



The Rules of Employee Life Cover from B&CE

**For people,
not profit**

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1. Interpretation

In these Rules, unless the context requires otherwise, the singular includes the plural and vice-versa, the masculine includes the feminine, and the expressions defined in the Deed and in the Appendix to these Rules shall have the meanings given to them there. Any reference to a clause shall be a reference to the appropriate clause of the Trust Deed dated 24 September 2010 (as altered from time to time).

2. Inclusion in Employee Life Cover from B&CE (ELC)

2.1 An Employee will join ELC as a Member provided that:

- i) he is Actively at Work on the date of joining ELC and is so certified by his Employer to the Scheme Administrator; and
- ii) if the date of joining is on or after 1 April 2018, his Employer declares to the Scheme Administrator that the Employer has no knowledge of the Employee having been diagnosed with a Terminal Illness.

Such an Employee shall become a Member on the first payment of contributions by his Employer in respect of him.

2.2 Each Member shall remain one for as long as (1) his Employer satisfies all the Contribution Rules in full; and thereafter (2) he meets the Continuity Test if applicable.

2.3 An Employer may define different categories of membership group in order to differentiate different levels of cover for each category. Each category must contain a minimum of 5 members and at least 95% of all eligible Employees for that category must be included by the Employer.

2.4 The Employer can choose to define eligible membership categories in a number of ways, for example, by job grade, salary bands or job type (for example directors, clerical workers, manual workers). Membership must be compulsory for 95% of all Employees within each defined category. Eligibility conditions covering entry age, entry dates and service qualifications must be the same for each member within a defined category. Both full and part time Employees (that is those on a permanent contract working a reduced number of hours) must be eligible.

2.5 The Employer remains responsible at all times for compliance with all laws relating to discrimination or unfair treatment, such as those relating to age or sex discrimination and the treatment of part time, fixed terms or disabled employees and hereby indemnifies B&CE Holdings Limited, B & C E Financial Services Limited and Building and Civil Engineering Benefits Scheme Trustee Limited in respect of any claim for non-compliance with those laws from any of the Employer's Employees or former Employees.

2.6 The “**Contribution Rules**” are, together:

- (i) the Employer must pay contributions as agreed by the Employer and the Scheme Administrator for each Member in his employment including periods of holiday, short-term sickness absence, long-term sickness absence, temporary absence from work and permitted or paid absence; and
- (ii) for a death in service claim to be valid there must have been a relevant contribution paid for each pay period from the date of the deceased becoming a Member of ELC to the date of death. Therefore, claims will not be settled unless contributions are up to date.

2.7 In order for a Member who is not an Employee for whom an Employer is paying contributions to be eligible for payment of benefits from ELC, the following “**Continuity Test**” conditions must be met at the date of death:

- (i) it is within 3 years since the Employer last paid contributions for him and he has been absent from work through Incapacity; or
- (ii) it is within 2 years since the Employer last paid contributions for him and he is in Unemployment;

and in each case the Member had, immediately before the Incapacity or Unemployment, at least 1 year’s continuous membership of ELC at the date when he ceases to be an Employee for whom an Employer pays contributions.

2.8 Any Employer who pays contributions to ELC for any Employee hereby irrevocably agrees to supply all such evidence and information and all such access to its premises, records, Employees and agents as the Trustee or Scheme Administrator may reasonably require to determine whether any benefit is to be payable under the Rules.

3. Levels of Benefit

3.1 Each Employer shall choose, from time to time, the level of benefit which it wishes to be payable as the Death Benefit for each Member. The Employer shall choose 1, 2 or 3 times the Scale Benefit defined in Rule 3.2. B&CE Holdings Limited and the Trustee may agree (either generally or in any particular case) that a different level of Scale Benefit be available for Employers to choose.

No increase in the level of benefit provided in respect of a Member may be made on or after 1 April 2018 unless the Member is Actively at Work and the Employer declares to the Scheme Administrator that the Employer has no knowledge of the Member having been diagnosed with a Terminal Illness.

