
STATUTORY INSTRUMENTS

1994 No. 1433

TRANSPORT

The Railways Pension Scheme Order 1994

Made - - - - - *27th May 1994*

Coming into force *31st May 1994*

THE RAILWAYS PENSION SCHEME ORDER 1994

1. Citation, commencement and interpretation
 2. Establishment of the Railways Pension Scheme
 3. Designation of the joint industry scheme
- Signature

THE SCHEDULE — PENSION TRUST OF THE RAILWAYS PENSION SCHEME

1. MEANING OF WORDS USED
2. TRUSTEE
- 2A Constitution
- 2B Delegation
- 2C Expenses and Charges
- 2D Limit of Liability
- 2E Trustee Insurance
- 2F Trustee Indemnity
- 2G Fiduciary Duty
3. THE SCHEME SECTIONS
- 3A Participation of Participating Employers
- 3B Participating Employer establishing or participating in a Section
- 3C Arrangements
- 3D Defined Benefit Arrangement
The Trustee may add to the above options subject to Clause 13 (Changing the Pension Trust and Rules) and to Revenue Approval.
- 3E Defined Contribution Arrangement
- 3F Participating Employer establishing more than one Section
- 3G Change of Terms
- 3H New Designated Employer
4. PENSIONS COMMITTEE
- 4A Setting up a Pensions Committee

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- 4B Delegation
- 4C Expenses
- 5. ASSETS OF THE SCHEME
- 5A Contributions by Participating Employers
- 5B Payment of Participating Employers' Contributions
- 5C Payment of Members' Contributions
- 5D Interest on Late Payment
- 5E Assets held on Trust
- 5F Application of Assets
- 5G Consultation with Pensions Committees
- 6. ACCOUNTS, ACTUARIAL VALUATIONS AND ANNUAL REPORTS
- 6A Accounts
- 6B Actuarial Valuations
- 6C Annual Reports
- 7. GENERAL PROVISIONS ABOUT SCHEME BENEFITS
- 7A Payment of Benefits
- 7B Deduction of Tax
- 7C Beneficiary who is Incapable
- 7D Benefits not Assignable
- 7E Forfeiture of Benefits
- 7F Notices
- 7G Inland Revenue Limits
- 7H Protected Persons
- 8. SCHEME BENEFITS — POWERS OF TRUSTEE
- 8A Commutation Triviality
- 8B Transfers–in
- 8C Transfers–out
 - 1. Transfers to another scheme or other arrangement or to a Section which has adopted the rules of the Defined Contribution Arrangement
 - 2. Transfers between Sections which have adopted the rules of the Shared Cost Arrangement or of the Defined Benefit Arrangement
 - 3. Initial transfers to Sections as a consequence of Transfer Schemes
 - 4. Pensioners and Deferred Pensioners
 - 5. Definition of Past Service Reserve
 - 6. Notification by Actuary
 - 7. General Provisions on Transfers
- 8D Buy–Outs
- 9. CONTRACTING–OUT
- 9A Overrides other Provisions
- 9B GMPs
- 9C Late Retirement
- 9D Early Leavers
- 9E Anti–Franking
- 9F Transferred GMPs
- 9G Other Contracting–out Requirements
- 10. CEASING TO PARTICIPATE
- 10A When Participation Ceases
- 10B One Participating Employer in a Section ceases to Participate
- 10C All Participating Employers in a Section cease to Participate
- 10D Participating Employer transfers between Sections
- 11. WINDING–UP A SECTION WHERE ALL EMPLOYERS CEASE TO PARTICIPATE
- 11A All Participating Employers in a Section cease to Participate

