

Principal Civil Service Pension Scheme

The Principal Civil Service Pension Scheme 1974 was laid before Parliament on 19 November 1974 under section 2(11) of the Superannuation Act 1972.

The following amendments have subsequently been laid.

Principal Civil Service Pension Scheme (Amendment) Scheme	Laid before Parliament
1975	22 April 1975
1977	28 July 1977
1978	31 July 1978
1980	27 March 1980
1980 (No.2)	4 November 1980
1984	31 July 1984
1987 (No. 1)	26 March 1987
1987 (No. 2)	30 June 1987
1987 (No. 3)	30 September 1987
1988 (No. 1)	30 March 1988
1988 (No. 2)	26 May 1988
1988 (No. 3)	27 July 1988
1989 (No. 1)	26 May 1989
1989 (No. 2)	6 July 1989
1989 (No. 3)	1 December 1989
1989 (No. 4)	20 December 1989
1991 (No. 1)	28 January 1991
1992 (No. 1)	12 February 1992
1994 (No. 1)	14 December 1994
1994 (No. 2)	9 January 1995
1995 (No. 1)	31 January 1995
1995 (No. 2)	19 July 1995
1996	18 January 1996
1996 (No. 2)	22 July 1996
1997	1 April 1997
1998	30 March 1998
1998 (No. 2)	30 July 1998
1999	27 July 1999
2001	19 July 2001
2002	22 July 2002
2002 (No. 2)	22 July 2002
2003	9 April 2003
2004	22 July 2004
2005	11 November 2005
2006	28 March 2006
2006 (No 2)	25 July 2006
2006 (No 3)	18 December 2006
2007	26 March 2007
2007 (No 2)	26 July 2007
2007 (No 3)	22 October 2007

Principal Civil Service Pension Scheme (Amendment) Scheme	Laid before Parliament
2008	5 February 2008
2008 (No 2)	11 September 2008
2010	5 February 2010
2010 (No 2)	21 December 2010

The contents pages of this composite copy of the scheme rules have been updated to reflect the current status of the rules.

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- (2) The rules of this Section of the Scheme are to be construed without reference to any other Section of the Scheme (except where they refer to the application of another Section).
- (3) The Interpretation Act 1978 applies for the interpretation of the rules of this Section of the Scheme as it applies to an Act of Parliament.
- (4) In the rules of this Section of the Scheme, unless the context otherwise requires, the following expressions have the following meanings—

“the 1972 Section” means Section II of the Scheme;

“the 2002 Section” means Section I of the Scheme;

“active member” has the meaning given in section 124(1) of the Pensions Act 1995 (treating Section I and Section II of the Scheme, as if they were themselves each occupational pension schemes) and, except where the context requires, refers to membership of this Section of the Scheme (but see paragraphs (7) and (8));

“active membership period” has the meaning given in rule D.7(2) is to be read in accordance with rule A.7;

“the allocation amount”, has the meaning given in rule D.7(2) in respect of any pension, means the amount of the pension allocated as a result of the exercise of an election under rule D.12;

“the Armed Forces Pension Scheme” means the occupational pension scheme arrangements open to members of the armed forces set out in any enactment or in—

- (a) the Order in Council made under the Naval and Marine Pay and Pensions Act 1865,
 - (b) the Army Pensions Warrant 1977, and
 - (c) the Queen’s Regulations for the Royal Air Force,
- or any instrument replacing any of those instruments;

- “assumed pay” has the meaning given in rule A.3;
- “basic reckonable service” has the meaning given in rule A.9(6);
- “Civil Service” means the Civil Service of the State;
- “Class A member” is to be construed in accordance with rule A.6;
- “the commutation amount”, in relation to any pension, means the amount of the pension exchanged for a lump sum as a result of the exercise of the option under rule D.8;
- “contracted-out employment” is to be construed in accordance with section 8 of the Pension Schemes Act 1993;
- “the contractual option period” is to be construed in accordance with rule C.4(8);
- “the contribution option period” has the meaning given in rule C1.1(8);
- “contributed pension”, in relation to a member, means pension calculated wholly or partly by reference to the member’s carried forward contributed pension, as defined in rule C1.10(5);
- “deferred member” has the meaning given in section 124(1) of the Pensions Act 1995 (treating Section I and Section II of the Scheme, as if they were themselves each occupational pension schemes) and, except where the context requires otherwise, refers to membership of this Section of this Scheme (but see paragraph (7));
- “eligible child” has the meaning given in rule E.9;
- “employment” includes an office or appointment, and related expressions are to be read accordingly;
- “former active member” means an active member who ceased employment before the day immediately before pension age;
- “final pensionable earnings” has the meaning given in rule A.4;
- “full retirement” means the time at which a member who has already partially retired becomes entitled to receive any pension payable to him under this Section to which he is not already entitled under rule D.1A;
- “the General Provisions Section” means Section IV of the Scheme;
- “the guarantee date” has the meaning given in rule F.2(2);
- “the guaranteed cash equivalent transfer value payment” has the meaning given in rule F.3(2);

“guaranteed minimum” means the guaranteed minimum as defined in sections 14 and 17 of the Pension Schemes Act 1993 (minimum pensions for earners, widows and widowers)–

- (a) as increased in accordance with the requirements of section 109 of that Act (annual increase of minimum pensions), and
- (b) in a case where a reduction has been made under section 15A of that Act (reduction of guaranteed minimum in consequence of pension debit), as reduced in accordance with that section;

“ill-health pension” means a pension payable under rule D.4;

“member”, in relation to this Section of the Scheme, means an active member, a deferred member, a pensioner member or a pension credit member;

“the Minister” means the Minister for the Civil Service;

“money purchase scheme” has the meaning given in section 181(1) of the Pension Schemes Act 1993;

“normal pension age” has the meaning given by section 180 of the Pension Schemes Act 1993;

“occupational pension scheme” has the meaning given in section 1 of the Pension Schemes Act 1993;

“ordinary adoption leave” means leave under section 75A of the Employment Rights Act 1996;

“ordinary maternity leave” means–

- (a) in relation to any period before 22nd August 1996, leave under section 33 of the Employment Protection Consolidation Act 1978, and
- (b) in relation to any period after 21st August 1996, leave under section 71 of the Employment Rights Act 1996;

“partial retirement” means the time at which a member becomes entitled to receive a pension under rule D.1A;

“partnership pension account”, in relation to a person in an employment by virtue of which he is eligible for membership of this Section of the Scheme, means a stakeholder pension scheme or personal pension scheme to which the person’s employer is paying contributions;

“paternity leave” means leave under regulation 4 or 8 of The Paternity and Adoption Leave Regulations 2002;

“pay period”, in relation to a person, means a period by reference to which the person’s earnings in the employment by virtue of which he is eligible for membership of this Section of the Scheme are payable;

“pensionable earnings” has the meaning given in rule A.2;

“pension age” means the age of 60, except—

- (a) in the case of members to whom rule K.10 or L.16 applies (rights of certain 1972 Section leavers to earlier pension age), it means such age as applies under rule K.10 or L.16; and
- (b) where the Minister so determines, with the agreement of the member, it means such age as the Minister agrees with the member;

“pension credit” has the meaning given in section 124(1) of the Pensions Act 1995;

“pension credit member”, in relation to this Section of the Scheme, means a person who has rights under this Section of the Scheme which are attributable, directly or indirectly to a pension credit under a pension sharing order following divorce or nullity of marriage;

“pension credit rights” has the meaning given in section 124(1) of the Pensions Act 1995 (treating this Section of the Scheme, as if it were itself an occupational pension scheme);

“pension debit” means a debit under section 29(1)(a) of the Welfare Reform and Pensions Act 1999;

“pension debit member” means a member of this Section of the Scheme whose benefits or future benefits under this Scheme have been reduced under section 31 of the Welfare Reform and Pensions Act 1999 (reduction under pension sharing order following divorce or nullity of marriage), whether before or after he became a member of this Section of the Scheme;

“pensioner member” has the meaning given in section 124(1) of the Pensions Act 1995 (treating Section I and Section II of the Scheme, as if they were themselves each occupational pension schemes) and, except where the context requires, refers to membership of this Section of this Scheme (but see paragraphs (8) and (9));

“pension sharing order” means any provision or order specified in section 28 of the Welfare Reform and Pensions Act 1999;

“permanent pensionable earnings” has the meaning given in rule A.2;

“permitted maximum” means –

(a) in relation to any tax year before the tax year 2006-07, the figure specified for that tax year in an order made under section 590C of the Income and Corporation Taxes Act 1988, and

(b) in relation to any later year, the figure found for that year by virtue of paragraphs (10) to (12).