- 3.2 The Scale Benefit shall be £40,000* for death in service plus a further £40,000* for death resulting from either an accident at work or, in the opinion of the Trustee on such evidence as it sees fit to obtain, travelling to and from work. In the case of death in Incapacity or Unemployment, the amount payable should be based on 1 times the Scale Benefit of £40,000*, notwithstanding the selected level of benefit under this Rule 3 when the relevant Employee became a Member or any later increase in the level of benefit under Rule 3.1, and shall be subject to the Absence Taper as set out in Rule 3.6 if the Member was not Actively at Work at the date of death.
- 3.3 The Employer's contributions to ELC for each Member are calculated based upon the level of cover selected for each category.
- 3.4 Subject to Rules 2.3 and 2.4 the Employer can choose different multiples of benefit under Rule 3.1 for different categories of Members and can amend such benefits by written advance notice to the Scheme Administrator from time to time.
- 3.5 Where a claim is made under Rule 4, any Death Benefit determined by the Trustee shall be payable as a lump sum, in accordance with Rule 5, on the death of a Member.
- 3.6 The "**Absence Taper**" is only applied in respect of death in Incapacity and/or Unemployment where the Member has remained a Member under Rule 2.2. The appropriate percentage of Scale Benefit payable is as follows:

Period of Absence	% for Incapacity absence	% for Unemployment
0 – 6 months	100	90
> 6 – 12 months	100	70
> 12 – 18 months	60	50
> 18 – 24 months	60	30
> 24 – 36 months	30	Nil
> 36 months	Nil	Nil

4. Claims and Payments

- 4.1 Any claim (which shall mean any application to the Scheme Administrator or the Trustee for a payment under ELC) for benefits must be made to the Scheme Administrator or the Trustee within 12 months of the death of the Member and shall be accompanied by all such information as the Scheme Administrator or the Trustee shall reasonably require. Any unclaimed benefits after 12 months are forfeited, unless the Trustee determines otherwise in circumstances that it considers to be exceptional.
- 4.2 The Scheme Administrator and the Trustee will use all reasonable endeavours to make payments due under ELC in accordance with Rule 5 within 12 months of the later of a valid claim being made and all necessary information being supplied.

*Applicable from 1 January 2019

- 4.3 The Trustee may reject as not valid any claim made where it appears to the Trustee that the Member's membership was in breach of the Rules either in respect of the Member or the non-inclusion in ELC of other Employees of the Member's Employer, such that the requirements of Rule 2 are not satisfied.
- 4.4 The Scheme Administrator or the Trustee shall normally make payment due under ELC by automated bank transfer to a United Kingdom bank account maintained by the beneficiary and no beneficiary is entitled to claim payment by cheque, cash or any other method, although the Scheme Administrator or the Trustee may determine to do so in any particular case. Where it is agreed to make payment by post, or to a bank account outside the United Kingdom, that payment will be at the risk of the beneficiary.
- 4.5 All payments shall normally be made by the Scheme Administrator or the Trustee in sterling (or such other currency as may be legal tender in the United Kingdom) and any conversion of any payment from ELC to any other currency shall be at the expense of the recipient.

5. Application of Benefits at Trustee's Discretion

- 5.1 The Trustee shall, in its absolute discretion, determine each and every Death Benefit, taking into account any deduction under Rules 3.2. and 3.6. Each Death Benefit shall be payable in accordance with this Rule and the Trustee shall have power in its entire discretion to determine to pay a Death Benefit within the period of two years of being notified of the Member's death, or, if later, within two years from the date on which the Scheme Administrator could reasonably have been expected to have known of the Member's death. The Trustee shall have power to pay a Death Benefit to or for the benefit of the Member's estate and/or to or for the benefit of such one or more of the following persons as the Trustee at its absolute discretion determines and in such proportions as the Trustee at its absolute discretion determines:
- (a) Any Partner, co-habiting partner, child who has not reached the age of 18 (including natural children of the Member or his Partner or co-habiting partner and children to whom the Member stood in loco parentis and any child conceived but not born), Dependant or relative living at the Member's death. Exceptionally, the Trustee may in its absolute discretion consider payment to a child (who satisfies the other criteria above) who is aged 18 or over but is under the age of 21;
 - (b) any person, charity or other organisation as the Member may have notified in writing to the Trustee as possible recipients of the benefit before the date of the Member's death;
 - (c) any person, charity or other organisation who has an entitlement under the will of the deceased.