- 11B Expenses and Sums Due
- 11C Buying Annuities
- 11D Additional Voluntary Contributions
- 11E Transfers
- 11F Surplus Assets on Winding-up
- 11G GMPs
- 11H Trivial Benefits
- 11I Defined Contribution Arrangement
- 12. CHANGE OF FRANCHISE OPERATOR OR SALE OF BUSINESS
- 12A Participating in a Section
- 12B Change of Franchise Operator
- 13. CHANGING THE PENSION TRUST AND RULES
- 13A Changing the Pension Trust or Rules generally
- 13B Changing only the Rules of a Section
- 13C Restrictions on Changes
- 14. GOVERNING LAW
- Appendix 1 —
- PART I — RULES OF THE 1994 PENSIONERS “A” SECTION**
- 1. MEANING OF WORDS USED
- 2. MEMBERSHIP OF THE SECTION
- 3. CONTRIBUTIONS BY MEMBERS
- 4. BENEFITS
- 5. DEATH AFTER RETIREMENT
- 5A Lump Sum and Pension
- 5B Lump Sum
- 5C Pensions for Eligible Spouse and Eligible Children
- 5D Pensions for Legal Spouse and Eligible Dependants
- 6. EARLY LEAVERS
- 6A Deferred Benefits
- 6B Increases
- 6C Benefits on the death of an Early Leaver
- 7. RIGHT TO TRANSFER OR “BUY-OUT”
- 7A Member’s Right to Transfer or “Buy-Out”
- 7B Requirements for “Buy-Out” Policies
- 7C Requirements for Transfers
- 8. OTHER CHOICES FOR EARLY LEAVERS
- 8A Early Benefits
- 8B Additional Pension
- 8C Additional Lump Sum
- 8D Joint Annuitant’s Pension
- 8E Early Retirement Level Pension Option
- 9. SPECIAL PROVISIONS FOR CERTAIN MEMBERS
- 9A Member who joined the BR Pension Scheme before 1st June 1989
- 9B Pension for spouse of a Member who ceased to contribute to the BR Pension Scheme before 1st July 1986 and dies on or after 1st July 1988
- 9C Pension for widow of a Member who ceased to contribute to the BR Pension Scheme before 1st July 1986 and dies on or after 16th September 1991
- 9D Member who ceased to contribute to the BR Pension Scheme between 1st July 1986 and 30th June 1988 and dies after 16th September 1991
- 9E Special Lump Sum for Members who left the BR Pension Scheme with preserved benefits between 1st July 1988 and 30th June 1992
- 10. PENSION INCREASES

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- 10A General
 - 10B Members who left Employment or reach Minimum Pension Age before 1st July 1986
 - 10C BR Pension Scheme increases on 1st July 1988
 - 10D BR Pension Scheme increases on 16th September 1991
 - 11. GENERAL RULES ABOUT BENEFITS
 - 11A Off-Set for Crime or Fraud
 - 11B Discretionary Death Benefit Trusts
 - 11C Members with no Personal Representatives
 - 12. CONTRACTING-OUT AND STATE GRADUATED RETIREMENT BENEFITS
 - 12A Override
 - 12B GMP Increase
 - 12C State Graduated Retirement Benefits
 - 13. SURPLUS ASSETS
 - 14. SHORTFALL
 - 15. APPLICATION OF ASSETS
 - 16. WINDING-UP THE SECTION
 - 16A Time of Termination
 - 16B Use of Assets on Termination
 - 17. GUARANTEE
 - 18. CHANGING THE RULES
- Schedule to Appendix 1
- PENSIONS COMMITTEE
 - Composition
 - Appointees
 - Chairman and Deputy Chairman of the Committee
 - Secretary
 - Procedure at Committee Meetings
- Appendix 1 PART 2 — **RULES OF THE 1994 PENSIONERS “B” SECTION**
- 1. MEANING OF WORDS USED
 - 2. MEMBERSHIP OF THE SECTION
 - 17. TRANSFER TO THE 1994 PENSIONERS “A” SECTION (“the “A” Section”)
- Appendix 2 — **THE ARRANGEMENTS AND RULES GOVERNING THE ARRANGEMENTS**
- PART 1 — RULES OF THE SHARED COST ARRANGEMENT
 - 1. MEANING OF WORDS USED
 - 2. JOINING THE SECTION
 - 2A Joining
 - 2B Evidence of Health
 - 3. NORMAL CONTRIBUTIONS BY PARTICIPATING EMPLOYERS AND MEMBERS
 - 3A Normal Contributions by Participating Employers
 - 3B Normal Contributions by Members
 - 4. ADDITIONAL CONTRIBUTIONS BY MEMBERS AND PARTICIPATING EMPLOYERS
 - 4A Additional Voluntary Contributions by Members
 - 4B Additional Contributions by Participating Employers
 - 4C Additional Contributions by Protected Persons who transferred from certain railway pension schemes to the New Section

