

## SCHEDULE 1

### The Royal Mail Statutory Pension Scheme Rules

## PART V

### SECTION C RULES OF THE SCHEME

#### Lump sum death benefits

9.—(1) If a Section C Active dies after the Cut-Off Date, a lump sum will be payable by the Secretary of State in accordance with Rule 10 (Discretionary trusts). The amount of the lump sum payable in respect of the Member depends on which of the following sub-paragraphs is applicable to that Member on the day that he or she died.

(2) If the Member dies in Service when no benefits from the RMSPS have come into payment, the lump sum payable is the greater of—

(a) the aggregate of—

(i) an amount equal to 5 years' payment of that Member's preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and

(ii) an amount equal to 5 years' payment of that Member's preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); or

(b) 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of that definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules).

(3) If the Member dies in Service when that Member's RMSPS NRA60 Pension is in payment but his or her RMSPS NRA65 Pension has not come into payment, the lump sum payable is the greater of—

(a) the aggregate of—

(i) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and

(ii) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); or

(b) 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules) less the aggregate of—

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- (i) the total amount of RMSPS NRA60 Pension (including increases and any RMSPS Pension Supplement) paid to the Member between the date his or her RMSPS NRA60 Pension commenced and the date of that Member's death; and
  - (ii) the amount of the lump sum (if any) paid to the Member in accordance with Rule (Choosing a lump sum benefit).
- (4) If the Member dies in Service when his or her RMSPS NRA60 Pension has not yet come into payment but his or her RMSPS NRA65 Pension is in payment, the lump sum payable is the greater of—
- (a) the aggregate of—
    - (i) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and
    - (ii) if the Member dies within 5 years of his or her RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); or
  - (b) 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules) less the aggregate of—
    - (i) the total amount of RMSPS NRA65 Pension (including increases and any RMSPS Pension Supplement) paid to the Member between the date his or her RMSPS NRA65 Pension commenced and the date of his or her death; and
    - (ii) the amount of the lump sum (if any) paid to the Member in accordance with Rule 8(1) (Choosing a lump sum benefit).
- (5) If the Member has ceased to be in Service and both his or her RMSPS NRA60 Pension and RMSPS NRA65 Pension are preserved in the RMSPS, the lump sum payable is the aggregate of—
- (a) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and
  - (b) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement),
- provided that the total lump sum payable under this Rule 9(5) shall not exceed 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules).
- (6) If the Member has ceased to be in Service and his or her RMSPS NRA60 Pension has come into payment but his or her RMSPS NRA65 Pension is preserved in the Scheme, the lump sum payable is the aggregate of—

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- (a) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and
- (b) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA65 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement),

provided that the total lump sum payable under this Rule 9(6) shall not exceed 4 times the Member's RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules).

(7) If the Member has ceased to be in Service and his or her RMSPS NRA60 Pension is preserved in the Scheme but his or her RMSPS NRA65 Pension has come into payment, the lump sum payable is the aggregate of—

- (a) an amount equal to 5 years' payments of his or her preserved annual RMSPS NRA60 Pension (but excluding the RMSPS Pension Supplement (if any)) assuming that Member had an entitlement to the immediate payment of such pension without reduction under Rule 3(6)(e) (Benefits payable to Members on retirement); and
- (b) if the Member dies within 5 years of his or her RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been payable during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)),

provided that the total lump sum payable under this Rule 9(7) shall not exceed 4 times RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member's "Pensionable Pay" as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such "Pensionable Pay" for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of "Pensionable Pay" in Section C of the RMPP Cut-Off Date Rules).

(8) If the Member dies when that Member is in receipt of both his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension, unless sub-paragraph (9) below applies, the lump sum payable is the aggregate of—

- (a) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and
- (b) if the Member dies within 5 years of his or her RMSPS NRA65 Pension coming into payment, an amount equal to the pension payments which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)).

(9) If the Member is in receipt of both his or her RMSPS NRA60 Pension and his or her RMSPS NRA65 Pension by reason of having retired under 7(1) or (3)(a) (Early retirement through incapacity) and dies in the 5 years following his or her retirement under that Rule, the lump sum payable is the greater of—

- (a) the aggregate of—
  - (i) if the Member dies within 5 years of his or her RMSPS NRA60 Pension coming into payment, an amount equal to the pension payments which would have been

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- made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); and
- (ii) an amount equal to the pension payments in respect of RMSPS NRA65 Pension which would have been made during the remainder of the 5 year period if that Member had not died (but disregarding any future increases and the RMSPS Pension Supplement (if any)); or
- (b) 4 times the Member’s RMSPS Final Pensionable Pay (but in determining RMSPS Final Pensionable Pay for this purpose, the Member’s “Pensionable Pay” as defined in Section C of the RMPP Cut-Off Date Rules will not be reduced by the Lower Earnings Deduction and such “Pensionable Pay” for a Part-time Member will be ascertained ignoring the penultimate paragraph of the definition of “Pensionable Pay” in Section C of the RMPP Cut-Off Date Rules) less the aggregate of—
- (i) the total amount of pension (both RMSPS NRA60 Pension and RMSPS NRA65 Pension (including increases and any RMSPS Pension Supplement)) paid to the Member between the date such pension commenced and the date of his or her death; and
  - (ii) the amount of the lump sum (if any) paid to the Member in accordance with Rule 8(1) (Choosing a lump sum benefit).
- (10) Where a Member has transferred out either that Member’s RMSPS NRA60 Pension or that Member’s RMSPS NRA65 Pension in accordance with Clause 11 (Individual transfers out of the Scheme), the provisions of this Rule 9 will apply only in respect of that tranche of benefit which is still retained in the RMSPS.
- (11) Where a Member had at the end of the Cut-Off Date two or more periods of RMPP Reckonable Service (at least one of these being RMSPS Reckonable Service), such periods are to be treated in aggregate as a single period of RMSPS Reckonable Service for the purpose of the calculation of death benefits under this Rule 9.