

DATED 8th January 2019

- (1) UNIVERSITY OF LIVERPOOL
- (2) UNIVERSITY OF LIVERPOOL PENSION FUND TRUSTEES LIMITED
- (3) LIVERPOOL GUILD OF STUDENTS

**DEED OF AMENDMENT, APPORTIONMENT
AND CESSATION OF PARTICIPATION
in respect of
UNIVERSITY OF LIVERPOOL PENSION FUND**

CERTIFIED TO BE A TRUE AND COMPLETE
COPY OF THE ORIGINAL
DATED THIS 10th DAY OF January 2019

Pinsent Masons LLP

Pinsent Masons LLP



Pinsent Masons

DEED OF AMENDMENT, APPORTIONMENT AND CESSATION OF PARTICIPATION

EXECUTION DATE

8th January

2018

PARTIES -

- (1) UNIVERSITY OF LIVERPOOL (the "Principal Employer");
- (2) UNIVERSITY OF LIVERPOOL PENSION FUND TRUSTEES LIMITED (registered number 999912) whose registered office is at Foundation Building, 765 Brownlow Hill, Liverpool, L69 7ZX (the "Trustee"); and
- (3) LIVERPOOL GUILD OF STUDENTS (registered number 7324992) whose registered office is at 160 Mount Pleasant, Liverpool, L3 5TR (the "Departing Employer").

INTRODUCTION

- (A) This deed is supplemental to the definitive rules adopted by a deed dated 13 September 2017 (the "Rules") which currently govern the pension scheme known as the University of Liverpool Pension Fund (the "Scheme").
- (B) The Trustee is the current trustee of the Scheme. The Principal Employer is the current principal employer of the Scheme. The Departing Employer is a participating employer in the Scheme.
- (C) Under Rule 36.3 of the Rules the Principal Employer, with the consent of the Trustee and the appropriate Employer if it is still associated with the Principal Employer, may by deed declare that any Employer which has been participating in the Scheme shall forthwith cease to participate and if such Employer still has Employees who are Members of the Scheme the provisions of Rule 38.3 (Termination and Winding-up: Withdrawal of an Individual Employer) of the Rules shall come into operation.
- (D) Under Rule 29 of the Rules the Principal Employer may at any time by deed, alter or repeal all or any of the Rules for the time being in force or make any new rules to the exclusion of or in addition to all or any of the existing Rules with the consent of the Trustee, and subject to the other requirements set out in Rule 29.
- (E) The Principal Employer with the consent of the Trustee (as testified by its execution of this deed) now wishes to exercise its powers under Rule 29 of the Rules to alter the Rules with effect on and from the Execution Date so that an Employer's participation in the Scheme can be terminated without the provisions of Rule 38.3 of the Rules coming into operation.
- (F) Under Rule 36.4 of the Rules, where an Employer ceases to participate in circumstances where a debt would be due under section 75 or 75A of the Pensions Act 1995 (Deficiencies in the assets) or such a debt otherwise becomes due, then the Trustee may agree to apportion all or part of the debt to one or more of the other Employers subject to the conditions set out in that Rule.
- (G) With effect from midnight on 30 April 2018 the Departing Employer has ceased to employ any persons who are active members of the Scheme and the Principal Employer, with the consent of the Trustee and the Departing Employer, wishes to declare pursuant to Rule 36.3 of the Rules that the Departing Employer shall cease to participate in the Scheme with effect on and from the Execution Date.
- (H) As a result of the Departing Employer having with effect from midnight on 30 April 2018 ceased to employ any persons who are active members of the Scheme an Employment-cessation Event occurred on that date in relation to the Departing Employer for the purposes of section 75 of the Pensions Act 1995 and the Employer Debt Regulations.
- (I) It is proposed that the statutory debt otherwise payable by the Departing Employer pursuant to section 75 of the Pensions Act 1995 as a result of the Employment-cessation Event having occurred in relation to the Departing Employer will be apportioned by way of a Flexible Apportionment

Arrangement to the Principal Employer pursuant to Rule 36.4 of the rules and the Employer Debt Regulations as set out in this deed.

- (J) The Trustee is reasonably satisfied that the Flexible Apportionment Arrangement set out in this deed will meet the Funding Test requirement and confirms its agreement to the proposed Flexible Apportionment Arrangement.
- (K) In accordance with regulation 6E(6) of the Employer Debt Regulations the Departing Employer has agreed to pay the reasonable costs which the Trustee incurs by virtue of that regulation in relation to the Departing Employer (the "**Trustee's Expenses**") to the extent set out in this deed .
- (L) The amendments set out in this deed (a) are exempt from section 67 of the Pensions Act 1995; or (b) are not regulated modifications (as defined in section 67A(2) of the Pensions Act 1995).
- (M) For the purposes of section 259 of the Pensions Act 2004 (Consultation by employers: occupational pension schemes), none of the decisions to make any of the amendments set out in this deed constitutes a prescribed decision.
- (N) For the purposes of section 37(1) of the Pension Schemes Act 1993 (Alteration of rules of contracted-out schemes), the alterations set out in this deed are permitted by regulation 3 of the Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015.

EFFECT OF THIS DEED

1. Definitions

1.1 In this deed:

- 1.1.1 "**Employer Debt Regulations**" means the Occupational Pension Schemes (Employer Debt) Regulations 2005.
- 1.1.2 "**Employment-cessation Event**" means an employment-cessation event as defined in the Employer Debt Regulations.
- 1.1.3 "**Flexible Apportionment Arrangement**" or "**FAA**" means a flexible apportionment arrangement for the purposes of regulation 6E of the Employer Debt Regulations.
- 1.1.4 "**Funding Test**" means the funding test as defined in regulation 2(4A) of the Employer Debt Regulations.
- 1.1.5 "**Grace Period**" means a period of grace in accordance with regulation 6A of the Employer Debt Regulations.
- 1.1.6 "**Liabilities**" means all liabilities (as defined in regulation 6ZB(17) of the Employer Debt Regulations) of the Departing Employer in relation to the Scheme as those liabilities stand immediately before the FAA takes effect.