- 4D Additional Contributions by Members who are Protected Persons for Antedating Membership
- 4E Additional Contributions from Professionals and Senior Officers
- 4F Additional Contributions for Senior Officers who were members of BRASS-SO
- 5. BENEFITS FOR MEMBERS AT RETIREMENT
- 5A Retirement between Minimum Pension Age and Age 65
- 5B Lump Sum on Retirement between Minimum Pension Age and Age 65
- 5C Members in Service after Age 65
- 5D Early Retirement through Incapacity
- 6. ELECTIONS AT RETIREMENT
- 6A Additional Pension
- 6B Additional Lump Sum
- 6C Joint Annuitant's Pension
- 6D Early Retirement Level Pension Option
- 7. DEATH IN SERVICE ON OR BEFORE AGE 65
- 7A Lump Sum and Pension
- 7B Lump Sum
- 7C Pensions for Eligible Spouse and Eligible Children
- 7D Pensions for Legal Spouse and Eligible Dependants
- 8. DEATH AFTER RETIREMENT
- 8A Lump Sum and Pension
- 8B Lump Sum
- 8C Pensions for Eligible Spouse and Eligible Children
- 8D Pensions for Legal Spouse and Eligible Dependants
- 9. EARLY LEAVERS
- 9A Deferred Benefits
- 9B GMP
- 9C Benefits on the death of an Early Leaver
- 10. RIGHT TO TRANSFER OR "BUY-OUT"
- 10A Member's Right to Transfer or "Buy-Out"
- 10B Requirements for Buy-Out Policies
- 10C Requirements for Transfer
- 11. OTHER CHOICES FOR EARLY LEAVERS
- 11A Early Benefits
- 11B Choices at Retirement
- 12. EARLY LEAVERS REJOINING
- 13. MEMBERS AWAY FROM WORK
- 13A General Principle
- 13B Temporary Absence through Injury or Ill-Health
- 13C Secondment
- 13D Benefits for Members away from Work
- 14. MATERNITY
- 15. CEASING TO BE ELIGIBLE
- 16. OPTING OUT
- 17. SPECIAL PROVISIONS FOR CERTAIN MEMBERS
- 17A Members who joined the BR Pension Scheme before 1st June 1989
- 17B Members who were members of the BR Pension Scheme on 16th September 1991
- 17C BR Members who transferred from certain railway pension schemes to the New Section
- 17D BR Members who joined the British Railways (Wages Grades) Pension Fund on 14th August 1967, 7th April 1975 or 6th April 1978

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- 18. GENERAL RULES ABOUT BENEFITS
- 18A Pension Increases
- 18B Off-Set for Crime or Fraud
- 18C Discretionary Death Benefit Trusts
- 18D Members with no Personal Representatives
- 18E Discretionary Benefits
- 19. CONTRACTING-OUT AND STATE GRADUATED RETIREMENT BENEFITS
- 19A Override
- 19B GMP Increase
- 19C State Graduated Retirement Benefits
- 20. SURPLUS ASSETS
- 21. SHORTFALL
- 22. WINDING-UP THE SECTION
- 22A Time and manner of winding-up
- 22B Priority of Benefits
- 22C Surplus Assets on winding-up
- 23. CHANGING THE RULES
- SCHEDULE 1 TO — **BR MEMBERS WHO TRANSFERRED FROM CERTAIN**
THE RULES OF **RAILWAYS PENSION SCHEMES TO THE NEW SECTION**
THE SHARED COST
ARRANGEMENT
- SCHEDULE 2 TO — **BR MEMBERS WHO JOINED THE BRITISH RAILWAYS**
THE RULES OF **(WAGES GRADES) PENSION FUND (“THE WAGES FUND”)**
THE SHARED COST **ON 14TH AUGUST 1967, 7TH APRIL 1975 OR 6TH APRIL**
ARRANGEMENT **1978**
- 1. A Member who joined the Wages Fund on 14th August...
- 2. A Member who immediately prior to joining the Wages Fund...
- 3. (a) This paragraph applies to a Member who immediately prior...
- 4. A Member who immediately before joining the Wages Fund on...
- 5. (a) (i) This paragraph applies to Members who immediately prior...
- SCHEDULE 3 TO — **BRASS 2 POLICY**
THE RULES OF
THE SHARED COST
ARRANGEMENT
- 1. The Trustee shall immediately pay to the Insurer all contributions...
- 2. The benefits under the Policy shall become payable only when...
- 3. When a Member who leaves Service with deferred benefits exercises...
- 4. When as a consequence of the death of a Member...
- 5. When a Member becomes entitled to the proceeds of the...
- 6. If a benefit becomes payable from the Section to or...
- SCHEDULE 4 TO — **BRASS-SO**
THE RULES OF
THE SHARED COST
ARRANGEMENT
- 1. The Member shall contribute at the rate which is specified...
- 2. The Participating Employer shall deduct contributions payable under paragraph 1...
- 3. The Participating Employer shall contribute such amounts as it determines...
- 4. Following a Member’s election under Rule 4F his Participating Employer...
- 5. Subject to the following paragraphs of this Schedule whenever a...
- 6. When benefits (other than a refund of contributions) become payable...