“personal pension scheme” means a personal pension scheme, within the meaning of section 1 of the Pension Schemes Act 1993, that is registered under Chapter 2 of Part 4 of the Finance Act 2004;

“public sector transfer arrangements” means arrangements approved by the Minister as providing reciprocal arrangements for the payment and receipt of transfer values between the Scheme and other occupational pension schemes;

“qualifying service” is to be read in accordance with rule A.8;

“reckonable service” is to be read in accordance with rule A.9;

“re-employed active member” has the meaning given by rule G.1(3);

“registered scheme” means a scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004;

“the reserve forces” means those forces specified in section 1(2) of the Reserve Forces Act 1996 and individuals who are liable to be called out or recalled for permanent service under Part VII of that Act or section 30, 31 or 34 of the Reserve Forces Act 1980;

“reserved joiner” has the meaning given in rule L.1;

“retail prices index” means the general index (for all items) published by the Office for National Statistics or, if that index is not published for a relevant month, any substituted index or index figures published by that office;

“retirement annuity contract” means a retirement annuity contract approved by the Commissioners of Inland Revenue under section 620 or 621 of the Income and Corporation Taxes Act 1988;

“retirement index addition” has the meaning given by rule C1.13;

“the Scheme” means the Principal Civil Service Pension Scheme;

“the Scheme actuary” means the actuary appointed by the Minister for the time being to provide a consulting service on actuarial matters relevant to this Section of the Scheme;

“the Scheme administrator”, in relation to a member or a function, means the person responsible for the day to day administration of the scheme in relation to the member or in respect of the function;

“the Scheme medical adviser” means–

- (a) the medical adviser appointed by the Minister for the time being to provide a consulting service on medical matters relevant to this Section of the Scheme, or
- (b) in a case where a function normally exercisable by that adviser is being exercised by another person on an appeal from that adviser’s decision in accordance with procedures that are acceptable to the Minister, that other person;

“scheme year” means a period of one year beginning with 1st April and ending with 31st March;

“tax year” means a year of assessment for income tax purposes;

“these rules” means the rules of the Scheme set out in this Section I”;

“this Section of the Scheme” means this Section I;

“stakeholder pension scheme” means a scheme which is a stakeholder pension scheme for the purposes of Part I of the Welfare Reform and Pensions Act 1999 (see section 1 of that Act);

“state pension age” means pensionable age, as defined in section 181(1) of the Pension Schemes Act 1993,

“unreduced earned pension” means an Earned Pension, as defined in the Civil Service Compensation Scheme, paid in accordance with rule 12.3.11(b) or 12.4.7(b) of that Scheme;

“unreserved joiner” has the meaning given in rule K.1;

“weekly rate”, in relation to a guaranteed minimum pension, has the same meaning as in regulation 55(1) of the Occupational Pension Schemes (Contracting-out) Regulations 1996.

- (5) This paragraph has been deleted.
- (6) This paragraph has been deleted.
- (7) In determining whether a person who is an active member or a pensioner member of this Section of the Scheme is also a deferred member of it, the fact that he is an active member or a pensioner member and his rights as such are to be disregarded.

- (8) In determining whether a person who is an active member of this Section of the Scheme is also a pensioner member of it, the fact that he is an active member and his rights as such are to be disregarded.
- (9) In determining whether a person is a pensioner member of this Section of the Scheme, the fact that he is not entitled to payment of pension because of Part H (abatement) is to be disregarded.
- (10) The figure referred to in paragraph (b) of the definition of “permitted maximum” is £108,600. This is subject to paragraphs (11) and (12).
- (11) If the retail prices index for the month of September preceding the tax year 2007-08 or any later tax year is higher than it was for the previous September, the figure for that year shall be an amount arrived at by –
 - (a) increasing the figure for the previous tax year by the same percentage as the percentage increase in the retail prices index, and
 - (b) if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple.
- (12) If the retail prices index for the month of September preceding the tax year 2007-08 or any later tax year is not higher than it was for the previous September, the figure for that year shall be the same as for the previous tax year.

A.2 Meaning of “pensionable earnings”

- (1) In these rules “pensionable earnings”, in relation to a person who is a member, means–
 - (a) permanent pensionable earnings, and
 - (b) fluctuating pensionable earnings,from the employment in which the person is a member.
This is subject to paragraphs (4) and (6).
- (2) For this purpose “permanent pensionable earnings” means–
 - (a) basic pay,
 - (b) if or to the extent that the Minister has determined that they are to be treated as permanent pensionable earnings for the purposes of these rules, allowances granted on a permanent basis to persons in particular posts or kinds of employment, and
 - (c) anything included by virtue of paragraph (4).

- (3) For this purpose “fluctuating pensionable earnings” means-
- (a) if or to the extent that the Minister has agreed that they are to be treated as fluctuating pensionable earnings for the purposes of these rules—
 - (i) bonuses, and
 - (ii) allowances not granted on a permanent basis, and
 - (b) anything included by virtue of paragraph (4).
- (4) Anything which would not be regarded as pensionable earnings under paragraph (2)(a) or (b) or (3)(a) is to be so regarded if—
- (a) it is expressly provided to the member on the basis that it is pensionable and was so provided before 1st October 2002, and
 - (b) the Minister has agreed that it should be so regarded,
- and anything which is to be so regarded because of this paragraph is also to be regarded as permanent pensionable earnings unless it is expressly provided on the basis that it is fluctuating pensionable earnings or the Minister has required that it should be so regarded.
- (5) Where anything which is not money falls within paragraph (2), (3) or (4), the amount to be taken as earnings for the purposes of these rules—
- (a) if the basis of provision provides for the determination of that amount, is to be determined in accordance with that basis, and
 - (b) otherwise is to be such amount as the Minister may determine to be its value.
- (6) Anything which is normally regarded as pensionable earnings is not to be so regarded if—
- (a) it is expressly provided on a non-pensionable basis, and
 - (b) the Minister has agreed that it should not be so regarded.

A.3 Meaning of “assumed pay”

- (1) In the circumstances specified in paragraph (2) a member is treated as receiving or as having received amounts equal to the pensionable earnings that the member would have received if those circumstances had not applied, with such increase, if any, as the Minister considers appropriate; and in these rules the amounts a member is treated as

receiving or as having received under this paragraph are referred to as “assumed pay”.

- (2) The circumstances are that the member is an active member who—
- (a) is on secondment to a different employer under an arrangement providing for the member to continue to be an active member of the Scheme in respect of his service although the member is paid for it by that employer,
 - (b) is on sick leave on reduced pay,
 - (c) is receiving statutory maternity pay on or after 23rd June 1994,
 - (d) is on ordinary maternity leave on or after 19th October 1994,
 - (da) is on ordinary adoption leave,
 - (db) is on paternity leave.
 - (e) is on unpaid leave for a period which the Minister has agreed can count as reckonable service,
 - (f) is absent from duty because of being called out or recalled for permanent service in the reserve forces or the regular forces in pursuance of a call-out order made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996 or under an Order in Council made on 18th May 1982,
 - (g) is receiving pensionable earnings at a reduced rate in accordance with arrangements for members required by the Minister which apply where the members are entitled—
 - (i) to pension benefits under another occupational pension scheme, or
 - (ii) a payment under the Civil Service Compensation Scheme,in respect of an earlier period of service, or
 - (h) is voluntarily surrendering pensionable earnings in whole or in part.
- (3) For the purposes of paragraph (2)(b), “sick leave on reduced pay” does not include a period of leave during which the member is paid at a rate which his employer has determined to be appropriate because it is equivalent to the rate of the ill-health pension to which the member would be entitled if he had become entitled to a such a pension on the day on which the leave paid at that rate began (see rule D.4).

- (4) The service mentioned in paragraph (2)(f) does not include a period of absence from duty because of being called out or recalled for service that qualifies the member for benefits under—
- (a) the Armed Forces Pension Scheme, or
 - (b) any occupational pension scheme made under the Reserve Forces Act 1996.

A.4 Meaning of “final pensionable earnings”

- (1) In these rules “final pensionable earnings”, in relation to a member, means the greatest of the following amounts—
- (a) the member’s permanent pensionable earnings in the 12 months ending with the last day of his reckonable service,
 - (b) the member’s permanent pensionable earnings in one of the last four complete scheme years ending during or at the same time as his active membership period, and
 - (c) the average annual pensionable earnings in any period of three consecutive complete scheme years beginning during—
 - (i) the period of 13 years ending with the last day of his active membership period, or
 - (ii) if the Scheme administrator reasonably considers those earnings cannot be determined for the whole of that period of 13 years, such period of less than 13 years as he considers to be appropriate;
- but this is subject to paragraphs (2) to (11) and rules A.5, A.6, D.7(5), K.16, L.13(3) and L.21.

- (2) In rules E.15(1), E.16(1) and E.17(3A)(b)(i) (death of active or deferred member or member entitled to a pension under rule D.1A (partial retirement): lump sum benefit) (including rule E.16(1) as it has effect by virtue of rule L.33(1)), “final pensionable earnings”, in relation to a member, means the greater of the following amounts—
- (a) the member’s permanent pensionable earnings in the 12 months ending with the last day of his reckonable service, and
 - (b) the member’s permanent pensionable earnings in one of the last two complete scheme years ending during or at the same time as his active membership period,
- but this is subject to paragraphs (2A) to (7) and rule A.6 (restrictions on final pensionable earnings).

