

total periodic sum, either fixed in money terms or linked to average earnings or prices, (in this paragraph called "the deficiency sum") which, in his opinion, is required to be paid by way of Deficiency Contributions to the Scheme over a period of such number of Accounting Years of the Principal Employer not exceeding twenty, commencing on such date not earlier than the review date and at such periodic intervals all as shall be determined by the Principal Employer.

- (b) Having regard to any determination pursuant to sub-paragraph (a) of this paragraph, the Actuary shall review any previous determination of Deficiency Contributions then operative made by him and shall substitute for such previous determination a fresh determination of Deficiency Contributions which shall consist of a determination of—
- (i) the amount or proportion of each deficiency sum which shall be payable by way of a Deficiency Contribution by each Employer other than the Principal Employer or Employers of Branch Secretaries, the first of which Deficiency Contributions shall be payable by each such Employer respectively in accordance with the provisions of paragraph (5) of Clause 2 within one month after the date referred to in sub-paragraph (a) of this paragraph; and
 - (ii) the amount or proportion of each deficiency sum remaining after the subtraction therefrom of the total of the amounts or proportions thereof referred to in sub-paragraph (b)(i) of this paragraph which remaining amount or proportion shall be payable as a Deficiency Contribution by the Principal Employer.
- (c) In making any determination under sub-paragraph (b)(i) of this paragraph, the Actuary may insofar as he thinks fit have regard to the relationship or likely relationship, at such date as he may on the occasion of each such determination consider appropriate—
- (i) between the number of members employed by Employers other than the Principal Employer or Employers of Branch Secretaries and the total number of members employed in Eligible Employment; and or alternatively
 - (ii) between the amount of weekly Earnings paid or deemed to be paid to members by Employers other than the Principal Employer or Employers of Branch Secretaries and the total amount of weekly Earnings paid or deemed to be paid to members by all Employers;
- and the provisions of Clause 3 shall apply for the purposes of this sub-Clause as they apply for the purposes of Clause 2.

(3) On each periodic review *before the Guarantee Date* the Actuary shall make a report to the Committee of Management on the financial condition of the Scheme, specifying the determination made by him under paragraph (2) of this Clause. A copy of each review and report so made shall be delivered by the Committee of Management to the Principal Employer and to each Appointing Union, together with any recommendation they may wish to make having regard thereto.

18. With effect from 6th April 1975 *and until the Guarantee Date*, if having regard to the results of any review *before the Guarantee Date* and the contents of any report *thereon* made under Clause 17 it appears to them expedient or desirable so to do, the Committee of Management shall review the Scheme and shall report to the Principal Employer and each Appointing Union the results of their review and such amendments and variations (if any) of the Scheme as the Committee of Management may consider expedient or desirable having regard thereto.

~~18A. Following the periodic review of the financial condition of the Scheme by the Actuary as at 30th September 1993 the balance of the surplus remaining after deducting:~~

- ~~(i) the actuarial value calculated as at 13th June 1994 of the improvements to benefits specified in Rules 25(2) and 26AAA; and~~
- ~~(ii) the actuarial value of relieving Employers from the obligation to pay Standard Contributions under Clause 2(1) for such period as there are members paying Normal Contributions to the Scheme~~

~~shall be available to be used as an investment reserve to be established on a date falling on or after 15th September 1994.~~

18A. (a) *As soon as practicable after the Guarantee Date the Actuary shall make and advise the Committee of Management of the initial determination of the Investment Reserve which shall be calculated as at the Guarantee Date and shall be the Present Value of the total surplus (expressed in terms of market values) as at the 30th September 1993 actuarial review LESS the aggregate of:—*

- (i) the Present Value of the capital value (expressed in terms of market values) as at the 30th September 1993 actuarial review of the amount applied for the benefit of members; and*
- (ii) the Present Value of the aggregate amounts which would have been contributed to the Scheme by the Employers since 30th September 1993 on the basis of the recommendation of the Actuary under Clause 17(2)(a)(i) following the actuarial review of the Pension Fund as at 30th September 1993 up to the Guarantee Date as Standard Contributions but for the suspension of that liability by operation of sub-paragraphs (1)(i) and (1)(ii) of Clause 2;*

The Committee of Management on receipt of the advice of the Actuary relating to his initial determination of the Investment Reserve, shall forthwith create such accounts, and make such entries or transfers as are necessary to give proper effect to the establishment of the Investment Reserve as so determined.