7. Subject to the following paragraphs of this Schedule the proceeds...
8. The Member may elect, within 4 weeks of the proceeds...
9. The Member shall be deemed to have made an election...
10. Following the death of any Member in respect of whom...
11. Subject to the following paragraphs of this Schedule the proceeds...
12. The Person Entitled may, however, within 4 weeks of the...
13. The Person Entitled shall be deemed to have made an...
14. If a Member ceases to contribute under paragraph 1 before...

SCHEDULE 5 TO — JOINT ANNUITY FACTORS

THE RULES OF
THE SHARED COST
ARRANGEMENT

**SCHEDULE 6 TO — MEMBERS WHO WERE MEMBERS OF THE BRITISH
THE RULES OF RAILWAYS (WAGES GRADES) PENSION FUND AND
THE SHARED COST ELECTED FOR A JOINT PENSION
ARRANGEMENT**

FACTOR A
FACTOR B

1. Notes:
2. For age differences outside the range of the tables, the...

**SCHEDULE 7 TO — EARLY RETIREMENT LEVEL PENSION OPTION
THE RULES OF FACTORS**

THE SHARED COST
ARRANGEMENT

SCHEDULE 8 TO — EARLY RETIREMENT FACTORS

THE RULES OF
THE SHARED COST
ARRANGEMENT

**SCHEDULE 9 TO — ADDITIONAL CONTRIBUTIONS FOR ANTEDATING
THE RULES OF MEMBERSHIP**

THE SHARED COST
ARRANGEMENT

**SCHEDULE 10 TO — SPECIAL TERMS FOR CERTAIN MEMBERS OF THE
THE RULES OF BRITISH RAILWAYS (WAGES GRADES) PENSION FUND
THE SHARED COST (“WAGES GRADES MEMBERS”)
ARRANGEMENT**

PART 1

1. This schedule applies to Wages Grades Members who immediately before...
2. A Wages Grades Member to whom this schedule applies by...
3. The lump sum payable under Rule 7 (Death in Service...
4. The pension payable under or by analogy with Rule 5A(2)...

PART 2

NOTE:

PART 3

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PART 4

SCHEDULE 11 TO — MEANING OF “PRESERVED BENEFITS” THE RULES OF THE SHARED COST ARRANGEMENT

1. In respect of a Member who joined the British Railways...
2. In respect of a Member who joined the British Railways...
3. In respect of a Member who immediately prior to 1st...
4. In respect of a Member who immediately prior to 1st...
1. Note:
2. In the case of a Member who immediately prior to...

PART 2 — RULES OF THE DEFINED BENEFIT ARRANGEMENT

1. MEANING OF WORDS USED
2. JOINING THE SECTION
- 2A Joining
- 2B Evidence of Health
3. CONTRIBUTIONS BY PARTICIPATING EMPLOYERS AND MEMBERS
- 3A Contributions by Participating Employers
- 3B Contributions by Members
4. ADDITIONAL VOLUNTARY CONTRIBUTIONS BY MEMBERS
5. BENEFITS FOR MEMBERS AT RETIREMENT
- 5A Minimum Pension Age
- 5B Late Retirement
- 5C Early Retirement (not Incapacity)
- 5D Early Retirement through Incapacity
6. ELECTIONS AT RETIREMENT
- 6A Lump Sum
- 6B Dependant’s Pension
- 6C Early Retirement Level Pension Option
7. LUMP SUM PAYABLE ON MEMBER’S DEATH
- 7A Member dies in Service before Pension starts
- 7B Member dies within 5 years after Pension starts
- 7C Member with Preserved Pension
- 7D Discretionary Trusts
8. PENSIONS FOR SPOUSES, CHILDREN AND DEPENDANTS
- 8A Spouse’s and Children’s Pension
- 8B Other Dependant’s Pension
- 8C Member dies in Service before Pension starts
- 8D Member dies after Pension starts
- 8E Member with Preserved Pension
- 8F Young Spouse
9. EARLY LEAVERS
- 9A Preserved Pension
- 9B Refund of Contributions and Preserved GMPs
- 9C Qualifying Service
10. RIGHT TO TRANSFER OR “BUY-OUT”
- 10A Member’s Right to Transfer or “Buy-Out”
- 10B Requirements for Buy-Out Policies
- 10C Requirements for Transfers
11. OTHER CHOICES FOR EARLY LEAVERS