- (2A) This rule is modified by paragraph (2B) if –
- (a) the member's last day of reckonable service is after 29th July 2007;
 - (b) the member returns from unpaid leave or unpaid absence during the 12 months ending with that last day;
 - (c) the member was an active member during the whole of that 12 months; and
 - (d) the unpaid leave or unpaid absence does not count as reckonable service under rule A.9(1)(a) (the days in that period of leave or absence being referred to as non-reckonable days in paragraph (2B)) .
- (2B) When this paragraph applies, the period of 12 months referred to in paragraphs (1)(a) and (2)(a) shall be taken as being the period of 365 days plus the number of non-reckonable days.
- (2C) But if the period calculated under paragraph (2B) would include 29th February, that paragraph has effect with the substitution for "365" of "366".
- (3) If the member was employed part-time during any period the earnings in which are relevant for paragraph (1) or (2), his final pensionable earnings are calculated as if he received the full-time rate during that period (but see rule E.15(2)).
- (4) If the member was not an active member during the whole of the period of 12 months mentioned in paragraph (1)(a) or (2)(a), that paragraph applies as if it referred to the member's annualised permanent pensionable earnings in the active membership period ending with the last day of his reckonable service.
- (5) The member's annualised permanent pensionable earnings for a period are $PPE \times 365/N$, where–
- PPE is the member's permanent pensionable earnings for the period,
and
- N the number of days in the period.
- (6) But if that period includes the date 29th February, paragraph (5) has effect with the substitution for "365" of 366".
- (7) If at any time during any period that is relevant for paragraph (1) or (2) the member is treated under rule A.3(1) as receiving assumed pay, for the purposes of that paragraph his permanent pensionable earnings for that period include that assumed pay.

- (8) If the period of 12 months referred to in paragraph (1)(a) began earlier than 5 years before the end of the member's active membership period, that paragraph applies as if it referred instead to so much of that 12 month period, if any, as falls within that 5 year period (and the reference to that 12 month period in paragraph (4) is to be read accordingly).
- (9) In this rule "active membership period", in relation to a member whose active membership has not been continuous, only refers to the last period of active membership and not to any earlier period separated from it by a break in service.
- (10) Subject to paragraph (11), for the purposes of paragraphs (1) and (2), only pensionable earnings in the member's active membership period may be taken into account.
- (11) Where the member's active membership period is separated from an earlier period of service to which rule A.11 applies (disregard of short breaks in service), pensionable earnings in that earlier period of service may be taken into account.

A.5 Adjustments for inflation in determining final pensionable earnings

- (1) For the purpose of determining which of the amounts mentioned in rule A.4(1) is the greatest—
 - (a) the amount of permanent pensionable earnings for each of the complete scheme years mentioned in rule A.4(1)(b) and (c) except the last year before the benefit becomes payable is adjusted for inflation, and
 - (b) the average mentioned in rule A.4(1)(c) is taken to be the average of those adjusted amounts ("the adjusted average").
- (2) But if the member's final pensionable earnings are determined in accordance with paragraph (1) to be the amount mentioned in rule A.4(1)(b) or (c), for all other purposes of this Section the member's final pensionable earnings are taken to be the unadjusted amount (see paragraphs (3) and (4)).

This is subject to rule A.6 (restrictions on final pensionable earnings).

- (3) In a case where the member's final pensionable earnings are determined in accordance with paragraph (1) to be the amount mentioned in rule A.4(1)(b), "the unadjusted amount" means the amount so mentioned before it is adjusted for inflation.
- (4) In a case where the member's final pensionable earnings are determined in accordance with paragraph (1) to be the adjusted

average, “the unadjusted amount” means the amount which, if it were the annual amount of a pension coming into payment on the day following the period of three scheme years mentioned in rule A.4(1)(c), would as at the date following that on which the member’s active membership period ends be equal to the adjusted average (after taking into account the increase under the Pensions (Increase) Act 1971).

- (5) The references in paragraphs (1) and (3) to adjusting for inflation the amount of permanent pensionable earnings for a scheme year (“the earnings year”) are to increasing it by the same amount as that by which an annual pension of an amount equal to those earnings would have been increased under the Pensions (Increase) Act 1971 by the day following that on which the member’s active membership period ends if that pension had come into payment on the first day of the next scheme year after the earnings year.
- (6) In this rule “active membership period” has the same meaning as in rule A.4.

A.6 Restrictions on final pensionable earnings

- (1) In the case of a Class A member, if the calculation under rule A.4(1) or (2) produces an amount exceeding the permitted maximum, the excess is disregarded except to the extent that paragraphs (2) or (10) apply.
- (2) If the member is a Class A member with reckonable service within rule A.9(1)(d) (reckonable service the member is entitled to count as a result of a transfer in), and either—
 - (a) paragraph 20 of Schedule 6 to the Finance Act 1989 did not apply to the member when he was a member of the scheme from which the transfer was accepted and neither did any equivalent scheme provision, or
 - (b) that paragraph applied with the modification made by paragraph 5 of the Retirement Benefits Schemes (Continuation of Rights etc.) Regulations 1990 as respects benefits derived from service under another scheme (“the earlier service”) or a scheme provision made equivalent provision,

paragraph (1) does not apply in calculating any benefit to the extent that the benefit is calculated by reference to reckonable service within rule A.9(1)(d) or, as the case may be, so much of that reckonable service as is earlier service.

- (3) In this rule—

“Class A member” means a member who—

- (a) became an active member of the Scheme on or after 1st June 1989 and is not to be treated as if he had become an active member earlier under paragraph (5) or (6), or
- (b) has elected to be treated as such;

references to the permitted maximum in relation to a member means the permitted maximum for the tax year in which the member's active membership ends.

- (4) A person who became an active member of the Scheme on or after 1st June 1989 and before 6th April 2006 is to be treated for the purposes of this rule as if he had become an active member before 1st June 1989 if—
 - (a) he is to be so treated under an agreement with the Commissioners of Inland Revenue or the Commissioners for Her Majesty's Revenue and Customs because immediately before joining the Scheme he was an active member of another occupational pension scheme under the rules of which his benefits were not limited by reference to the permitted maximum, and
 - (b) he has continued to be an active member of the Scheme since he joined it or meets conditions A to C or condition D in relation to any period during which he was not such a member.
- (5) A person who became an active member of the Scheme on or after 1st June 1989 is to be treated for the purposes of this rule as if he had become an active member before that date if—
 - (a) he was an active member of it before that date,
 - (b) that period of being an active member ceased, and
 - (c) he meets conditions A to C or condition D in relation to each period after that cessation during which he was not such a member.
- (6) Condition A is that during the period the person was on secondment or a posting to another employer.
- (7) Condition B is that at the beginning of the period the person had a definite expectation that he would become an active member again when the secondment or posting ended.
- (8) Condition C is that the person became an active member again at the end of the period.

- (9) Condition D is that the period did not exceed one month and at the end of it he immediately became an active member again.
- (10) Paragraph (1) does not apply to a person –
- (a) who becomes eligible to be an active member of this Section on or after 6th April 2006; and
 - (b) in respect of whom the Minister has determined before he becomes so eligible that paragraph (1) is not to apply to him.”

This is subject to paragraph (11).

- (11) In the case of a Member who is rejoining the Scheme and whose reckonable service is aggregated under rule A.11 or Part G, paragraph 10 does not apply in respect of his reckonable service that he accrued before he rejoined.

A.7 Active membership period

Except where the context otherwise requires, in these rules references to a person's active membership period, in relation to this Section of the Scheme or to another scheme, are to–

- (a) the period during which the person has been an active member of this Section of the Scheme or, as the case may be, that scheme, or
- (b) in the case of a person whose active membership has not been continuous, the aggregate period during which the person has been such a member.

