer who is participating in that scheme shall be transferred so as to become liabilities of that employer under or in relation to the transferee scheme, to the extent that such liabilities are not transferred by paragraph (2) of this article.

(4) Any liabilities of the trustee of the transferor scheme under or in relation to that scheme shall be transferred so as to become liabilities of the trustee of the transferee scheme under or in relation to that scheme, to the extent that such liabilities are not transferred by paragraph (1) or (2) of this article.

(5) Paragraphs (2) and (3) of this article shall not transfer any liability of an employer who is participating in the transferor scheme to pay contributions to that scheme in respect of any period after 30th September 1994 so as to become a liability of that employer under or in relation to the transferee scheme or an asset of the transferee scheme.

(6) The investment assets (within the meaning of Schedule 1 to this Order) transferred by paragraph (2) of this article shall be allocated to sections of the transferee scheme in accordance with the provisions of Schedule 1 to this Order.

(7) The pension rights transferred by this article so as to become pension rights under the transferee scheme shall be allocated to sections of that scheme, and persons with pension rights so transferred shall become members of sections of that scheme, in accordance with the provisions of Schedule 2 to this Order.

(8) Subject to the provisions of paragraph (9) of this article, any person who is on 1st October 1994 the employer of a person whose pension rights are transferred by this article shall—

- (a) participate in the transferee scheme in accordance with the rules of that scheme for such period as he remains the employer of that person and that person remains a participant in that scheme, and
- (b) pay contributions in respect of that person in accordance with the rules of that scheme.

(9) Paragraph (8) of this article shall not impose a duty to participate or pay contributions on the employer of a person where the employer is under a duty under article 3 of the British Transport (Pensions of Employees) (No. 1) Order 1969<sup>(3)</sup> in respect of that person.

(10) Where pension rights are transferred by this article, articles 4 (obligation to provide a scheme) and 6 (scheme amendment, transfer and winding up) of the Railway Pensions (Protection and Designation of Schemes) Order 1994<sup>(4)</sup> shall have effect as if the assets transferred by paragraph (2) of this article in respect of those pension rights constituted the payment of a transfer value in respect of those rights in accordance with that Order, and accordingly—

- (a) nothing in article 6(2) to (4) or 7(4) (contributions) of that Order shall require the payment of any sum in respect of that transfer; and
- (b) article 7(2)(a) of that Order shall have effect as if those pension rights had been transferred in accordance with article 6 of that Order.

(11) The transferor scheme shall be treated for all purposes as wound up.

### **Amendment of the Railway Pensions (Protection and Designation of Schemes) Order 1994**

**3.** The Railway Pensions (Protection and Designation of Schemes) Order 1994 shall be amended as follows—

- (a) in article 6(6) (winding up) for the words from “the steps set out” to “as the circumstances may require,” there shall be substituted the words “the requirements set out in paragraph (7) or (8), as the case may require, have first been complied with and any steps which are taken for the purpose of winding up such a scheme or part thereof without those requirements having first being complied with”;
- (b) in article 6(8) (winding up) for the words from “is sufficient” to “pension rights were” there shall be substituted the words “, in the opinion of the scheme actuary of the scheme which is to be wound up, is sufficient to secure relevant pension rights which are no less favourable than that person’s relevant pension rights were immediately before the transfer”;
- (c) in article 7(4) (contributions)—
  - (i) in sub-paragraph (a) for the words from “the difference” to the end of that sub-paragraph there shall be substituted the words “any part of the transfer value calculated by the scheme actuary under article 6(2) and (3) which is not paid under that article; and”;
  - (ii) in sub-paragraph (b) for the words from “such part” to the end there shall be substituted the words “any part of any amount required to be paid under sub-paragraph (a) which is not paid.”;
- (d) in article 9(1) (circumstances in which breaks in continuity of employment are disregarded)—
  - (i) for sub-paragraph (b) there shall be substituted the following sub-paragraph—
    - “(b) any break in the continuity of employment of a person which consists of a period which begins with the ceasing of employment with an employer (“the former employer”) who was participating in the joint industry scheme and ends with the entering into employment with an associated employer of the former employer who is participating in that scheme, where that period would have been disregarded in determining continuity of employment of the person in question if both before and

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<sup>(3)</sup> S.I. 1969/1824, amended by S.I. 1980/1351. Article 3 was extended by S.I. 1971/116 and S.I. 1971/117.

<sup>(4)</sup> S.I. 1994/1432.

after that period his employer had been either the former employer or that associated employer”; and

(ii) in sub-paragraph (c) from the beginning of that sub-paragraph to the end of sub-paragraph (c)(i) there shall be substituted the following words—

“(c) any break in the continuity of employment of a person which consists of a period which begins with the ceasing of employment with an employer (“the former employer”) who is engaged in the railway industry and ends with the entering into employment with another employer (“the other employer”) who is engaged in that industry where that period—

(i) would have been disregarded in determining the continuity of employment of the person in question if both before and after that period his employer had been either the former employer or the other employer;”; and

(e) in article 12(2)(b) (elections) for the words “railway industry” there shall be substituted the words “joint industry scheme”.

#### **Amendment of Existing Schemes**

4. Schedule 3 to this Order shall have effect for the purpose of amending the instruments relating to the existing schemes referred to in that Schedule.

#### **Amendment of the Railways Pension Scheme Order 1994**

5. Schedule 4 to this Order shall have effect for the purpose of amending the Railways Pension Scheme Order 1994(5).

#### **Designations for the purposes of Part III of the Transport Act 1980**

6. Schedule 5 to this Order, which relates to designations for the purposes of Part III of the Transport Act 1980(6), shall have effect.

#### **Amendment of legislation**

7. Schedule 6 to this Order shall have effect for the purpose of amending or modifying the application of the legislation referred to in that Schedule.

Signed by authority of the Secretary of State for Transport

28th July 1994

*John Watts*  
Minister of State,  
Department of Transport

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(5) S.I. 1994/1433.

(6) 1980 c. 34; section 52(1) was amended, and sections 52A to 52C were inserted by paragraph 9 of Schedule 11 to the Railways Act 1993; there are other amendments not relevant to this Order.

## SCHEDULE 1

Article 2(6)

### Allocation of Investment Assets between Sections

#### Part I

1.—(1) This Schedule shall apply to such assets transferred by article 2 of this Order which are investment assets and any reference in the following provisions of this Schedule to assets shall be taken to be a reference to investment assets transferred by that article.

