



**JIB-PMES**

# Death in Service Benefit – Scheme Rules

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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 these Rules (including the Appendix) shall have the meanings given to them there.

## 2. Inclusion in Death in Service Benefit (DSB) from the JIB-PMES

- 2.1 An Employee will meet the eligibility criteria for joining the DSB scheme provided that:
- i. They are 'actively at work' on the date of joining DSB and is so certified by his Employer to the JIB-PMES; and
  - ii. Their Employer declares to the JIB-PMES that the Employer has no knowledge of the Employee having been diagnosed with a Terminal Illness
  - iii. They are under the State Retirement Age
  - iv. Their employer is purchasing either JIB-PMES Holiday Credits or JIB-PMES Welfare Benefits on their behalf

Such an Employee shall be so covered for DSB **after** 5 weeks of employment has been completed following their joining date, provided the employer has purchased either the required Holiday Credits or welfare benefits for the employee during that time.

- 2.2 Employees who have been diagnosed with a Terminal Illness at the time of the scheme joining date, are **not eligible** to be covered by this DSB scheme.
- 2.3 Employees who continue in employment beyond the State Retirement Age will, not be eligible to be covered by this DSB scheme.
- 2.4 Eligibility for DSB cover is strictly limited to those employees for whom the Employer is actively purchasing either JIB-PMES Holiday Credits or JIB-PMES Welfare Benefits and for whom such payments are up to date. Where an employer also employs operatives for whom they do not purchase JIB-PMES Holiday Credits or JIB-PMES Welfare Benefits, such operatives will not be covered by this Death in Service Benefit.
- 2.5 Entitlement to DSB will also cease where an operative has not been at work for a continuous 12-month period, but they have remained 'in the employment' of the employer - regardless of whether the employer continues to purchase JIB-PMES Holiday Credits or Welfare Benefits.
- 2.6 An Employee will otherwise remain in the DSB scheme for as long as (1) their Employer satisfies all the Contribution Rules in full; and thereafter (2) they meet the Continuity Test if applicable.
- 2.7 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 term or disabled employees and hereby indemnifies the Joint Industry Board for Plumbing, Mechanical Engineering Services in England and Wales in respect of any claim for non-compliance with those laws from any of the Employer's Employees or former Employees.
- 2.8 The "**Contribution Rules**" are, together:
- i. The Employer must pay contributions as agreed by the Employer and the JIB-PMES for each operative covered by the DSB scheme; including periods of, short-term sickness absence, long-term sickness absence, temporary absence from work and permitted or paid absence; and
  - ii. For a Death in Service Benefit claim to be valid there must have been a fully paid contribution for each pay period from the date of the deceased joining the DSB scheme and the date of death.

Therefore, claims will not be settled unless JIB-PMES Holiday Credit or Welfare Benefits payments for the operative are up to date.

An employer who fails to maintain up to date JIB-PMES Holiday Credit or Welfare Benefit payments, or who otherwise allows DSB cover for an operative to lapse, shall be liable for full payment of any benefits due.

- 2.9 In order for an operative who is no longer an Employee and therefore for whom an Employer is no longer paying contributions to be eligible for payment of DSB, the following “**Continuity Test**” condition must be met at the date of death:
- i. It is within 1 year since the Employer last paid contributions for the operative and they have left work through incapacity
  - ii. The former Employee was not older than the State Retirement Age at the time of death.

and in this case the operative had, immediately before incapacity, at least 1 year’s continuous DSB contributions at the date when they ceased to be an Employee for whom an Employer pays contributions.

- 2.10 Any Employer who pays JIB-PMES Holiday Credit or Welfare Benefits 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 JIB-PMES may reasonably require to determine whether any benefit is to be payable under the Rules.

### **3. Level of Benefit**

- 3.1 The level of Death in Service Benefit provided shall be £40,000.
- 3.2 Where a claim is made under Rule 4, any Death Benefit determined by the JIB-PMES shall be payable as a lump sum, in accordance with Rule 5, on the death of an operative.
- 3.3 The JIB-PMES reserves the right to use discretion when paying claims to protect the interests of Participant employers and their operatives. For example, one such event may be multiple death claims due to a catastrophic event. A catastrophic event is an incident or series of related incidents that directly or indirectly result in the death or disability of more than one operative under this scheme, including but not limited to: war (whether declared or not), terrorist activity, earthquakes, windstorms, flooding, pandemics, a sudden release of nuclear radiation, radioactive contamination (whether controlled or not), and biological or chemical contamination.

