

ANNEX A

Protections for Deferred Pension Members

Earliest Payment Age

Prior to 1 April 2010, all Deferred Pension Members who had been active members before 1 April 2008 could request payment from age 50.

All Deferred Pension Members who left the scheme before 1 April 2008 are protected and can still request payment from age 50.

This protection conflicts with HM Revenue & Customs rules which would deem payments made before age 55 to be “unauthorised” and leave both the deferred pension member and scheme administrator facing a tax charge. Any “protected” deferred pension members considering an application or election for payment should be made aware of the tax implications before deciding whether to proceed.

“85 Year Rule”

A Deferred Pension Member who left the scheme after 31 March 1998 is protected against the removal of the “85 year rule”^{*} if they were formerly an active member of the scheme before 1 October 2006.

Where the protected member has already satisfied the “85 year rule” or would do so before attaining age 60 a financial strain payment would fall on the Pension Fund. The former employer can waive any reduction on compassionate grounds but this would result in a financial strain payment, or where a member does not currently satisfy the “85 year rule” but would do so before the age of 60, an increased financial strain payment.

^{*}The “85 year rule” is where the member’s age and potential membership at the proposed date of payment total 85 when added together.