(2) In this Schedule—

“additional voluntary contributions” means any contributions paid under rule 11A of the transferor scheme;

“allocation amount”, in respect of any section, means the amount determined pursuant to paragraph 4(2) of this Schedule;

“investment assets” means any investment (within the meaning of the Financial Services Act 1986(7)), money (including foreign currency) held by or on behalf of the trustee and any land or interest in land;

“member of the transferor scheme” means any person who, immediately before 1st October 1994, had pension rights under the transferor scheme and whose pension rights are transferred by article 2 of this Order;

“member”, in relation to a section, means a member of the transferor scheme who becomes a member of a section under Schedule 2 of this Order;

“relevant pension obligations” has the meaning given by section 53 of the Transport Act 1980;

“Open Section” means the section of the transferee scheme to be established by the Board which adopts the Rules of the Shared Cost Arrangement set out in that Scheme;

“sections” means the 1994 Pensioners “A” Section, the 1994 Pensioners “B” Section and the Open Section of the transferee scheme;

“transferee scheme” means the Railways Pension Scheme;

“transferor scheme” means the BR Pension Scheme;

the “unfunded proportion of any pension rights” means a proportion of any pension rights in respect of which relevant pension obligations which have not been funded are owed by the Board, being the proportion determined for the purposes of section 52(1)(a) of the Transport Act 1980 in respect of those relevant pension obligations;

and (unless the context otherwise requires) the terms “guaranteed minimum pension”, “pay”, “pensionable pay” and “scheme pay” shall have the meanings they bear in the transferor scheme.

(3) For the purposes of this Schedule, subject to the provisions of paragraph 13 of this Schedule, any determination of the value of any asset, liability in respect of pension rights, expenses or contributions shall be made as at the time immediately before 1st October 1994.

(4) For the purposes of this Schedule other than paragraph 3, any reference to the value of any asset shall be taken to be a reference to the market value of that asset.

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(7) 1986 c. 60: see section 1(1) of, and Part I of Schedule 1 to, that Act. Paragraph 7 of that Schedule was amended by the Financial Services Act 1986 (Extension of the Scope of Act and Meaning of Collective Investment Scheme) Order 1988 (S.I. 1988/496). The note to paragraph 1 of that Schedule was amended by the Financial Services Act 1986 (Extension of Scope of Act) Order 1991 (A.I. 1991/1104).

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(5) For the purposes of this Schedule, the value of liabilities in respect of pension rights and the value of contributions shall be determined in accordance with the provisions of Part III of this Schedule.

(6) Nothing in this Schedule shall prevent the trustee of the transferee scheme from dealing with any assets in the ordinary course of its functions under or in relation to the transferee scheme.

## Part II

2. The assets shall be allocated to sections by the trustee of the transferee scheme in accordance with the provisions of this Schedule.

3.—(1) Those assets which represent the accumulated value of—

- (a) any additional voluntary contributions made by a person who, immediately before 1st October 1994, is a participant or deferred pensioner in relation to the transferor scheme; and
- (b) any contributions made (or deemed to have been made) by the employer of such a person under rule 12A of the transferor scheme in respect of such contributions;

shall be allocated to the section to which the pension rights in respect of which the contributions were made are allocated by Schedule 2 to this Order.

(2) Assets having a value equal to the amount of any contributions, other than those referred to in sub-paragraph (1) of this paragraph, made by an employer in respect of any period between 1st April 1993 and 30th June 1994 shall be allocated to the Open Section.

4.—(1) The value of the assets allocated to a section shall be such proportion of the total value of the assets other than assets allocated under paragraph 3 of this Schedule, less the net cost to the trustee of the transferee scheme of carrying out the apportionment of the assets, which the allocation amount for that section bears to the total of all the allocation amounts.

(2) The allocation amount for a section shall be determined by carrying out the calculations required by sub-paragraph (3) or (4) of this paragraph, as the case may require, in relation to the amounts applied to that section under paragraphs 5, 6 and 7 of this Schedule.

(3) For the 1994 Pensioners “A” Section or 1994 Pensioners “B” Section, there shall be added together the amounts resulting from the following calculations:—

- (a)  $48\% \times A \times 3.5\% \div (0.7 \times GDY + 0.06 \times NDY + 0.12 \times EDY + 0.12 \times PDY)$
- (b)  $5\% \times A \times 4.1\% \div GDY$
- (c)  $17\% \times A \times X \div Y$
- (d)  $30\% \times A \times Z \div W$ .

(4) For the Open Section, there shall be added together the amounts resulting from the following calculations:—

- (a)  $80\% \times A \times 3.5\% \div (0.7 \times GDY + 0.06 \times NDY + 0.12 \times EDY + 0.12 \times PDY)$
- (b)  $8\% \times A \times 4.1\% \div GDY$
- (c)  $6\% \times A \times X \div Y$
- (d)  $6\% \times A \times Z \div W$ .

(5) For the purposes of this paragraph—

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A	= the total of the amounts applied to the relevant section under paragraphs 5, 6 and 7 of this Schedule;
EDY	= gross dividend yield at the close of business on 30th September 1994 shown in the FT-Actuaries World Index for Europe (ex-UK);
GDY	= gross dividend yield at the close of business on 30th September 1994 shown in the FT-Actuaries All-Share Index;
NDY	= gross dividend yield at the close of business on 30th September 1994 shown in the FT-Actuaries World Index for North America;
PDY	gross dividend yield at the close of business on 30th September 1994 shown in the FT-Actuaries World Index for the Pacific Basin;
X	= the price of £100 nominal of a notional British Government index-linked stock bearing an index-linked coupon of 2 ½% a year for 15 years, with an index-linked yield equal to the true annual yield on the British Government index-linked stock 2 ½% Treasury 2009 determined from the yield for that stock at close of business on 30th September 1994 published in the Financial Times, at the 5% inflation assumption;
Y	= 85.04;
Z	= the price of £100 nominal of a notional British Government Stock bearing a fixed coupon of 10% a year for a period of 5 years, with a yield equal to the yield at close of business on 30th September 1994 shown on the FT-Actuaries Fixed Interest Index for medium coupon stocks of 5 years' duration;
W	= 105.91.