A.8 Qualifying service

- (1) In these rules references to a member's qualifying service, in relation to this Section of the Scheme, are references to the aggregate of the following periods–
- (a) the period during which the member is in service in an employment in respect of which he–
 - (i) receives earnings that are pensionable earnings for the purposes of this Section of the Scheme, or
 - (ii) is treated under rule A.3 as receiving assumed pay,
 - (b) any period of unpaid leave that does not fall within sub-paragraph (a) (other than an unauthorised absence),

- (c) any period during which the member has a partnership pension account that would count under sub-paragraph (a) or (b) if he belonged to this Section of the Scheme,
 - (d) any additional period the member is entitled to count as qualifying service under rule C.6 (effect of making additional contributions),
 - (e) any additional period the member is entitled to count under rule C.11 (purchase of added years by employer),
 - (f) in the case of a person in respect of whom a transfer value in respect of his rights under another pension arrangement has been accepted under Part F (transfers), a period equal to the reckonable service he is entitled to count under rule F.9(2) as a result of the transfer (but see paragraphs (2) and (3)),
 - (g) in the case of a person who has become an active member of this Section of the Scheme on a transfer without his consent under rule F.13, the whole of the person's active membership period in any scheme to which he belonged in his former employment (but see paragraph (3)),
 - (h) in the case of a member who exercises an option under rule G.3, G.4 or G.5 for an earlier period of service to be aggregated, the qualifying service he is entitled to count as a result,
 - (i) in the case of an unreserved joiner, the qualifying service he is entitled to count under this Section under rules K.3 to K.7, and
 - (j) in the case of a reserved joiner, the qualifying service he is entitled to count under this Section under rules L.3 to L.6.
- (2) For the purposes of the application of rule D.1(3)(a) (entitlement of former active member to a pension) to a person to whom paragraph (1)(f) applies, if–
- (a) the person's period as an active member in any occupational pension scheme in respect of which the rights referred to in that paragraph accrued ("the previous service"), exceeds
 - (b) the reckonable service he is entitled to count under rule F.9(2) as a result of the transfer from that scheme,
- he may count the previous service as qualifying service under paragraph (1)(f) instead.
- (3) If, apart from this paragraph, a person would fall within both paragraph (1)(f) and (1)(g) in respect of the same transfer, he may count only the greater of the periods referred to in those paragraphs.

(4) Paragraph (1) is subject to Part G (see, in particular, rule G.2).

A.9 Reckonable service

- (1) In these rules references to the period of reckonable service that a member can count are references to the aggregate of the following periods—
- (a) the period during which the member is in service in an employment in respect of which he—
 - (i) receives earnings that are pensionable earnings for the purposes of this Section of the Scheme, or
 - (ii) is treated under rule A.3 as receiving assumed pay,
 - (b) any additional period the member is entitled to count as reckonable service under rule C.6 (effect of making additional contributions),
 - (c) any additional period the member is entitled to count under rule C.11 (purchase of added years by employer),
 - (d) in the case of a person in respect of whom a transfer value in respect of his rights under another pension arrangement has been accepted under Part F (transfers), the reckonable service he is entitled to count as a result of the transfer,
 - (e) in the case of a member who exercises an option under rule G.3, G.4 or G.5 for an earlier period of service to be aggregated, the reckonable service he is entitled to count as a result,
 - (f) in the case of an unreserved joiner, the reckonable service he is entitled to count under this Section under rules K.3 to K.7, and
 - (g) in the case of a reserved joiner, the reckonable service he is entitled to count under this Section under rules L.3 to L.8.

This paragraph is subject to paragraphs (2) to (8) and to Part G (see, in particular, rule G.2).

- (2) If the member is in part-time service at any time during the period referred to in paragraph (1)(a), the reckonable service in respect of that period is calculated by counting the period when he is in such service in which he does not work the full-time number of hours as $A/(N \times 52.2)$ years,
- where—

- A is the number of hours of the member's part-time service in the period in question, including meal breaks if they are paid for part-time staff, and
- N is the number of weekly full-time conditioned hours for a person in the member's grade, (excluding meal breaks unless they are paid for part-time staff).
- (3) If the number of those weekly full-time conditioned hours varies during the period in question, the calculation referred to in paragraph (2) must be made separately for each period within the period in question during which that number remains the same.
- (4) The reckonable service of a member may not exceed 45 years and to the extent that any rule requires any assumptions to be made as a result of which that limit would be exceeded it is to be disregarded. This is subject to paragraph (4A).
- (4A) Before 1st March 2008, a member may not count as reckonable more than 40 years' service. After 29th February 2008, a member who has accrued 40 years' reckonable service may count any further service accrued on or after 1st March 2008 as reckonable, subject to the overall limit of 45 years in paragraph (4).
- (5) For the purposes of paragraph (1)(a), any period falling within A.3(3) (sick leave on pay at pension rate) is disregarded.
- (6) In these rules "basic reckonable service" means reckonable service excluding any period within paragraph (1)(b) or paragraph (1)(c).
- (7) After 6th April 2006, no period after the day before a person's 75th birthday shall count as reckonable service.
- (8) If the member has exercised the option under rule D.1A (partial retirement), the reckonable service that the member can count on later full retirement is adjusted in accordance with rule D.1A(7)(b) or (8)(b).

A.10 Calculation of periods of membership or service

- (1) For the purposes of this Section of the Scheme, periods of membership and service are to be expressed in the first instance in complete years, and days or fractions of a day, and the initial aggregation of periods that require to be aggregated is done in the first instance by reference to periods so expressed.

This is subject to paragraph (3).

- (2) If, when all periods of membership or service that require to be aggregated have been aggregated, there is any excess part day over the number of whole days, that excess is rounded up to a full day.

This is subject to paragraph (3).

- (3) Where membership or service is referred to as membership or service in years—

(a) the days referred to in paragraph (1), and

(b) the full days referred to in paragraph (2),

are converted into years by dividing the number of days in excess of the period of whole years by 365, and using the result to four decimal places.

- (4) If a period of membership or service is less than one year, this rule applies as if the words “complete years and” were omitted from paragraph (1) and the words “in excess of the period of whole years” were omitted from paragraph (3).

A.11 Disregard of short breaks in service

- (1) If an active member—

(a) ceases to be employed in the employment that qualifies him to belong to the Scheme, and

(b) after a period not exceeding 6 months becomes employed again in an employment that qualifies him to belong to it,

any reckonable service and qualifying service for the earlier employment and for the later employment is treated as a single period of service. This is subject to paragraph (3).

- (2) If an active member—

(a) opts to cease to be such a member whilst continuing to be employed in the employment that qualified him to belong to the Scheme, and

(b) after a period not exceeding 6 months becomes such a member again in that employment,

any reckonable service and qualifying service for the earlier period of active membership and for the later period of such membership is treated as a single period of service. This is subject to paragraph (3).

- (3) Paragraphs (1) and (2) shall not apply where in respect of the earlier period of membership –

(a) the person has become entitled to the payment of a pension or lump sum,

- (b) the person has received a repayment of contributions under rule C.12, or
- (c) the person's rights under the Scheme have been extinguished under rule F.6 because a transfer value payment has been made.

Part B

Membership

B.1 Eligibility: general

- (1) A person is eligible to be an active member of this Section of the Scheme if the conditions A to C are met and he is not prevented by rule B.2 (persons with other pension arrangements) or B.3 (eligibility where pension or lump sum previously received).
- (2) Condition A is that the person—
 - (a) is in permanent employment in the Civil Service,
 - (b) holds a permanent employment or office that is listed for the time being in Schedule 1 to the Superannuation Act 1972, or
 - (c) holds an appointment in the Civil Service for a fixed term or an employment or office that is so listed for a fixed term.
- (3) Persons engaged on a fee-paid basis and unestablished staff engaged locally overseas are not regarded as meeting condition A.
- (4) Condition B is that the terms on which the person holds the employment do not exclude him from belonging to the Scheme.
- (5) Condition C is that —
 - (a) the person's employment begins on or after 1st October 2002 and before 30th July 2007 and the person is not someone who became an active member of the 1972 Section in respect of that employment and subsequently opted out of the 1972 Section,
 - (b) the person has opted to join this Section of the Scheme under Part K or L (persons who have been members of the 1972 Section),
 - (c) the person's employment begins on or after 30th July 2007 and one of paragraphs (2) to (5) of rule B.1A applies to that person, or
 - (d) the Minister determines that condition C is met for the person or for a class of persons to which the person belongs.

B.1A Persons employed on or after 30th July 2007

- (1) In the case of a person whose employment begins on or after 30th July 2007, condition C of rule B.1 is met if one of paragraphs (2) to (5) applies to that person.
- (2) This paragraph applies to a person –
 - (a) who was accruing rights under a scheme that is, in the Minister's opinion, analogous to this Section of the Scheme ("the analogous scheme");
 - (b) who has applied for a transfer in respect of those rights to be made to this Section of the Scheme;
 - (c) whose employment to which the analogous scheme relates ended as a result of –
 - (i) his resignation, or
 - (ii) the expiration of a fixed-term appointment; and
 - (d) whose employment so ended not more than 28 days before his current employment begins.
- (3) This paragraph applies to a person –
 - (a) who was previously an active member of this Section of the Scheme;
 - (b) who ceased to be employed in the employment that then qualified him to belong to this Section of the Scheme not more than 28 days before his current employment begins;
 - (c) whose previous employment ended as a result of –
 - (i) his resignation,
 - (ii) the expiration of a fixed-term appointment, or
 - (iii) his leaving under the Civil Service Management Code's Compulsory Early Retirement or Severance category or its Flexible Early Retirement or Severance category; and
 - (d) who has not received payment of a pension or lump sum in respect of his previous membership of this Section of the Scheme.
- (4) This paragraph applies to a person –

- (a) who was previously an active member of the 1972 Section or this Section of the Scheme with at least two years' qualifying service, as defined under the relevant section;
 - (b) who ceased to be employed in the employment that then qualified him to be an active member of the 1972 Section or this Section of the Scheme more than 28 days but not more than 5 years before his current employment begins;
 - (c) whose previous employment ended as a result of –
 - (i) his resignation, or
 - (ii) the expiration of a fixed-term appointment; and
 - (d) who has not received payment of a pension or lump sum in respect of his previous membership of the Scheme.
- (5) This paragraph applies to a person –
- (a) who was previously an active member of the 1972 Section or this Section of the Scheme;
 - (b) who ceased to be employed in the employment that then qualified him to be an active member of the 1972 Section or this Section of the Scheme not more than 28 days before his current employment begins;
 - (c) who has received payment of a pension or lump sum in respect of that previous employment before entering the current employment; and
 - (d) whose current employment begins before 1st March 2008.
- (6) Paragraphs (2) and (3) of rule B.3 apply for the purposes of determining whether a payment of the type referred to in paragraph 3(d), 4(d) or 5(c) has been received .