- 11A Early Pension
- 11B Late Pension
- 11C Choices at Retirement
- 12. EARLY LEAVERS REJOINING
- 12A Periods of Service treated Separately
- 12B Qualifying Service
- 13. MEMBERS AWAY FROM WORK
- 13A General Principle
- 13B Temporary Absence through Injury or Ill–Health
- 13C Secondment
- 13D Benefits for Members away from Work
- 14. MATERNITY
- 15. PART–TIME EMPLOYMENT
- 16. CEASING TO BE ELIGIBLE
- 17. OPTING OUT
- 18. GENERAL RULES ABOUT BENEFITS
- 18A Pension Increases
- 18B Off–Set for Crime, Fraud or Negligence
- 18C Discretionary Benefits
- 18D Serious Ill–Health
- 19. CONTRACTING–OUT OVERRIDE
- 20. SURPLUS ASSETS
- 21. WINDING UP THE SECTION
- 21A Time and manner of winding–up
- 21B Surplus Assets
- 22. CHANGING THE RULES
- PART 3 — RULES OF THE DEFINED CONTRIBUTION ARRANGEMENT
- 1. MEANING OF WORDS USED
- 2. JOINING THE SECTION
- 2A Joining
- 2B Evidence of Health
- 3. CONTRIBUTIONS BY PARTICIPATING EMPLOYERS AND MEMBERS
- 3A Contributions by Participating Employers
- 3B Contributions by Members
- 4. ADDITIONAL VOLUNTARY CONTRIBUTIONS BY MEMBERS
- 5. MEMBER'S ACCUMULATED FUND
- 6. RETIREMENT BENEFITS
- 6A Benefit Date
- 6B Using the Member's Accumulated Fund
- 6C Maximum Lump Sum
- 7. DEATH BENEFITS
- 7A Using the Members Accumulated Fund
- 7B Discretionary Trusts
- 8. ADDITIONAL BENEFITS
- 9. EARLY LEAVERS
- 9A Preserved Benefits
- 9B Refund of Contributions and Preserved GMPs
- 9C Preservation Requirements
- 9D Breaks in Qualifying Service
- 10. RIGHT TO TRANSFER OR “BUY–OUT”
- 10A Member's Right to Transfer or “Buy–Out”
- 10B Requirements for “Buy–Out” Policies

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- 10C Requirements for Transfers
- 11. MEMBERS AWAY FROM WORK
- 12. MATERNITY
- 13. CEASING TO BE ELIGIBLE
- 14. OPTING OUT
- 15. GENERAL RULES ABOUT BENEFITS
- 15A Purchase of Pensions
- 15B Pension Increases
- 15C Duration of Member’s Pension
- 15D Duration of Survivor’s Pension
- 15E Off-Set for Crime, Fraud or Negligence
- 15F Discretionary Benefits
- 15G Serious Ill-health
- 15H Trustee’s Discretion to accept Transfers-in
- 15I Trustee’s Discretion to Transfer-out
- 15J Trustee’s Discretion to “Buy-out”
- 16. CONTRACTING-OUT OVERRIDE
- 17. SURPLUS ASSETS
- 18. WINDING UP THE SECTION WHERE ALL PARTICIPATING EMPLOYERS CEASE TO PARTICIPATE
- 18A All Participating Employers in a Section cease to Participate
- 18B Expenses and Sums Due
- 18C Buying Annuities
- 18D Additional Voluntary Contributions
- 18E Surplus
- 18F Transfers
- 18G GMPs
- 18H Trivial Benefits
- 19. CHANGING THE RULES

Appendix 3 — **DEED OF ESTABLISHMENT AND PARTICIPATION**

PART 1

PART 2

Appendix 4 — **PENSIONS COMMITTEE**

Establishment

Composition

Appointees

Chairman and Deputy Chairman of the Committee

Procedure at Committee Meetings

Appendix 5 — **MODEL SCHEME OF DELEGATION**

Appendix 6 — **INLAND REVENUE LIMITS**

- 1. For the purposes of this Pension Trust and the Rules...
- 1. NOTES
- 2. Clause 9 (Contracting-out) overrides any provisions which are inconsistent with...
- 3. Where in addition to being a member of this Scheme...
- 2. MAXIMUM BENEFITS ON RETIREMENT FOR CLASS A AND CLASS B MEMBERS
- 3. MAXIMUM BENEFITS ON RETIREMENT FOR CLASS C MEMBERS
- 4. MAXIMUM LUMP SUM FOR CLASS A AND CLASS B MEMBERS

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5. MAXIMUM LUMP SUM FOR CLASS C MEMBERS
6. MAXIMUM LUMP SUM ON DEATH IN SERVICE
7. MAXIMUM SPOUSE'S, ELIGIBLE DEPENDANT'S AND
DEPENDANT'S PENSIONS
8. SURPLUS CONTRIBUTIONS

Appendix 7 — **AMENDMENT RESTRICTIONS — SHARED COST
SECTIONS**

Appendix 8 — **PROVISIONS ENTRENCHED BY CLAUSE 13 — SHARED
COST SECTIONS**

Explanatory Note