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(6) In the event that any index or other publication referred to in this paragraph is not published showing a yield referred to in the relevant provision before 31st October 1994, the relevant provision shall be taken to refer to such amount in respect of yield as the actuary considers appropriate in all the circumstances of the case.

5. There shall be applied to the Open Section an amount equal to the total of—

- (a) the value of contributions payable by any member of the transferor scheme of 4.52% of scheme pay (or, if greater, 2.26% of pensionable pay) from 1st October 1994 until 30th September 2003;
- (b) the value of contributions payable by any employer of a member of the transferor scheme of 14.28% of scheme pay (or, if greater, 7.14% of pensionable pay) from 1st October 1994 until 31st March 1996 and of 6.78% of scheme pay (or, if greater, 3.39% of pensionable pay) from 1st April 1996 until 30th September 2003; and

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- (c) the value of contributions payable (or which would be deemed to be paid) by any employer of a member of the transferor scheme under rule 12A of that scheme in respect of additional voluntary contributions payable by such member throughout the period of his participation at the same level, expressed as a percentage of pensionable pay, as that at which such additional voluntary contributions are paid immediately before 1st October 1994.

6. There shall be applied to the 1994 Pensioners “A” Section and the 1994 Pensioners “B” Section an amount equal in value to the administrative and general expenses (other than those in respect of investment management) that may be expected to be incurred in relation to and met by the relevant section over its natural life.

7.—(1) There shall be applied to each section the amount calculated under sub-paragraph (2) of this paragraph in respect of that section.

(2) The amount referred to in sub-paragraph (1) of this paragraph shall be the value of the liabilities under the transferor scheme in respect of those pension rights transferred by article 2 of this Order and allocated to that section.

Provided that for all purposes of this paragraph

- (a) the unfunded proportion of any pension rights, and
- (b) any pension rights not in payment acquired by virtue of any additional voluntary contributions,

shall be ignored.

8.—(1) The assets allocated to the 1994 Pensioners “A” Section shall include—

- (a) index-linked gilts whose value is no less than 12% of the allocation amount in respect of that section;
- (b) bonds whose value is no less than 20% of the allocation amount in respect of that section.

(2) In this paragraph—

“bonds” means any investment, within the meaning of the Financial Services Act 1986, falling within paragraph 2 or 3 of Schedule 1 to that Act other than an index-linked gilt; and

“index-linked gilts” means loan stock, bonds and other instruments creating or acknowledging indebtedness issued by Her Majesty’s Government in the United Kingdom, the Government of Northern Ireland or the Government of the Isle of Man which under their terms of issue bear a rate of interest calculated by reference to fluctuations in an index.

9.—(1) Pending final allocation of the assets in accordance with this Schedule, the trustee of the transferee scheme shall allocate the assets to sections in such manner as they think fit.

(2) The assets to be allocated to a section under the provisions of this Schedule shall be adjusted to include income received on the assets to be allocated to that section, and to deduct payments made in respect of liabilities in respect of

- (a) those assets; or
- (b) liabilities in respect of the pension rights allocated to that section

within the period from 1st October 1994 until the date of final allocation.

### Part III

10. Subject to the provisions of this Schedule, the value of liabilities in respect of pension rights shall be determined in accordance with the principles described as the “Projected Accrued



Benefit Method” in the guidance entitled “Pension Fund Terminology” in section D of the Members' Handbook published in 1988 in London by the Institute of Actuaries.

11.—(1) Lump sum benefits which would be payable on the death after 30th September 1994 of a participant while accruing benefits in the transferor scheme shall be ignored to the extent that they would exceed the amount determined as a result of carrying out the calculation specified in sub-paragraph (2) of this paragraph.

(2) The calculation referred to in sub-paragraph (1) of this paragraph is:—

$$B \times 3.75\% \times (N \div 4)$$

where

B = the lump sum benefit which would be payable on the death of the participant; and  
N = the number of years of his participation up to 30th September 1994.

12. Service enhancements on death in service and ill-health retirement in accordance with the rules of the transferor scheme shall be ignored.

13. Without prejudice to paragraph 14(b) of this Schedule, increases in pay which are agreed after 30th September 1994 but back-dated to that date or before shall be ignored for the purpose of determining any amount which depends on the level of pay at 30th September 1994.

14. The valuation shall make use of the following actuarial assumptions:—

- (a) the valuation rate of interest shall be 8.25% per annum in respect of pension rights allocated to the 1994 Pensioners “A” Section or the 1994 Pensioners “B” Section of the Railways Pension Scheme and 8.5% per annum in respect of pension rights allocated to the Open Section;
- (b) pay shall be taken to be increased from its level immediately before 1st October 1994 by 6.5% per annum, with the first such increase on 1st April 1995, before allowing for increases due to promotion or seniority, except where an increase in pay which applies in respect of a period starting before 1st January 1995 is agreed and notified to the trustee of the transferor scheme before 1st October 1994, and in such a case pay shall be taken to be increased (before allowing for increases due to promotion or seniority) in the period up to the date agreed under the agreement as being the date as at which pay shall be reviewed annually or (if later) up to 1st January 1996 in accordance with the agreement so notified, and thereafter by 6.5% per annum, with the first increase of 6.5% on 1st January 1996 or such earlier date as may be agreed under the agreement as being the date as at which pay shall be reviewed annually;
- (c) the basic state pension shall be assumed to be increased at 5% per annum;
- (d) pensions in payment shall be taken to increase at 4.5% per annum except that any part in payment after the age of 65 (or, in the event of the death of the participant or person previously participating, in payment after such death) and attributable to the member's rights to guaranteed minimum pension shall, to the extent that such rights accrued after 6th April 1988, be taken to increase at 3% per annum and shall otherwise be taken not to increase;
- (e) deferred benefits and such pensions and benefits assumed to be awarded to members of the transferor scheme assumed to withdraw voluntarily in the future shall be assumed to increase during deferment at 4.5% per annum;
- (f) pay shall be assumed to increase as a result of promotion and seniority in accordance with the scales given in columns 1 and 2 of Table 1 set out in Part IV of this Schedule;
- (g) the probability of a participant dying while accruing benefits in the transferor scheme shall be assumed to be in accordance with the rates given in columns 3 and 4 of the said Table 1;