B.2 Persons with other pension arrangements

A person is not eligible to be an active member of this Section of the Scheme in respect of his service in an employment if he –

- (a) is an active member of the 1972 Section,
- (b) is an inactive member under rule 1.4e of the 1972 Section,
- (c) has a partnership pension account, or

- (d) belongs to another registered scheme to which his employer contributes,

in respect of that service.

B.3 Eligibility where pension or lump sum previously received

- (1) Subject to paragraphs (4) and (12), a person to whom this Part applies who would be eligible to be an active member of this Section of the Scheme under rules B.1 to B.2 in respect of his service in the current employment is not eligible to be such a member in respect of that service if he—

- (a) was previously a member of the Scheme,
- (b) ceased to be employed in the employment that then qualified him to belong to the Scheme, and
- (c) received payment of a pension or lump sum because of that previous membership before entering the current employment.

- (2) For this purpose, a pension is treated as being in payment if it would be apart from abatement under Part H or under rule 3.26 of the 1972 Section.

- (3) But a person is not regarded as having received a payment within paragraph (1)(c) by reason only of having received—

- (a) a marriage gratuity under Treasury Minutes of 30 August 1957 or 3rd May 1966 or under rule 3.42 of the 1972 Section, or
- (b) a short service payment under rule 3.17 of the 1972 Section.

- (4) A person who would be ineligible to be an active member of this Section of the Scheme under paragraph (1) shall be so eligible if he meets at least one of conditions A to D in respect of the previous employment referred to in paragraph (1)(b). This is subject to paragraph (11).

- (5) Condition A has been deleted.

- (6) Condition B is that the previous employment was at a higher responsibility level or grade than his current employment (but see paragraphs (9) and (10)).

- (7) Condition C is that—

- (a) Part L of this Section of the Scheme applied to him in respect of the previous employment,

- (b) the conditioned weekly hours of his current employment are on a part-time basis and do not exceed 75% of the weekly conditioned hours of the previous employment and the level of pay for his current employment takes account of that reduction in conditioned hours.
- (8) Condition D has been deleted.
- (9) For the purposes of Condition B, that condition is met if the person's previous employment was in a specialist grade or post and his current employment is in a non-specialist grade or post.
- (10) For the purposes of Condition B-
 - (a) that condition is not met if the person is promoted, including temporarily, during his current employment to the same or a higher responsibility level or grade as the previous employment, and
 - (b) eligibility of this Section of the Scheme will cease on the same date that promotion takes effect.
- (11) A person shall not be eligible to be an active member of this Section of the Scheme under paragraph (4) if he –
 - (a) retired on medical grounds with benefits under the 1972 Section; or
 - (b) retired with benefits under rule D.4.
- (12) Entitlement to receive a pension under rule D.1A (partial retirement) does not result in a person being ineligible to be an active member of this Section of the Scheme under paragraph (1).

B.4 Joining the Scheme on starting service

- (1) A person who is eligible to be an active member of this Section of the Scheme because of an employment beginning on or after 1st October 2002 is treated as becoming such a member on the day when the employment begins (“the person’s first day”).
- (2) Paragraph (1) does not apply if before the end of the period of three months beginning with the person’s first day (or such longer period, if any, as the Minister considers appropriate) the person opts–
 - (a) not to belong to this Section of the Scheme, or
 - (b) to have a partnership pension account.

- (3) The option may only be exercised by notice in writing in such form as the Minister requires.
- (4) For the purposes of this rule, the option is treated as having been exercised on the date on which it is received by the Scheme administrator or the person's employer.
- (5) Where a person to whom paragraph (2) applies has paid any contributions under this Section of the Scheme, the contributions must be repaid to him.
- (6) Paragraph (5) does not require the payment to the person of any additional amount which becomes payable by him in respect of national insurance contributions because he has not after all been a member of this Section of the Scheme during any period.

B.5 Joining the Scheme after service begins

- (1) A person who is not an active member of this Section of the Scheme but is eligible to be one may opt at any time to become such a member.

This is subject to the following provisions of this rule.

- (2) A person who has exercised the option under paragraph (1) may not exercise it again during the employment by virtue of which he was eligible to exercise it.
- (3) The option may only be exercised by the person giving notice in writing in such form as the Minister requires.
- (4) For the purposes of this rule, the option is treated as having been exercised on the date on which it is received by the Scheme administrator.
- (5) In the case of a person who has had a partnership pension account and exercises the option, the person becomes an active member on the first date that is 1st April or 1st October after the period of three months beginning with the date on which the option is exercised or such shorter period as the Minister considers appropriate.
- (5A) In the case of any other person who exercises the option, the person becomes an active member at the beginning of the first pay period beginning after the date on which the option is exercised or at such other time as the Minister considers appropriate.
- (6) In the case of a person in respect of whom contributions have been made to a partnership pension account by his employer, rule B.2(1)(b) (by virtue of which a person who belongs to a partnership pension account is not eligible to be an active member of this Section of this

Scheme) is disregarded in determining whether the person may exercise the option under paragraph (1).

B.6 Leaving the Scheme

- (1) A person who is an active member of this Section of the Scheme may opt to cease to be such a member.
- (2) The option may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member who is to have a partnership pension account after ceasing to be an active member ceases to be such a member on the first date that is 31st March or 30th September after the period of three months beginning with the date on which the option is exercised or such shorter period as the Minister considers appropriate.
- (4) In any other case, a member who exercises the option ceases to be an active member at the beginning of—
 - (a) the first pay period beginning on or after the date on which the option is exercised, or
 - (b) if the Minister considers that period inappropriate, such later pay period as the Minister considers appropriate.

B.7 Inactive members

- (1) A person who is an active member of this Section of the Scheme may opt to be treated as an inactive member if –
 - (a) his relevant earnings are above an amount determined by the Minister, or
 - (b) his relevant pension benefits are above an amount determined by the Minister.

For the purposes of this paragraph the Minister shall determine what types of earnings and pension benefits are relevant.

- (2) The option must be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member cannot revoke the option once it has been exercised.
- (4) A member who has exercised the option shall for the purposes of paragraphs (6), (7), (8) and (9) be treated as an inactive member from such date on or after the date the option is exercised as the Minister considers appropriate.

- (5) A member who has exercised the option shall, subject to paragraphs (6), (7), (8) and (9), be treated as if he were an active member for as long as he would have been an active member but for this rule.
- (6) A person on becoming an inactive member shall cease to be an active member for the purposes of accruing reckonable service, except for the purposes of determining his final pensionable earnings.
- (7) A person on becoming an inactive member shall cease to be an active member for the purposes of the rules relating to contributions paid by members.
- (8) For the purposes of calculating any ill-health pension payable to an inactive member in Rule D.4 "N" shall equal the member's reckonable service.
- (9) If an inactive member dies before becoming a pensioner member, pensions payable under Part E shall be calculated as if he were a deferred member when he died.

Part C

Payments to the scheme

Contributions

C.1 Members' contributions

- (1) Each active member must make contributions to this Section of the Scheme on his pensionable earnings at such intervals as the Minister may determine.

This is subject to paragraphs (2), (5), (6) and (7).

- (2) A member's employer—
- (a) may make the contributions on his behalf in such circumstances as the Minister may determine, and
 - (b) must do so for any period in respect of which the member is treated as receiving assumed pay under rule A.3(2)(e) (unpaid leave).
- (3) For the purposes of paragraph (1), for any period during which a member is treated as receiving assumed pay under rule A.3(1), a member is treated as receiving pensionable earnings equal to the member's assumed pay.

This is subject to paragraphs (4) and (5).