In exercising the power the Trustee may have regard to, but shall not be bound by, any wishes notified to the Trustee by the Member. The Trustee may make such enquiries as they at their absolute discretion consider appropriate before making a decision as to who to pay all or any part of the Death Benefit and/or may rely without further enquiry on information provided by third parties about the Identity and personal and financial circumstances of the class of persons to whom the Death Benefit can be paid.

The Trustee may, in respect of any Death Benefit which becomes payable, declare trusts and appoint separate trustees (and provide for their remuneration) in respect of all or any part of such benefit or pay all or any part of such benefit to the trustees of an existing trust provided that, in either case, all of the possible beneficiaries under the trust fall within one or more of the categories of beneficiaries referred to in this Rule.

- 5.2 If prior to 6 April 2016 the Trustee has not applied all of the sum within the period of two years of being notified of the Member's death, or, if later, within two years from the date on which the Scheme Administrator could reasonably have been expected to have known of the Member's death (the "notification date"), the Trustee shall, on the day immediately before that which falls two years from the notification date (the "disposition date"), hold any remaining balance on bare trust for the benefit of the deceased's estate and that sum shall be deemed to have been paid to the deceased's estate on the disposition date, except that if the residuary estate of the Member shall belong to the Crown or the Duchy of Lancaster or to the Duke of Cornwall as bona vacantia (or any equivalent under Scottish Law) or would vest in a creditor of the Member, the said benefit or such balance thereof shall revert to the Fund.

On and after 6 April 2016, all or part of any sum not paid in accordance with Rule 5.1 before the disposition date may, if the Trustee so determines, continue to be held by the Trustee for distribution under Rule 5.1, rather than being held on bare trust for the deceased's estate, so long as it would not when paid then be an unauthorised payment for the purpose of section 160 of the Finance Act 2004.

- 5.3 The Trustee is under no obligation to see to the application of any benefit paid in accordance with these Rules, and the receipt of the person or body to whom the benefit is paid shall be a complete discharge to the Trustee in respect of that payment.

6. Deduction of Tax or Duty

The Trustee or, as the case may be, the Scheme Administrator, shall be entitled to deduct from any amount payable by it under ELC any tax or duty or any other payment under the Finance Act 2004 (including a scheme sanction charge relating to the payment in question) for which it is accountable in respect of such amount and may withhold all or part of any benefit payable under ELC to provide for such a payment.

7. Termination of Membership

A person shall cease to be a Member immediately on any of the following:

- (i) he stops either being employed by any Employer or satisfying the Continuity Test; or
- (ii) his Employer stops meeting all the Contribution Rules in full in respect of him.

8. Benefits not Assignable

8.1 All benefits under ELC are discretionary. Notwithstanding that, no Member shall have any power or entitlement to assign his potential entitlement to a discretionary benefit under ELC and if any Member purports or attempts to assign or charge (either wholly or partially) any such entitlement under ELC then any potential entitlement to a benefit will cease.

8.2 In the case of hardship only, however, the Trustee may at its discretion pay or apply part or all of any benefit (as and when it arises) to or for the benefit of any person to whom benefit could be paid within the terms of Rule 5 so long as no benefit in any circumstances shall be payable for the benefit of the purported assignee.

Appendix – Definitions

In the Rules, the following terms shall have the following meanings:

“Absence Taper”	the absence taper as defined in Rule 3.6.
“Actively at Work”	<p>fully active employment (but not necessarily full-time if the Employee is contracted to work less hours than normal full time Employees), in which the individual is physically and mentally able to perform all the duties associated with the individual’s normal job and is doing so. For this purpose an Employee who is absent due to a period of holiday shall be considered to be Actively at Work.</p> <p>Provided that in respect of any determination made on or after 1 April 2018 as to whether an individual is Actively at Work, such individual at the date of that determination:</p> <ul style="list-style-type: none">(i) has not been absent from work due to an accident or ill health in the preceding 4 weeks; and(ii) has not reduced his working hours due to an accident or ill health in the preceding 3 months.
“B&CE Group Company”	B&CE Holdings Limited, the Trustee, the Scheme Administrator, B & C E Insurance Limited or any other company which may be a subsidiary or holding company of any such company from time to time as defined by Section 1159 of the Companies Act 2006.
“Continuity Test”	the continuity test as defined in Rule 2.7.
“Contribution Rules”	the contribution rules as defined in Rule 2.6.
“Death Benefit”	a lump sum benefit payable pursuant to clause 8 of the Deed and Rules 4 and 5.
“Deed”	the Trust Deed dated 24 September 2010 made between the Founder, the Trustee and the Scheme Administrator by which ELC was established (as altered or added to from time to time).
“Dependant”	<p>in relation to a Member shall mean:</p> <ul style="list-style-type: none">(i) any individuals (other than a child of the Member) who in the opinion of the Trustee were, at the time of death of the Member, financially dependent on the Member or dependent because of disability, or had a financial relationship of mutual dependence with the Member; and

- (ii) any child aged 18 or over (including natural children of the Member or his Partner or cohabiting partner and children to whom the Member stood in loco parentis and any child conceived but not born), who was dependent on the Member because of disability at the time of the Member's death.

"Employee"

any employee of an Employer (including a director).

"Employers"

collectively all persons who employ Members and are participating in ELC from time to time with B&CE Holdings Limited's approval, and in relation to any particular person "Employer" means that one of the Employers of which he is for the time being an Employee.

"Fund"

has the meaning given to it in clause 7.2 of the Deed.

"Incapacity"

any period up until State Retirement Age for which the individual suffers from physical or mental ill-health such that the individual is unable to perform his normal occupation.

"Member"

any person who has been or is included in ELC in accordance with the provisions of ELC applicable from time to time and includes any such person until he ceases to be a Member in accordance with the provisions of Rule 7.

"Partner"

at the date of a Member's death the person to whom the Member was legally married or the registered civil partner with whom the Member was in a registered civil partnership.

"Registered Scheme"

a scheme which is registered with HM Revenue & Customs in accordance with Chapter 2 of Part 4 of the Finance Act 2004.

"Scheme Administrator"

B & C E Financial Services Limited, which provides management and administration services in relation to ELC and so shall, on its own behalf as part of its role as distributor, administrator and liaising with employers and employees in the construction industry relating to the industry wide benefit schemes and other products and services offered by B&CE Group Companies to those in the construction industry, both:

- (i) administer ELC, which role shall include acting as the scheme administrator of ELC for the purpose of section 270 of the Finance Act 2004, and include collecting contributions, following up with Employers and being responsible for general administrative functions in relation to calculating payments and making payments for benefits; and include acting as the investment manager; and

(ii) providing certain assistance to the Trustee in fulfilling its roles in respect of ELC.

“State Retirement Age” the age determined in respect of a Member in accordance with paragraph 1 of Schedule 4 to the Pensions Act 1995.

“Terminal Illness” an illness where the expectation of life is less than one year from the date of diagnosis.

“Trustee” Building and Civil Engineering Benefits Scheme Trustee Limited, which shall have full discretionary trustee powers in respect of ELC, as explained in clause 4 of the Deed.

“Unemployment” any period up until State Retirement Age for which the individual is without a job, is actively seeking employment and is entitled to social security payments on that basis.

The Employee Life Cover from B&CE is a standalone occupational pension scheme for the purposes of providing death benefits only. It is operated on a trust basis in accordance with the Trust Deed and Rules and the Trustee is Building and Civil Engineering Benefits Scheme Trustee Limited.



B & C E Financial Services Limited
Manor Royal, Crawley, West Sussex, RH10 9QP. Tel 0300 2000 555 Fax 01293 586801.
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B & C E Financial Services Limited is authorised and regulated by the Financial Conduct Authority
Ref: 122787. It acts as a distributor of, and an administrator for, pensions (including The People's
Pension Scheme), accident and death insurance and a range of financial welfare products.