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- (h) the probability of a participant withdrawing voluntarily and being awarded deferred benefits while accruing benefits in the transferor scheme shall be assumed to be in accordance with the rates given in columns 5 and 6 of the said Table 1;
- (i) the probability of a participant retiring on ill-health grounds while accruing benefits in the transferor scheme shall be assumed to be in accordance with the rates given in columns 7 and 8 of the said Table 1;
- (j) the probability of a participant retiring early voluntarily with an immediate pension while accruing benefits in the transferor scheme shall be assumed to be in accordance with the rates given in columns 9 and 10 of the said Table 1. The factor to be applied to service is given in columns 1 and 2 of Table 2 set out in Part IV of this Schedule except that allowance shall be made for those members entitled under the scheme to more generous early retirement benefits than normal;
- (k) all retirements other than early retirements on grounds of ill-health or voluntarily shall be assumed to take place on attaining age 65 in the case of males and age 60 in the case of females, or immediately in the case of females who are, immediately before 1st October 1994, over 60;
- (l) deferred benefits shall be assumed to come into payment on attaining age 60, or immediately for those persons who immediately before 1st October 1994 are over 60, and such benefits assumed to be awarded to members of the transferor scheme assumed to withdraw voluntarily in the future shall be assumed to come into payment on attaining age 60 except that, in each case, allowance shall be made for a member's right to draw benefits on favourable terms before age 60;
- (m) the mortality of pensioners who retired or are assumed to retire on grounds other than ill-health and of those who withdrew or withdraw voluntarily with deferred benefits either before or after the pension comes into payment shall be based on the PA(90) Tables for Pensioners published in 1979 in London by the Institute of Actuaries with the following age adjustments:—

(i) expected mortality of those receiving pensions immediately before 1st October 1994:

Males	none
Females	+1 year

(ii) expected mortality of those with deferred benefits immediately before 1st October 1994:

Males	-1 year
Females	none

(iii) expected mortality of those accruing benefits immediately before 1st October 1994 after subsequent retirement or voluntary withdrawal:

Males	-1 year
Females	none;

- (n) the probability of survival of pensioners who retired or are assumed to retire on grounds of ill-health, to any age after retirement shall be determined from Table 3 set out in Part IV of this Schedule;
- (o) the proportions of members of the transferor scheme who shall be assumed to be married at death to a spouse entitled to an adult dependant's pension are shown in Table 4 set out in

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Part IV of this Schedule together with the age difference to be assumed between the former member and spouse. Allowance shall be made for the likelihood of children receiving pensions. Pensions to other dependants of those dying in the future shall be ignored;

- (p) the mortality of women in receipt of an adult dependant’s pension under the transferor scheme and of widows assumed to be awarded such a pension in the future shall be based on the WA 80 Table included in “Standard Tables of Mortality: the “80” Series” published in 1992 in London by the Institute of Actuaries(8) as applying in the base year 1980 with the following age adjustments for improvements in mortality since 1980—

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(i) expected mortality of those year receiving pensions	-1 year
(ii) expected mortality of widows of those receiving pensions	-1 year
(iii) expected mortality of widows of those with deferred benefits immediately before 1st October 1994	-2 years
(iv) expected mortality of widows of those accruing benefits immediately before 1st October 1994.	-2 years

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Widowers shall be assumed to experience mortality at the rates set out in the PA(90) Tables for Pensioners referred to in sub-paragraph (m) above, with the following age adjustments:

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(i) (i) men receiving pensions and widowers of those receiving pensions	+ 1 year
(ii) (ii) widowers of those with deferred benefits or those accruing benefits immediately before 1st October 1994.	none

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Once commenced, an adult dependant’s pension to a widow or widower shall be assumed to be continued until he or she is assumed to die;

- (q) for the propose of valuing contributions referred to in paragraph 5(a) or (b) of this Schedule, it shall be assumed that there will be sufficient new participants to keep the total pay of participants at the level at which the total pay is immediately before 1st October 1994 subject to the provisions of sub-paragraph (b) of this paragraph.

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**Part IV**

**TABLE 1**

Age	Pay progression arising from seniority and promotional increases		Probability of dying in service		Probability of voluntary withdrawal with deferred benefits		Probability of retiring on ill-health grounds with immediate pension and lump sum		Probability of voluntary early retirement with immediate pension and lump sum at rate in Table 2	
	(1) Males	(2) Females	(3) Males	(4) Females	(5) Males	(6) Females	(7) Males	(8) Females	(9) Males	(10) Females
20	105	105	0.0006	0.0003	0.0860	0.1050	0.0000	0.0000	0.0000	0.0000
25	133	133	0.0008	0.0003	0.0710	0.1470	0.0005	0.0001	0.0000	0.0000
30	149	149	0.0008	0.0003	0.0560	0.0990	0.0014	0.0009	0.0000	0.0000
35	164	164	0.0008	0.0005	0.0455	0.0750	0.0024	0.0020	0.0000	0.0000
40	174	174	0.0013	0.0008	0.0380	0.0600	0.0037	0.0041	0.0000	0.0000
45	184	184	0.0027	0.0013	0.0305	0.0450	0.0050	0.0073	0.0000	0.0000
50	190	190	0.0045	0.0021	0.0000	0.0000	0.0082	0.0126	0.0180	0.0400
55	194	194	0.0070	0.0035	0.0000	0.0000	0.0143	0.0214	0.0600	0.1100
60	194	194	0.0103	0.0058	0.0000		0.0000	0.0000	0.1500	
61	194	194	0.0110		0.0000		0.0000	0.0000	0.1600	
62	194	194	0.0118		0.0000		0.0000	0.0000	0.2000	
63	194	194	0.0126		0.0000		0.0000	0.0000	0.2700	
64	194	194	0.0135		0.0000		0.0000	0.0000	0.4000	

Values for intermediate ages shall be taken to be intermediate.

**TABLE 2**

Factor to be applied to service completed in calculating immediate pension and lump sum for those retiring early otherwise than on grounds of ill-health.

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Age	(1) Males	(2) Females
50	0.7500	0.7500
51	0.7800	0.7800
52	0.8100	0.8100
53	0.8400	0.8400
54	0.8700	0.8700
55	0.9000	0.9000
56	0.9200	0.9200
57	0.9400	0.9400
58	0.9600	0.9600
59	0.9800	0.9800
60	1.0000	1.0000
61	1.0000	
62	1.0000	
63	1.0000	
64	1.0000	

**TABLE 3**

Determination of probability of death at age shown of pensioners who retired or are assumed to retire on ill-health grounds

Age	(1) Number Survivors Male	(2) Number Survivors Female
20	958,269	922,368
25	908,546	833,748
30	861,404	753,642
35	815,057	681,232
40	766,847	615,780
45	711,175	556,616
50	640,872	503,137
55	551,406	454,796
60	449,212	407,962
65	341,909	361,300

a per 1,000,000 lives at age 16.