- (4) A member treated as receiving assumed pay under rule A.3(2)(b) (member on sick leave on reduced pay) is treated for the purposes of paragraph (1) as receiving pensionable earnings equal to the member's pay at the reduced rate.
- (5) A member on ordinary maternity leave, ordinary adoption leave or paternity leave is only required to pay contributions on the contractual remuneration or statutory pay actually paid to or for him or her in respect of that period of leave (and accordingly a member on unpaid ordinary maternity leave, unpaid ordinary adoption leave or unpaid paternity leave is not required to pay contributions).
- (6) Paragraph (1) does not require contributions to be paid on pensionable earnings for any period of service that is not reckonable service.
- (7) For the purposes of paragraph (1), the pensionable earnings of a Class A member, other than a member to whom rule A.6(10) applies, may not exceed one twelfth of the permitted maximum for the appropriate tax year for each month's service falling in that tax year.

C.2 The members' contribution rate

- (1) Contributions under rule C.1(1) are to be paid at the standard contribution rate unless paragraph (3) applies.
- (2) The standard contribution rate is 3.5% or such other rate as the Minister determines after consultation with the Scheme actuary.
- (3) In such cases or classes of cases as the Minister determines, contributions under rule C.1(1) are to be paid at such other rate as the Minister determines, after consultation with the Scheme actuary.
- (4) Before determining a rate under paragraph (2) or (3) the Minister must consult such bodies appearing to him to be representative of active members of this Section of the Scheme as he considers appropriate.

C.3 Employers' contributions

Each employer of an active member must make contributions to this Section of the Scheme in respect of the member at such rate and at such intervals as the Minister may for the time being determine after consultation with the Scheme actuary.

This rule is subject to rule B.2(8) of the General Provisions Section.

Buying added years

C.4 Member's option to pay additional contributions to increase service

- (1) An active member may opt to make additional contributions to this Section of the Scheme during the contractual option period to increase his reckonable service and his qualifying service by an additional period. This is subject to paragraph (1A).
- (1A) No new contractual option period may commence on or after 1st March 2008.
- (2) The option may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member may exercise the option under paragraph (1) more than once.
- (4) Where a member exercises an option under paragraph (1), the additional contributions are payable by deduction from his earnings—

- (a) for the first pay period the Scheme administrator considers appropriate that begins on or after the date on which the Scheme administrator receives the member's application to exercise the option, and
- (b) for all subsequent pay periods beginning during the contractual option period.

This is subject to rules C.5 (cancellation of options) and C.9(1) and (4) (special cases where discontinuation permitted).

- (5) Where a member exercises an option under paragraph (1)–
 - (a) the additional contributions payable are expressed as a percentage of his pensionable earnings for the time being, and
 - (b) the additional period of reckonable service and qualifying service that may be counted as a result of opting to pay contributions at that rate is such period as is indicated in tables issued by the Minister after consultation with the Scheme actuary for a person of the member's age at the date on which he makes his first payment.
- (6) The additional contributions to be made may not exceed the maximum permitted under rule C.13 and the additional period of reckonable service counted as a result of the contributions made may not result in the reckonable service of the member exceeding 40 years.
- (7) A member may not pay additional contributions of less than 0.01% of his pensionable earnings for the time being.
- (8) In these rules "the contractual option period", in relation to an option under this rule, means the period whilst the member remains an active member or such shorter period as may be specified in the option.

C.5 Cancellation of options

- (1) A member may cancel an option under rule C.4(1) by giving the Scheme administrator notice in writing.
- (2) If a member cancels such an option, the additional contributions cease to be payable in respect of his pensionable earnings for the first pay period the Scheme administrator considers appropriate that begins on or after the date on which the Scheme administrator receives the notice.

C.6 Effect of making additional contributions

- (1) If a member who has exercised an option under rule C.4(1) pays all the additional contributions required under the option, his reckonable

service and qualifying service are increased by the whole of the additional period covered by the option (“the contractual added years”).

- (2) If–
- (a) a member pays some but not all of those contributions, or
 - (b) by reason of rule C.4(6), the rate at which a member pays additional contributions under the option is reduced below the rate at which they would otherwise be payable, or
 - (c) during any part of the period while he is paying additional contributions the member is on unpaid leave for a period which does not count as reckonable service, or
 - (d) more than one of sub-paragraphs (a) to (c) apply,

his reckonable service and qualifying service are increased as follows.

- (3) For each contribution paid at the rate originally required under the contract the increase is–

CAY/N

where–

CAY is the contractual added years, and

N is the total number of additional contributions the member was originally required to pay.

This is subject to paragraph (5)

- (4) For each contribution paid at a reduced rate the increase is–

$CAY/N \times RR/CR$

where–

CAY is the contractual added years,

N is the total number of additional contributions the member was originally required to pay,

RR is the reduced rate, and

CR is the rate at which the contribution would be payable under the contract apart from the reduction.

This is subject to paragraph (5).

- (5) Where during any pay period (“PP”) that is part of the period taken into account for the calculation under paragraph (3) or (4), the member is on unpaid leave for a period which does not count as reckonable service (“NRS”), then for that pay period the period of increase is the period of increase as calculated under that paragraph, multiplied by—
- $$(PP-NRS)/PP$$

C.7 Members in part-time service

- (1) Where a person who is in part-time service exercises an option under rule C.4(1), the rate at which additional contributions are payable by him is—

$$FTR \times FTH/PTH$$

where—

FTR is the rate of additional contributions that would apply if the person were in full-time service,

FTH is the normal weekly full-time hours a person in the member’s grade or holding the member’s office is required to work (excluding meal breaks unless persons in the same grade or holding the same office as the member are paid for them whilst working part-time), and

PTH is the actual weekly hours the member is required to work (excluding meal breaks unless the member is paid for them).

- (2) For the purposes of paragraph (1), if the member is not required to work every week, the weekly hours the member is required to work are calculated by dividing the hours the member is required to work over one year by 52.2.
- (3) If—
- (a) a person who has exercised an option under rule C.4(1) changes later from full-time service to part-time service, or
 - (b) the hours worked by such a person who is in part-time service later alter,

the rate at which additional contributions are payable by him in respect of the period after the change occurs must be recalculated to take account of that change, using the formula in paragraph (1).

- (4) If a person who has exercised an option under rule C.4(1) changes from part-time service to full-time service, additional contributions are

payable by him in respect of the period after the change occurs at the rate applicable to him as a member in full-time service.

C.8 Members with accelerated accrual rates

- (1) Where a person who will be entitled to an annual pension calculated by reference to an appropriate fraction which is larger than one sixtieth exercises an option under rule C.4(1), the rate at which additional contributions are payable by him is—

$$R \times AP \times 60$$

where—

R is the rate that would apply if his appropriate fraction were one sixtieth, and

AP is his appropriate fraction.

- (2) If—

- (a) a person exercises an option under rule C.4, and
- (b) at a time when the person is continuing to pay contributions under the option he becomes entitled to have his pension calculated by reference to a different appropriate fraction from that which applied to him at the time when he exercised the option,

no further contributions may be paid under the option; and accordingly rule C.6(2)(a) (calculation of increase in reckonable service and qualifying service where some contributions not paid) applies.

- (3) Paragraph (2) does not affect the person's power to exercise a further option under rule C.4.

C.9 Other special cases

- (1) Where a member who has exercised an option under rule C.4(1) has a period of absence from work, the member may—

- (a) cease to pay the additional contributions payable under the option, or
- (b) pay the same amounts of contributions as would be payable if he were receiving pensionable earnings at the full-rate.

This is subject to paragraphs (2) to (4).

- (2) Where a member is receiving statutory maternity pay, or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave, paragraph (1)(b) does not apply and the member may pay contributions on his or her actual pay in respect of the period of leave.
- (3) Where contributions are payable under paragraph (1)(b), the member may opt to pay the contributions after absence or leave has ended—
 - (i) by such instalments as the member may agree with the Scheme administrator, or
 - (ii) by lump sum.

This is subject to rule C.13 (limits on contributions).

- (4) Where a member who has exercised an option under rule C.4(1) is absent from duty for any period because of being called out or recalled for permanent service in the reserve forces or the regular forces in pursuance of a call-out order made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996 or under an Order in Council made on 18th May 1982—
 - (a) he may not pay the additional contributions payable under the option during that period, but
 - (b) if that service does not qualify the member for Forces pension benefits, after the period has ended he may opt to pay an amount equal to the additional contributions which would have been payable apart from his absence on that service.
- (5) That amount is payable by such instalments as the member may agree with the Scheme administrator, (subject to rule C.13 (limits on contributions)).
- (6) In this rule “Forces pension benefits” means benefits under—
 - (i) the Armed Forces Pension Scheme, or
 - (ii) any occupational pension scheme made under the Reserve Forces Act 1996.

C.10 This rule has been deleted

C.11 Purchase of added years by employer

- (1) With the approval of the Minister, the employer of an active member may make one or more additional contributions to this Section of the Scheme to increase the member’s reckonable service and his qualifying service.