1.2 Defined terms used in this deed but not defined in this clause 1 or elsewhere in this deed are used as defined in the Rules.

2. Amendment

2.1 With effect from the Execution Date and pursuant to the powers contained in Rule 29 of the Rules and to any and all other enabling powers, the Principal Employer with the consent of the Trustee **HEREBY ALTERS** the Rules as follows:

- 2.1.1 In Rule 36.3 (Cessation of participation) the following words shall be inserted between the words 'cease to participate and' and 'if such Employer still', namely: '(except where such declaration is made in connection with the entry into an apportionment arrangement pursuant to Rule 36.4)';

- 2.1.2 in Rule 36.4, in the first paragraph the word 'Participating' shall be deleted; and
- 2.1.3 In Rule 38.3.1(d) (Withdrawal of an individual employer) the following words shall be added at the end, namely: 'except where such declaration has been made in connection with the entry into an apportionment arrangement pursuant to Rule 36.4'

3. Flexible Apportionment Arrangement

3.1 Apportionment of liabilities of Departing Employer

3.1.1 The Parties acknowledge and confirm that the Liabilities are apportioned to the Principal Employer for the purposes of Regulation 6E(2)(b)(i) of the Employer Debt Regulations with effect from the date upon which the FAA takes effect under regulation 6E(1) of the Employer Debt Regulations as set out in clause 3.6 below.

3.1.2 The consent of

- (a) the Trustee,
- (b) the Principal Employer in its capacity as the Employer to whom the Liabilities are apportioned and in its capacity as principal employer of the Scheme, and
- (c) the Departing Employer

is hereby given and confirmed.

3.2 Trustee's confirmation that Funding Test is met

The Trustee confirms for the purposes of regulation 6E(2)(a) of the Employer Debt Regulations that the Funding Test is met for the FAA.

3.3 Payment by the Departing Employer

It has been agreed that no payment over and above amounts due under the schedule of contributions will be made by the Departing Employer except for the payment required under clause 3.7.

3.4 Departing Employer not in a Grace Period

The Parties hereby acknowledge and confirm that the Departing Employer is not in a Grace Period.

3.5 Scheme not in an assessment period or being wound up

3.5.1 The Parties hereby acknowledge and confirm for the purposes of regulation 6E(2)(f) of the Employer Debt Regulations that the Scheme is not:

- (a) in an assessment period; or
- (b) being wound up.

3.5.2 The Trustee confirms for the purposes of regulation 6E(2)(g) of the Employer Debt Regulations that they are satisfied that an assessment period is unlikely to begin in relation to the Scheme within the period of 12 months beginning with the date on which the FAA takes effect.

3.6 FAA: effective date

An Employment-cessation Event occurred with effect from midnight on 30 April 2018 being the date from which the Departing Employer has ceased to employ any persons who are active members of

the Scheme. The FAA will take effect on the Execution Date, being the date on which the conditions in regulation 6E(2) of the Employer Debt Regulations are met.

3.7 Trustee's expenses

Upon execution of this deed, the Departing Employer shall pay to the Trustee the sum of £6,500 (six thousand five hundred pounds sterling) in relation to the Trustee's Expenses.

4. **Cessation of participation**

4.1 Subject to:

4.1.1 the prior occurrence of an Employment-cessation Event in relation to the Departing Employer;

4.1.2 the payment in full by the Departing Employer of any amounts owed by the Departing Employer to the Scheme to have become payable before the Execution Date; and

4.1.3 the payment in full by the Departing Employer of the sum mentioned in clause 3.7 of this deed,

the Principal Employer with the consent of the Trustee and the Departing Employer **HEREBY DECLARES** pursuant to Rule 36.3 of the Rules that the Departing Employer shall cease to participate in the Scheme on and from the Execution Date.

Subject to the above, the Departing Employer shall also cease to be an 'employer' for the purposes of Part 3 of the Pensions Act 2004 and sections 75 and 75A of the Pensions Act 1995 with effect on and from the Execution Date.

4.2 The parties to this deed **HEREBY ACKNOWLEDGE** that, owing to the Principal Employer's declaration under Rule 36.3 being made in connection with the entry into an apportionment arrangement pursuant to Rule 36.4, the provisions of Rule 38.3 shall not come into operation in relation to the Departing Employer's cessation of participation in the Scheme.

5. **Counterparts**

This deed may be executed in any number of counterparts and by each of the Parties as separate counterparts. Each of the counterparts when executed and delivered shall be deemed to be an original, but all the counterparts together shall constitute one and the same deed.

EXECUTED AS A DEED by the Parties on the Execution Date.

THE COMMON SEAL of the
UNIVERSITY OF LIVERPOOL
Was hereunto affixed in the presence of

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Member of Council *G. B...*

Member of Council *James Bees*

EXECUTED as a deed (but not
delivered until dated)
by
UNIVERSITY OF LIVERPOOL PENSION FUND
TRUSTEES LIMITED
Acting by two Directors or a Director and the
Secretary

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Director *Colin S. Hunter*

Director/Secretary *David Costello*

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EXECUTED as a deed (but not
delivered until dated)
by
LIVERPOOL GUILD OF STUDENTS
Acting by two Directors or a Director and the
Secretary

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Director *Roy Hughes*

Director/Secretary *[Signature]*

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