1. Values for intermediate ages shall be taken to be intermediate.
2. In the case of those accruing benefits immediately before 1st October 1994, the age used should be one year less than their real age.

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Age	(1) Number Survivors Male	(2) Number Survivors Female
70	238,248	317,041
75	148,433	259,530
80	79,785	184,861
85	35,365	104,876
90	11,172	41,818
95	1,763	10,072
100	70	1,270
105	0	68
110	0	0

a per 1,000,000 lives at age 16.

1. Values for intermediate ages shall be taken to be intermediate.
2. In the case of those accruing benefits immediately before 1st October 1994, the age used should be one year less than their real age.

**TABLE 4**

Proportions married at death and the difference between the age of the former member and his or her spouse

Age	Male Former Members		Female Former Members	
	Proportion married	Difference between former member's age and spouse's age	Proportion married	Difference between former member's age and spouse's age
20	0.050	0.0	0.600	3.0
25	0.500	1.0	0.600	3.0
30	0.750	1.5	0.600	3.0
35	0.850	2.0	0.600	3.0
40	0.875	2.5	0.600	3.0
45	0.875	3.0	0.600	3.0
50	0.875	3.0	0.600	3.0
55	0.875	3.0	0.600	3.0
60	0.875	3.0	0.600	3.0
65	0.875	3.0	0.600	3.0

1. Values for intermediate ages shall be taken to be intermediate.
2. For ages beyond the assumed vesting date of the member's pension the proportion married at death shall be taken to be the proportion at the vesting date, reduced in line with the spouse's assumed mortality over the subsequent period.
3. It shall be assumed that husbands were older than their wives.

## SCHEDULE 2

Article 2(7)

### Allocation of Pension Rights and Members between Sections

**1.** Any pension rights—

- (a) of a person who ceased to be a participant on or before 31st March 1994, or
- (b) which derive (directly or indirectly) from the pension rights of such a person, and

which derive from any period of participation which ceased on or before 31st March 1994 shall be allocated to the 1994 Pensioners “A” Section of the transferee scheme.

**2.** Any pension rights—

- (a) of a person who ceased to be a participant after 31st March 1994 but before 1st October 1994, or
- (b) which derive (directly or indirectly) from the pensions rights of such a person, and

which derive from any period of participation which ceased after 31st March 1994 but before 1st October 1994 shall be allocated to the 1994 Pensioners “B” Section of the transferee scheme.

**3.—(1)** All other pension rights shall be allocated to the Open Section.

(2) For the purposes of this Schedule “Open Section” means the section of the transferee scheme to be established by the Board, which adopts the Rules of the Shared Cost Arrangement set out in that scheme.

**4.—(1)** Any person with pension rights which are allocated to the 1994 Pensioners “A” Section shall become a member of that section.

(2) Any person with pension rights which are allocated to the 1994 Pensioners “B” Section shall become a member of that scheme.

(3) Any person with pension rights which are allocated to the Open Section shall become a member of that section.

## SCHEDULE 3

Article 4

### Amendment of Existing Schemes

**1.** In the trust deed dated 22nd November 1974 of the B. R. (1974) Pension Fund the following Clause shall be inserted after Clause 13A—

**“13B**

(1) Subject to the following provisions of this Clause, the Trustees shall, in addition to any other power which they may have, have power with the consent of the Board to make amendments by deed to any trust deed of the schemes mentioned in paragraphs 1 and 2 of the Schedule, any rules of those schemes or other instrument relating to their constitution, management or operation.

(2) The power of the Trustees under subclause (1) above shall be exercisable only for the purpose of—

- (i) permitting the members of either of those schemes to be eligible to continue or cease to be members;
- (ii) permitting persons to be eligible to become beneficiaries (but not members) of those schemes;

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- (iii) making provision for the participation, and the ceasing of participation, in those schemes by any employer of persons who have been employed by the Board or any of its subsidiaries;
  - (iv) prohibiting the admission of new members to those schemes;
  - (v) winding up those schemes in whole or in part; and
  - (vi) making provision relating to the administration and expenses of those schemes in so far as such provision is consequential on any amendment made under subclause (1).
- (3) No amendment may be made under subclause (1) which would have the effect of—
- (i) prejudicing any approval of the scheme in question for the purposes of Chapter I of Part XIV of the Income and Corporation Taxes Act 1988<sup>(9)</sup> (retirement benefit schemes);
  - (ii) preventing that scheme from being a contracted-out scheme for the purposes of Part III of the Pension Schemes Act 1993<sup>(10)</sup> or Part III of the Pension Schemes (Northern Ireland) Act 1993<sup>(11)</sup>;
  - (iii) to any extent depriving a member of that scheme of pension rights which accrued to him under the scheme before the coming into force of the amendment; or
  - (iv) providing for any person to become a member of that scheme who is not an eligible person.

In this sub-clause “eligible person” and “member” shall have the meanings they bear in Schedule 11 to the Railways Act 1993.

(4) This Clause shall not be cancelled or modified under Clause 13A above.

(5) Any amendment made under this Clause shall not, without the consent of the Trustees, be—

- (i) amended under the powers to which reference is made in Clause 13 above; or
- (ii) cancelled or modified under the powers contained in Clause 13A above.”

2.—(1) Subject to the provisions of sub-paragraph (2) of this paragraph, in each of the instruments relating to the existing schemes listed in Column 1 of the Table below, there shall be inserted in the position specified in Column 2 of that Table in relation to that instrument the following Clause which shall bear the number specified in Column 3 of that Table in relation to that instrument:—

“(1) With effect from 1st October 1994, British Railways Board and the other employers (if any) participating from time to time in the Fund (together “the Employers”) shall indemnify the trustees from time to time of the Fund (“the Trustee”) and the Trustee’s subsidiaries and their respective officers and employees and the members of the Committee of Management (if any) against all liabilities and expenses arising out of the purported execution of the trusts, powers, duties and authorities imposed or conferred on them by or under the Fund or by any purported delegation or sub-delegation of such trusts, powers, duties and authorities, to whomsoever such liabilities may be incurred. This indemnity does not, however, apply to liabilities and expenses which are due to the personal conscious wrongdoing or recklessness of any officer or employee of the Trustee or its subsidiaries or of any member of the Committee of Management nor, in the case of any such person who carries on or who is involved in the carrying on of the business of professional trustee, to

<sup>(9)</sup> 1988 c. 1.