- (1A) At the option of the active member, provided that the active member exercises the option before 1st March 2008, the employer may use all or part of any lump sum benefits payable to the member under rule 2A.3, 2A.6, 3A.3 or 3A.6 of the Civil Service Compensation Scheme to make an additional contribution to this Section of the Scheme.
- (2) Where the employer makes an additional contribution to increase the member's service by a specified additional period, the amount to be paid in order to increase that service by that period is such amount as the Minister requires after consultation with the Scheme actuary.
- (2A) Where the employer makes an additional contribution of a specified amount to increase the member's service, the period of additional service that amount will buy is such period as the Minister specifies after consultation with the Scheme actuary.
- (3) Where such a contribution is paid, the member is entitled to count the additional period of reckonable service and qualifying service.
- (4) This paragraph has been deleted.
- (5) A contribution under this rule must be paid in such manner as the Minister may require after consultation with the Scheme actuary.

Contributions

C.12 Repayment of contributions

- (1) The contributions made by a member under this Part or Part C1 are not repayable in any circumstances except where paragraph (2) or (3) applies.
- (2) This paragraph applies where—
- (a) an active member who is not a pensioner member ceases to be an active member of this Section,
 - (b) he does not fall within rule D.1(3),
 - (c) he has not required a payment to be made in respect of him under Part F (transfers).
- (3) Where paragraph (2) applies, the former member is entitled to be paid an amount equal to the sum of those contributions, less—
- (a) that part of any contributions equivalent premium paid in respect of the member as is permitted by or under section 61 of the Pension Schemes Act 1993, and

- (b) an amount equal to the income tax payable under section 205 of the Finance Act 2004 by virtue of the repayment.
- (3A) Where a refund is made under paragraph (3) the former member's rights under this Section of the Scheme are extinguished.

C.13 Limits on contributions

The contributions made under this Part in any tax year must not exceed the lesser of -

- (a) 15 per cent of the member's pensionable earnings for that tax year, and
- (b) 15 per cent of the permitted maximum for that tax year.

Part C1

Contributed Pension

Buying contributed pension

C1.1 Member's option to pay additional periodical contributions to purchase pension

- (1) An active member may opt to make additional periodical contributions to this Section during the contribution option period to increase the benefits payable to or in respect of the member under Part D and Part E of this Section (retirement benefits and death benefits). This option is only available to an active member -
 - (a) on or after 1st March 2008, or
 - (b) where the member reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) The option may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member may exercise the option under paragraph (1) more than once.
- (4) If a member exercises an option under paragraph (1), the additional contributions are payable by deduction from the member's earnings -
 - (a) in the case of a member to whom rule B.4 applies who exercises the option within the period of 3 months beginning with the date on which the member becomes a member of this Section, for the first pay period the Scheme administrator considers appropriate that begins on or after the date on which the Scheme administrator receives the member's application to exercise the option ("the receipt date"),
 - (b) in any other case -
 - (i) if the option is exercised before 1st March 2008, for the first pay period beginning on or after the receipt date that the Scheme administrator considers appropriate, and
 - (ii) if the option is exercised on or after 1st March 2008, for the first pay period of the scheme year beginning on or after the receipt date that the Scheme administrator considers appropriate, and

- (c) for all subsequent pay periods beginning during the contribution option period.
- (5) Paragraph (4) is subject to rules C1.3 (cancellation of options to make additional periodical payments) and C1.4 (special cases).
- (6) If a member exercises an option under paragraph (1) -
 - (a) the additional contributions payable may be expressed as a percentage of the member's pensionable earnings for the time being or as a fixed sum, and
 - (b) the amount that the member is entitled to count as contributed pension for the scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contributions are paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person.

This is subject to rule C1.6.

- (7) A member may not make additional contributions under this rule of less than such amount as the Minister may for the time being determine.
- (8) In this Part "the contribution option period", in relation to an option under this rule, means -
 - (a) the period beginning with the pay period in respect of which the first contribution is made under the option and ending when the member ceases to be an active member, or
 - (b) such shorter period as may be specified in the option.

C1.2 Member's option to pay additional lump sum contributions to purchase pension

- (1) An active member who has been such a member for a period exceeding 12 months may opt to make a single lump sum contribution to this Section to increase the benefits payable to or in respect of the member under Part D and Part E of this Section (retirement benefits and death benefits). This option is only available to an active member -
 - (a) on or after 1st March 2008, or
 - (b) where the member reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.

- (2) A member may not make a contribution under this rule of less than such amount as the Minister may for the time being determine.
- (3) The option -
 - (a) may only be exercised by notice in writing to the Scheme administrator in such form and subject to such conditions as the Minister requires, and
 - (b) in particular, if the Minister so requires, may only be exercised if the member has first requested a statement of the amount of pension that the member will be entitled to count under this rule if the payment of the lump sum is received by the Scheme administrator before the end of the period of one month beginning with the date of the statement.
- (4) A member may exercise the option under paragraph (1) more than once, but it may only be exercised once in any scheme year.
- (5) If a member exercises an option under paragraph (1), the additional contribution is payable immediately by the member to the Scheme administrator by deduction from the member's earnings or otherwise.
- (6) If a member exercises an option under paragraph (1), the amount that the member is entitled to count as contributed pension for the relevant scheme year is -
 - (a) in the case of a payment made before the end of the period of one month beginning with the date of a statement given to the member in accordance with such a request as is mentioned in paragraph (3)(b) in connection with the option, the amount specified in that statement, and
 - (b) otherwise, such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost as at the relevant day of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person.

This is subject to rule C1.6.

- (7) A statement given to the member in pursuance of such a request as is mentioned in paragraph (3)(b) -
 - (a) must specify such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost of making provision for providing benefits under this Section for

a person of the member's age and dependants of such a person -

- (i) so far as any factors relating to the member's circumstances are concerned, by reference to the relevant day, and
- (ii) so far as any other relevant factors are concerned, by reference to the date of the statement, and

(b) must inform the member of the effect of rule C1.6 generally and, in any case where it appears to the Scheme administrator that that rule will apply so as to restrict the amount that the member will be entitled to count under this rule, the effect of rule C1.6 in the member's case.

(8) In this rule -

“the relevant day” means -

- (a) in a case where such a request as is mentioned in paragraph 3(b) is made in connection with the option, the first day after the period of one month mentioned in that paragraph, and
- (b) otherwise, the day on which the payment is received by the Scheme administrator; and

“the relevant scheme year” means the scheme year in which the relevant day falls.

C1.3 Cancellation of options to make additional periodical contributions

- (1) A member may cancel an option under rule C1.1(1) by giving the Scheme administrator notice in writing.
- (2) If a member cancels such an option, the additional periodical contributions cease to be payable in respect of the member's pensionable earnings with effect from the first pay period the Scheme administrator considers appropriate that begins after the date on which the Scheme administrator receives the notice.
- (3) If it appears to the Scheme administrator that the limit in rule C1.6 will be exceeded if the member continues to make periodical contributions under rule C1.1, he may cancel the option under rule C1.1(1) by giving the member notice in writing.
- (4) If the Scheme administrator cancels such an option, the additional periodical contributions cease to be payable in respect of the member's

pensionable earnings for all pay periods beginning after the date specified in the notice.

C1.4 Periodical contributions: special cases

- (1) If a member who has exercised an option under rule C1.1(1) has a period of absence from work, the member may -
 - (a) cease to pay the additional periodical contributions payable under the option, or
 - (b) pay the same amounts of contributions as would be payable if he were receiving pensionable earnings at the full-rate.
- (2) But if a member is receiving statutory maternity pay or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave -
 - (a) paragraph (1)(b) does not apply to the contributions payable under the option, and
 - (b) the member may pay the contributions on the member's actual pay in respect of the period of leave.

C1.5 Payment of additional contributions by employer or third party contributor

- (1) The employer of an active member or a third party contributor in relation to an active member may, if the Minister approves, make one or more additional contributions to this Section to increase the benefits payable to or in respect of the member under Part D and Part E of this Section (retirement benefits and death benefits). An employer or third party contributor may only make contributions under this rule in respect of an active member -
 - (a) on or after 1st March 2008, or
 - (b) where the member reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) If an active member opts for the whole or part of any lump sum payable to the member under the Civil Service Compensation Scheme to be so used, the employer may make an additional contribution under paragraph (1) using the whole or, as the case may be, that part of the lump sum.
- (3) If the employer makes an additional contribution under paragraph (1) to increase the amount specified in the member's pension account under

rule C1.8(2) as the amount of contributed pension for the scheme year in which the contribution is paid by a particular amount –

- (a) the amount to be paid in order to increase it by that amount is such amount as is indicated as appropriate for the amount of that increase in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person, and
- (b) the pension amount that the member is entitled to count as contributed pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for that amount of contribution in those tables.