- (b) *On each periodic actuarial review following the Guarantee Date the Actuary shall review the determination of the Investment Reserve and where appropriate shall recommend to the Committee of Management that it makes such adjustments to the Investment Reserve as he may consider appropriate in order to:—*
- (i) *provide for transfers from the Investment Reserve to the Guaranteed Fund pursuant to paragraphs (4)(b)(I), (4)(b)(II) or (5)(iv) of Clause 18B;*
 - (ii) *provide for transfers to the Investment Reserve from a surplus in the Guaranteed Fund pursuant to paragraph (4)(a) of Clause 18B;*
 - (iii) *provide for an adjustment to the payments to the Guarantor under (c) below so as to achieve the reduction of the Investment Reserve to a nil amount over a period of 25 years from the Guarantee Date or such longer period as the Guarantor may from time to time determine;*
 - (iv) *provide for the continued application since the later of the Guarantee Date and the last review date by way of transfers to the Guaranteed Fund from the Investment Reserve of amounts for the benefit of the Employers by way of contribution reductions pursuant to sub-paragraphs (1)(i) and (1)(ii) of Clause 2; and*
 - (v) *make allowance in any of the calculations (i) (ii) (iii) or (iv) above or generally in the review of the determination of the Investment Reserve for timing differences, investment returns and future investment returns and for these purposes shall make such actuarial assumptions regarding future investment returns as are consistent with those employed in the periodic review being carried out or where such assumptions are required for the initial determination of the Investment Reserve, the Actuary may make such assumptions as to future investment returns as he shall consider appropriate.*

The Committee of Management on receipt of the recommendations of the Actuary relating to his review of the determination of the Investment Reserve, shall forthwith make such adjustments and transfers by reference to items (i) to (v) above as are indicated in such recommendations.

- (c) *Subject to the provisions of Clause 18B which apply in the event of a periodic valuation of the Guaranteed Fund disclosing a deficiency in the Guaranteed Fund, the Committee of Management shall each year following a periodic actuarial review of the Pension Fund after the Guarantee Date pay to or apply for the benefit of the Guarantor such part of the Investment Reserve as the Actuary shall at that periodic actuarial review determine to be appropriate in respect of the period until the next review.*
- (d) *For the purposes of this Clause and Clause 18B:—*
- (i) *“investment returns” (including capital gains or losses realised or unrealised and net of expenses) shall be attributed to the Investment Reserve, the Guarantor’s Fund or the Bonus Augmentation Fund, as the case may be, every quarter by applying the proportion that the average notional balance in the relevant fund in that quarter bears to the average assets of the Pension Fund to the total investment return (including capital gains or losses realised or unrealised) earned by the Pension Fund in that period;*
 - (ii) *“Present Value” of a previously determined value or amount shall mean that value or amount together with investment returns attributable to the period between the date at which the amount or value was originally determined and the date at which the present value falls to be determined;*
 - (iii) *the Investment Reserve shall be initially determined as provided in sub-paragraph (a), subsequently and periodically adjusted as provided in sub-paragraph (b) and reduced by payments to the Guarantor as provided in sub-paragraph (c). The provisions of this Clause and Clause 18B regarding the Investment Reserve shall continue to have effect after any time at which it has no assets.*

18B. (1) *On and with effect from the Guarantee Date there shall be created within that part of the Pension Fund other than the Investment Reserve the following notional sub-funds:—*

“the Guarantor’s Fund”;

“the Bonus Augmentation Fund”;

“the Guaranteed Fund”; and

“the Crystallised Augmentation Fund”

which shall be comprised and be maintained on a notional basis in the manner set out in paragraph (2) below to reflect the particular credit and debit items referred to in that paragraph.