<sup>(10)</sup> 1993 c. 48.

<sup>(11)</sup> 1993 c. 49.



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negligence. The liability of British Railways Board and of each Employer shall, however, be limited to the proportion of the total liability arising under this paragraph that the Trustee, having regard to actuarial advice, determines to be appropriate in all the circumstances.

(2) With the consent of British Railways Board, the Trustee may insure the Fund against any loss caused to it by its employees, officers, subsidiaries, agents or delegates or by any member of the Committee of Management and may also insure itself and any of its employees, officers, subsidiaries, agents or delegates or any member of the Committee of Management against liability for breach of trust not involving the personal conscious wrongdoing or recklessness of the person concerned (and, in the case of a person who carries on or is involved in the carrying on of the business of professional trustee, not involving the negligence of the person concerned). British Railways Board and the Trustee shall agree the terms of any such insurance (including terms as to payment). To the extent that the Trustee secures payment under any such insurance, paragraph (1) above shall not apply.”

**TABLE**

Column 1 INSTRUMENTS	Column 2 POSITION	Column 3 NUMBER
The Trust Deed of the B.R. (1974) Pension Fund, dated 22nd November 1974	After Clause 11	Clause 11A
The Rules of the British Railways Superannuation Fund, dated as at July 1991	After Rule 2	Rule 2A
The Revised Trust Deed of the British Transport Police Force Superannuation Fund, dated 2nd November 1993	After Clause (11)	Clause (11A)
The Rules of the Great Western Railway Inspectors and Foremen's Special Pension Fund, dated 31st March 1926	After Rule 9	Rule 9A
The Rules of the Great Western Railway Salaried Staff Supplemental Pension Fund, dated 31st March 1926	After Rule 9	Rule 9A
The Rules of the Great Western Railway Salaried Staff Widows' and Orphans' Pension Society, establishing the Society on 25th December 1921	After Rule 29	Rule 29A
The Trust Deed of the Great Western Railway Supplemental Pension Reserve Fund, dated 30th May 1930	After Clause 6C	Clause 6D
The Rules of the London and North Western Railway Provident Society for	After Rule 52	Rule 52A

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Column 1	Column 2	Column 3
INSTRUMENTS	POSITION	NUMBER
providing pensions for the widows and orphans of the salaried staff dated 1st October 1945		

(2) In the following instruments the Clause set out in sub-paragraph (1) above shall be modified as follows:—

- (a) in the instrument relating to the British Transport Police Superannuation Fund for all references to the “Fund” there shall be substituted references to the “Joint Fund”; and
- (b) in the instruments relating to the Great Western Railway Salaried Staff Widows' and Orphans' Pension Society and the London and North Western Railway Provident Society for providing pensions for the widows and orphans of the salaried staff, for all references to the “Fund” there shall be substituted references to the “Society”.

(3) In this Schedule, any reference to an instrument shall be taken to be a reference to that instrument as amended.

#### SCHEDULE 4

Article 5

##### Amendment of the Railways Pension Scheme Order 1994

The Railways Pension Scheme Order 1994(12) shall be amended as follows—

- (a) in the Pension Trust of the Railways Pension Scheme which is set out in the Schedule to that Order—
  - (i) at the end of Clause 2D there shall be inserted the following provision—
 

“The provisions of this Clause shall also apply in relation to any breaches of trust committed by the trustee of the BR Pension Scheme (as defined in the Rules of the 1994 Pensioners “A” Section) liability in respect of which has been transferred to the Trustee by article 2(4) of the Railway Pensions (Transfer and Miscellaneous Provisions) Order 1994 or any transfer scheme made under the Railways Act provided that such breaches were not due to personal conscious wrongdoing or recklessness on the part of the trustee of the BR Pension Scheme;”
  - (ii) at the end of the first paragraph of Clause 2F there shall be inserted the following provision—
 

“The Participating Employers (in such proportions as the Trustee requires) shall also reimburse the Trustee for any expenses and liabilities which arise in relation to breaches of trust committed by the trustee of the BR Pension Scheme other than breaches of trust due to the personal conscious wrongdoing or recklessness on the part of that trustee.”
  - (iii) after sub-clause 1(e) of Clause 3B there shall be inserted the following provision—
 

“However, Clause 8 of the deed set out in that Part is only applicable where the Section adopts the Rules of the Shared Cost Arrangement and the Participating Employer carries on an undertaking (or part of an undertaking) which, on or after 31st March 1993, has been carried on by the Board or a subsidiary of the Board.”;

(12) S.I. 1994/1433.

- (iv) in sub-clause 3 of Clause 8C the words “on or after 1st April 1994” shall be deleted;
- (v) for sub-clause 7(b) of Clause 8C there shall be substituted the following sub-clause—

*“Share of Fund*

(b) In any case where the amount of the transfer payment is calculated on (or limited by reference to) a share of fund basis, the amount shall be as determined by the Trustee having regard to the advice of the Actuary. Where Clause 8C8 applies then for the purposes of calculating the share of fund attributable to transferring Members, pensioners and deferred pensioners no account shall be taken of the Relevant Proportion (if any) of pension rights as defined in Schedule 11 to the Railways Act of Members, pensioners or deferred pensioners, which are not to be transferred.

For the purpose of this sub-clause 7(b), “Relevant Proportion” means in respect of pension rights of any person the proportion determined under section 54 of the Transport Act 1980 applicable, by virtue of paragraph 10(5) of Schedule 11 to the Railways Act, to the section to which that person is treated as belonging.”;

- (vi) after sub-clause 7 of Clause 8C there shall be inserted the following sub-clause—

**“TRANSPORT ACT DISREGARD**

**8** In circumstances where a transfer payment is to be made for or in respect of a Member, pensioner or deferred pensioner who has qualifying pension rights (within the meaning of paragraph 10 of Schedule 11 to the Railways Act) which are to be transferred to a scheme or section which is, or has been designated under paragraph 10(1) of the said Schedule 11 as a pension scheme which is to be treated as, a B.R. pension scheme for the purpose of Part III of the Transport Act 1980, for the purposes of calculating the amount of that transfer payment under this Clause 8C the Relevant Proportion of his pension rights, as defined in the said Schedule 11, shall be deemed not to have been transferred.