### **4. Claims and Payments**

- 4.1 Any claim (which shall mean any application to the JIB-PMES for a payment under DSB) for benefits must be made to the JIB-PMES within 12 months of the death of the operative and shall be accompanied by all such information as the JIB-PMES shall reasonably require. Any unclaimed benefits after 12 months are forfeited, unless the JIB-PMES determines otherwise in circumstances that it considers to be exceptional.
- 4.2 The JIB-PMES will use all reasonable endeavours to make payments due under DSB in accordance with Rule 5 within 12 months of a valid claim being made and all necessary information being supplied.
- 4.3 The JIB-PMES may reject as not valid any claim made where it appears that the operative’s JIB-PMES Holiday Credit or Welfare Benefit contribution payments (which is their Employer’s requirement to keep up to date) were in breach of the Rules, such that the requirements of Rule 2 are not satisfied.
- 4.4 The JIB-PMES shall normally make payment due under DSB 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 JIB-PMES may determine to do so in any particular case.

- 4.5 All payments shall be made by the JIB-PMES in sterling (or such other currency as may be legal tender in the United Kingdom) and any conversion of any payment from DSB to any other currency shall be at the expense of the recipient.

## **5. Application of Benefits at the Discretion of the JIB-PMES**

- 5.1 The JIB-PMES shall, at its absolute discretion, determine each and every Death Benefit. Each Death Benefit shall be payable in accordance with this Rule and the JIB-PMES shall have power in its entire discretion to determine to pay a Death Benefit within the period of 12 months of being notified of the operative's death.

The JIB-PMES shall have power to pay a Death Benefit to or for the benefit of the Operative's estate and/or to or for the benefit of such one or more of the following persons as the JIB-PMES at its absolute discretion determines and in such proportions as the JIB-PMES absolute discretion determines:

- a. Any Partner, co-habiting partner, child who has not reached the age of 18 (including natural children of the Operative or his Partner or co-habiting partner and children to whom the Operative stood in loco parentis and any child conceived but not born), Dependant or relative living at the Operative's death. Exceptionally, the JIB-PMES may at 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 operative must have notified in writing to the JIB-PMES as possible recipients of the benefit before the date of the operative's death;
  - c. Any person, charity or other organisation who has an entitlement under the will of the deceased.
- 5.2 All or part of any sum not paid in accordance with Rule 5.1 before the disposition date may, if the JIB-PMES so determines, continue to be held by the JIB-PMES 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 JIB-PMES 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 JIB-PMES in respect of that payment.

## **6. Termination of DSB**

- 6.1 A person shall cease to be eligible for DSB immediately on any of the following:
- i. they stop being employed by the Employer who has been purchasing their Holiday Credits or Welfare Benefits
  - ii. they reach State Retirement Age
  - iii. they cease satisfying the Continuity Test; or
  - iv. their Employer stops meeting all the Contribution Rules in full in respect of their participation in the scheme.

## **7. Benefits not Assignable**

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

## Appendix 1 – Definitions

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

**“Actively at work”** fully active in employment (but not necessarily full-time employment 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’.

Provided that in respect of any determination as to whether an individual is ‘actively at work’, such individual at the date of that determination:

- (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.

**“Continuity Test”** the continuity test as defined in Rule 2.9.

**“Contribution Rules”** the contribution rules as defined in Rule 2.8.

**“Death in Service Benefit (DSB)”** a lump sum benefit payable pursuant to Rules 4 and 5.

**“Dependant”** in relation to an Operative shall mean:

- (i) any individuals (other than a child of the Operative) who in the opinion of the JIB-PMES were, at the time of death of the Operative, financially dependent on the Operative or dependent because of disability, or had a financial relationship of mutual dependence with the Operative; and
- (ii) any child aged 18 or over (including natural children of the Operative or his Partner or cohabiting partner and children to whom the Operative stood in loco parentis and any child conceived but not born), who was dependent on the Operative because of disability at the time of the Operative’s death.

**“Employee”** any employee of an Employer (including a director).

**“Employers”** collectively all persons who employ Operatives and are purchasing Holiday Credits or Welfare Benefits from the JIB-PMES on the Employee’s behalf, and in relation to any particular person “Employer” means that one of the Employers of which he is for the time being, an Employee.

**“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.

**“Operative”** any person who has been or is included in DSB in accordance with the provisions of JIB-PMES participation. Operatives must be employed by JIB-PMES participant companies and have either Holiday Credits or Welfare Benefits purchased for them by their employer.

**“Partner”** at the date of an Operative’s death, the person to whom the Operative was legally married or the registered civil partner with whom the Operative was in a registered civil partnership.

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

**“Terminal Illness”** an illness which cannot be cured and will result in death, where the expectation of life is less than one year from the date of diagnosis.

**“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.