For the purposes of this sub-clause 8, “Relevant Proportion” means the proportion determined under section 54 of the Transport Act 1980 applicable, by virtue of paragraph 10(5) of the said Schedule 11, to the section to which that person is treated as belonging.”

- (vii) after Clause 13C there shall be inserted the following Clause—

**“TRANSITIONAL PROVISION FOR AMENDMENT**

**13D** Until 1st October 1994 each reference in Clauses 13A and 13B to a “Designated Employer” shall be treated as a reference to the Secretary of State; and each reference to a “Pensions Committee” shall be treated as if it were omitted.;” and

- (viii) after Clause 14 there shall be inserted the following Clause—

**“ELIGIBILITY**

**15.** Without prejudice to the eligibility of any other person to be a member (as defined by Schedule 11 to the Railways Act) of the Scheme, any person who immediately before 1st October 1994 has pension rights (as so defined)

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under the BR Pension Scheme shall be eligible to be a member (as so defined) of the Scheme.”;

- (b) in the Rules of the 1994 Pensioners “A” Section which are set out in that Schedule, for the first paragraph of Rule 2 there shall be substituted the following provisions—

“Members are persons who become members of the 1994 Pensioners “A” Section by virtue of Schedule 2 to the Railway Pensions (Transfer and Miscellaneous Provisions) Order 1994.”

- (c) in the Rules of the 1994 Pensioners “B” Section which are set out in that Schedule, for Rule 2 there shall be substituted the following Rule—

“Members are persons who become members of the 1994 Pensioners “B” Section by virtue of Schedule 2 to the Railway Pensions (Transfer and Miscellaneous Provisions) Order 1994.”

- (d) after Clause 7 of the model Deed of Establishment and Participation in Part 1 of Appendix 3 set out in that Schedule there shall be inserted the following Clause—

“8 The Participating Employer shall pay no contributions under Rule 3A or Rule 4B in respect of the period which begins on the date of the establishment of the Section and ends immediately before 1st April 1996 unless circumstances arise in which it is appropriate for the Actuary to give an opinion for the purposes of Part III of the Pension Schemes Act 1993 or Part III of the Pension Schemes (Northern Ireland) Act 1993, or in which it would be appropriate for the Actuary to give such an opinion if Pensionable Service were contracted out by reference to the Scheme. In the event of such circumstances arising, if the Actuary considers that the Section Assets are unlikely to be sufficient to provide the benefits for and in respect of Members of the Section, the Participating Employer shall pay, until 31st March 1996, such contributions (which shall not exceed those prescribed in Rules 3A and 4B) as the Actuary determines.”; and

- (e) for Clause 9 of the model Deed of Establishment and Participation in Part 2 of Appendix 3 set out in that Schedule there shall be substituted the following Clause—

“9 The Participating Employer shall pay no contributions under Rule 3A or Rule 4B in respect of the period which begins on the date of the establishment of the Section and ends immediately before 1st April 1996 unless circumstances arise in which it is appropriate for the Actuary to give an opinion for the purposes of Part III of the Pension Schemes Act 1993 or Part III of the Pension Schemes (Northern Ireland) Act 1993, or in which it would be appropriate for the Actuary to give such an opinion if Pensionable Service were contracted out by reference to the Scheme. In the event of such circumstances arising, if the Actuary considers that the Section Assets are unlikely to be sufficient to provide the benefits for and in respect of Members of the Section, the Participating Employer shall pay, until 31st March 1996, such contributions (which shall not exceed those prescribed in Rules 3A and 4B) as the Actuary determines.”.

## SCHEDULE 5

Article 6

### Payments under Part III of the Transport Act 1980

1. Those persons who—

- (a) have qualifying pension rights which are transferred by article 2 of this Order and which are allocated to the 1994 Pensioners “A” Section of the Railways Pension Scheme by Schedule 2 to this Order; and

- (b) on 30th June 1980 were members of the British Railways Superannuation Fund: New Section;

shall be treated as constituting a section of the Railways Pension Scheme and that section is hereby designated as a pension scheme which is to be treated as included among those schemes which are B.R. pension schemes for the purposes of Part III of the Transport Act 1980<sup>(13)</sup> for the purpose of requiring or enabling the Secretary of State to make payments under section 52(1), 52A, 52B or 52C of that Act.

2. Those persons who—

- (a) have qualifying pension rights which are transferred by article 2 of this Order and which are allocated to the 1994 Pensioners “B” Section of the Railways Pension Scheme by Schedule 2 to this Order; and
- (b) on 30th June 1980 were members of the British Railways Superannuation Fund: New Section;

shall be treated as constituting a section of the Railways Pension Scheme and that section is hereby designated as a pension scheme which is to be treated as included among those schemes which are B.R. pension schemes for the purposes of Part III of the Transport Act 1980 for the purpose of requiring or enabling the Secretary of State to make payments under section 52(1), 52A, 52B or 52C of that Act.

3. Those persons who—

- (a) have qualifying pension rights which are transferred by article 2 of this Order and which are allocated to the Open Section of the Railways Pension Scheme by Schedule 2 to this Order; and
- (b) on 30th June 1980 were members of the British Railways Superannuation Fund: New Section;

shall be treated as constituting a section of the Railways Pension Scheme and that section is hereby designated as a pension scheme which is to be treated as included among those schemes which are B.R. pension schemes for the purposes of Part III of the Transport Act 1980 for the purpose of requiring or enabling the Secretary of State to make payments under section 52(1), 52A, 52B or 52C of that Act.

4. Those persons who—

- (a) have qualifying pension rights which are transferred by article 2 of this Order and which are allocated to the 1994 Pensioners “A” Section of the Railways Pension Scheme by Schedule 2 to this Order; and
- (b) on 30th June 1980 were members of the British Railways (Wages Grades) Pension Fund;

shall be treated as constituting a section of the Railways Pension Scheme and that section is hereby designated as a pension scheme which is to be treated as included among those schemes which are B.R. pension schemes for the purposes of Part III of the Transport Act 1980 for the purpose of requiring or enabling the Secretary of State to make payments under section 52(1), 52A, 52B or 52C of that Act.

5. Those persons who—

- (a) have qualifying pension rights which are transferred by article 2 of this Order and which are allocated to the 1994 Pensioners “B” Section of the Railways Pension Scheme by Schedule 2 to this Order; and

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<sup>(13)</sup> 1980 c. 34; section 52(1) was amended, and sections 52A to 52C were inserted by, paragraph 9 of Schedule 11 to the Railways Act 1993; there are other amendments not relevant to this order.

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(b) on 30th June 1980 were members of the British Railways (Wages Grades) Pension Fund; shall be treated as constituting a section of the Railways Pension Scheme and that section is hereby designated as a pension scheme which is to be treated as included among those schemes which are B.R. pension schemes for the purposes of Part III of the Transport Act 1980 for the purpose of requiring or enabling the Secretary of State to make payments under section 52(1), 52A, 52B or 52C of that Act.

6. Those persons who—

(a) have qualifying pension rights which are transferred by article 2 of this Order and which are allocated to the Open Section of the Railways Pension Scheme by Schedule 2 to this Order; and

(b) on 30th June 1980 were members of the British Railways (Wages Grades) Pension Fund; shall be treated as constituting a section of the Railways Pension Scheme and that section is hereby designated as a pension scheme which is to be treated as included among those schemes which are B.R. pension schemes for the purposes of Part III of the Transport Act 1980 for the purpose of requiring or enabling the Secretary of State to make payments under section 52(1), 52A, 52B or 52C of that Act.

7.—(1) The benefit of the proportion of the relevant pension obligations specified in sub-paragraph (2) of this paragraph shall be transferred so that those obligations become, to the extent of that proportion, relevant pension obligations owed by the Board to the persons administering the Railways Pension Scheme, to the extent that the benefit of such obligations is not transferred by article 2 of this Order.

(2) The proportion referred to in sub-paragraph (1) of this paragraph is the proportion of those relevant pension obligations (as determined for the purposes of section 52(1)(a) of the Transport Act 1980) which has not been funded, which obligations are immediately before 1st October 1994 owed by the Board in respect of the pension rights transferred by article 2 of this Order to the persons administering the B.R. pension scheme from which such pension rights are so transferred.

## SCHEDULE 6

Article 7

### Amendments of Legislation

1. The British Railways (No. 2) Act 1986(14) shall be amended by substituting for section 48(5) (pension schemes) the following subsections—

“(5) The members of the new scheme who, before the appointed day, were members of the British Railways (Wages Grades) Pension Fund, and the members of the new scheme who, before the appointed day, were members of the New Section of the British Railways Superannuation Fund shall be treated as constituting sections of the new scheme, and each such section (a “new section”) shall be deemed to constitute a B.R. pension scheme for the purposes of Part III of the Transport Act 1980.

(6) For the purposes of the application of Part III of that Act in relation to a new section, any reference to the proportion referred to in section 52(1)(a) of that Act shall be taken to be a reference to the proportion determined under section 54(1) of that Act in relation to the British Railways (Wages Grades) Pension Fund or the New Section of the British Railways Superannuation Fund, as the case may be.”

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(14) 1986 c.xxvi.

2. The provisions of the British Transport Reorganisation (Pensions of Employees) (No. 1) Order 1964(15) (so far as applicable) and of articles 3 and 4 of the British Transport (Pensions of Employees) (No. 1) Order 1969(16) (“the 1969 Order”) (inter-availability of pension schemes in the publicly owned transport industry) shall apply in relation to the Railways Pension Scheme as if that scheme were an established scheme as defined in article 2 of the 1969 Order.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order makes provision for the transfer of the pension rights of the members of the B.R. Pension Scheme to the Railways Pension Scheme, together with the related assets and liabilities (article 2 and Schedules 1 and 2).

A number of minor amendments to the Railway Pensions (Protection and Designation of Schemes) Order 1994 (S.I. 1994/1432) are made (article 3).

The trust deed of the B.R. (1974) Pension Fund is amended to allow for the amendment by the trustees of that Fund, with the consent of the British Railways Board, of schemes included in that Fund and to enable such schemes to be wound up; and a number of existing schemes are amended to provide an indemnity for the trustees (article 4 and Schedule 3).

The Railways Pension Scheme Order 1994 (S.I. 1994/1433) is amended (article 5 and Schedule 4):—

- (i) to extend the provision for an indemnity for the trustee to liabilities arising under the BR Pension Scheme;
- (ii) to amend the provision for calculating transfer values;
- (iii) to enable the trustee to amend the Railways Pension Scheme with the consent of the Secretary of State before 1st October 1994;
- (iv) to clarify who is eligible to be a member of the Scheme and sections of it; and
- (v) to amend model Deeds of Establishment and Participation;

Sections of the Railways Pension Scheme are designated for the purpose of enabling or requiring the Secretary of State to make payments under the Transport Act 1980 (article 6 and Schedule 5).

The British Railways (No. 2) Act 1986 (1986 c.xxvi), the British Transport Reorganisation (Pensions of Employees) (No. 1) Order 1964 (S.I. 1964/1329) and the British Transport (Pensions of Employees) (No. 1) Order 1969 (S.I. 1969/1824) are amended in consequence (article 7 and Schedule 6).

Copies of the pension schemes referred to in Schedule 3 to the Order, the British Railways Superannuation Fund: New Section and the British Railways (Wages Grades) Pension Fund can be obtained from Railway Pensions Management Limited, Stooperdale Offices, Brinkburn Road, Darlington, DL3 6EH.

The Handbook and Tables referred to in paragraphs 10 and 14(m) and (p) of Schedule 1 to this Order may be inspected at or obtained from the Institute of Actuaries at Staple Inn Hall, High Holborn,

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(15) S.I. 1964/1329, amended by S.I. 1968/2011 and 1968/1824. It was extended by S.I. 1971/116 and S.I. 1971/117.

(16) S.I. 1969/1824, amended by S.I. 1980/1351. It was extended by S.I. 1971/116 and S.I. 1971/117.

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London, WC1V 7QJ or Napier House, 4 Worcester Street, Oxford, OX1 2AW, or the Faculty of Actuaries at 40/44 Thistle Street, Edinburgh, EH2 1EN.

This Order does not impose any costs on business.