This is subject to rule C1.6.

- (3A) If a third party contributor makes an additional contribution under paragraph (1), the pension amount that the member is entitled to count in respect of that contribution as contributed pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person.
- (4) A contribution under this rule must be paid in such manner as the Minister may require after consultation with the Scheme actuary.
- (5) In this rule "third party contributor" means a third party approved by the Minister to pay contributions in respect of an active member of this Section.

C1.6 Limit on contributed pension

The total of –

- (a) the pension amount included in the member's pension account under rule C1.8 (pension accounts for active members who have bought contributed pension) as a result of contributions made under -
 - (i) rule C1.1 (member's option to pay periodical contributions to purchase pension), or
 - (ii) rule C1.2 (member's option to pay additional lump sum contributions to purchase pension), or

- (iii) rule C1.5 (payment of additional contributions by employer or third party contributor) other than contributions made by virtue of paragraph (2) of that rule or contributions made by a third party contributor, and
- (b) any pension amounts included in any other pension account established at any time under rule C1.8 in respect of the member as a result of contributions made under -
 - (i) rule C1.1,
 - (ii) rule C1.2, or
 - (iii) rule C1.5 (other than contributions made by virtue of paragraph (2) of that rule or contributions made by a third party contributor), and
- (c) any pension amount calculated in accordance with guidance from the Scheme actuary in respect of contributions made by or in respect of the member under section 14 of the 1972 Section (other than contributions made by virtue of rule 14.6(2) or contributions made by a third party contributor), and
- (d) any pension amounts to which the member is already entitled because the member has exercised the option under rule D.1A (partial retirement),

may not exceed such amount as the Minister may for the time being determine.

Pension Accounts for Contributed Pension

C1.7 Establishment of pension accounts: general

- (1) The Scheme administrator must establish and maintain one or more pension accounts in accordance with this Part for each member of this Section who has bought contributed pension under this Part.
- (2) A pension account may be kept in any form the Scheme administrator considers appropriate.
- (3) A pension account must contain such matters as are required by these rules.
- (4) References in these rules to any amount specified in a pension account are references to the amount that is required by these rules to be so specified and not, if different, the amount actually so specified.

C1.8 Pension accounts for active members who have bought contributed pension

- (1) A pension account must be established under this rule for each active member who has bought contributed pension under this Part.
- (2) At any time in a scheme year the pension account under this rule must specify the member's contributed pension for that year as at that time.
- (3) At any time in a scheme year -
 - (a) which is not the scheme year in which a pension account under this rule is established, and
 - (b) before the beginning of which the member has reached pension age,the member's pension account under this rule must specify the age addition awarded under paragraph (6) at the beginning of that year for the member's contributed pension referred to in paragraph (2).
- (4) At any time in a scheme year that is not the scheme year in which a pension account under this rule is established, the account must specify the opening balance of the member's contributed pension for that year and the index addition in respect of it.
- (5) In this rule "the opening balance" of the member's contributed pension for a scheme year means the sum of -
 - (a) the member's contributed pension for the previous scheme year as at the end of that year, and
 - (b) if paragraph (3) or (4) applied at the beginning of that previous year, the amounts specified in respect of member's contributed pension in accordance with those paragraphs.
- (6) The reference in paragraph (3) to the age addition awarded under this paragraph at the beginning of a scheme year for the member's contributed pension referred to in paragraph (2) is a reference to the amount the Minister determines, after consulting the Scheme actuary, in respect of the opening balance of the member's contributed pension as at the beginning of the previous scheme year (as specified in accordance with paragraph (4)).
- (7) In making the determination under paragraph (6) at the beginning of a scheme year, the Minister must have regard to the proportion of the previous scheme year during which the member had reached pension age.
- (8) For the purposes of paragraph (4), the index addition in respect of any opening balance for a scheme year is the amount by which an annual pension of an amount equal to that opening balance which was eligible

to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year if the beginning date for that pension were the first day of the previous scheme year.

- (9) In paragraph (8) “the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).
- (10) For the meaning of the expression “the member’s contributed pension” in paragraph (2), see rule C1.9.
- (11) In cases involving a re-employed active member where rule G.2 (general rule: periods of service treated separately) applies -
- (a) the member continues to have an account under rule C1.10 in respect of contributed pension relating to his earlier service,
 - (b) a new account under this rule C1.8 must be opened for the member in respect of any contributed pension bought under this Part during the current service,
 - (c) his contributed pension relating to the earlier service is disregarded in determining his or any other person’s rights in respect of any contributed pension relating to the current service or later service (if any), and
 - (d) his contributed pension relating to the current service is disregarded in determining his or any other person’s rights in respect of his contributed pension in the earlier service.
- (12) In cases involving a re-employed active member where rule G.3 (option to aggregate earlier membership: previous membership of this section) applies -
- (a) any account that was established for the member under rule C1.10 when the earlier service ceased must be closed,
 - (b) Part C1 applies as if that rule had not applied to the member at that time,
 - (c) the member’s account under rule C1.8 must be re-established, and
 - (d) such entries must be made in that account as if the member had continued as an active member during the period since the earlier service ceased, but had received no earnings.
- (13) In cases involving a re-employed active member where rule G.4 (option to aggregate earlier membership: members joining this Section for first time) applies -

- (a) any account that was established for the member under rule 14.12 of the 1972 Section when the earlier service ceased must be closed,
- (b) the member will no longer be entitled to any benefits under section 14 of the 1972 section,
- (c) an account for the member under rule C1.8 must be established, and
- (d) such entries must be made in the account in respect of contributed pension and lump sum bought under the 1972 Section as are calculated in accordance with guidance and tables provided for the purpose by the Scheme actuary.

C1.9 Meaning of “the member’s contributed pension” used in rule C1.8

- (1) For the purposes of rule C1.8 a member’s contributed pension for a scheme year is the sum of -
 - (a) the amounts that the member is entitled to count as such pension in respect of contributions in the scheme year under rule C1.1(6)(b) (periodical added pension contributions) under an option under rule C1.1(1),
 - (b) the amounts that the member is entitled to count as such pension for the scheme year as a result of contributions under rule C1.2(6) (lump sum added pension contributions) under an option under rule C1.2(1), and
 - (c) the amounts that the member is entitled to count as such pension in respect of contributions in the scheme year under rule C1.5(3)(b) or rule C1.5(3A) (payment of additional contributions by employer or third party contributor).

C1.10 Effect on pension account of active member becoming deferred member

- (1) This rule applies if—
 - (a) an active member becomes a deferred member; or
 - (b) a member exercises the option in rule C1.15B to defer payment of contributed pension.
- (2) The member’s pension account under rule C1.8 must be closed and an account (or, as the case may be, a further account) must be established under this rule for the member.

- (3) The pension account under this rule must specify the provisional amount of the member's deferred contributed pension (see paragraph (4)).
- (4) The provisional amount of the member's deferred contributed pension is found by -
 - (a) calculating the member's carried forward contributed pension (see paragraph (5)),
 - (b) except in the case of an immediate Scheme leaver, adding the retirement index addition for that pension (see rule C1.13), and
 - (c) in the case of any member who has reached pension age at least one month before the last day of service in respect of which the member's pension will be payable under this Section ("the relevant last day"), adding the age addition for that pension (see paragraph (9)).
- (5) The member's carried forward contributed pension is the sum of the amounts specified in the member's account under rule C1.8 in accordance with rule C1.8(2) and (4) as at the relevant last day.
- (6) Once the member has become entitled to the immediate payment of a pension under rules D.1 (normal retirement) or D.3 (early payment of pensions with actuarial reduction), or, where the member has exercised the option in rule C1.15B to defer payment of the contributed pension, once the member has notified the Scheme administrator, in accordance with rule C1.15B(2)(b) that the member wishes to take the contributed pension, the pension account under this rule must specify in respect of the contributed pension for which there is a provisional amount specified under paragraph (3) -
 - (a) the early payment reduction (if applicable) (see paragraph (7)),
 - (b) the commutation amount (if any), and
 - (c) the allocation amount (if any).
- (7) The early payment reduction mentioned in paragraph (6)(a) -
 - (a) only applies where—
 - (i) the member has become entitled to payment of a pension under rule D.3 or the member has exercised the option in rule C1.15B to defer payment of the contributed pension and has notified the Scheme administrator, in accordance with rule C1.15B(2)(b) that the member wishes to take the contributed pension before pension age; and

- (ii) the member has not exercised the option to buy out the actuarial reduction on the member's contributed pension under rule C1.15A, and
 - (b) is determined on the same basis as the reduction under rule D.3(4).
- (8) For the purposes of this rule a member is an immediate Scheme leaver in relation to the provisional amount of a deferred pension if a transfer value payment is made under Part F in respect of the member's rights to that pension before the end of the scheme year in which the relevant last day falls.
- (9) In this rule "the age addition" in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme actuary having regard to -
 - (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule C1.8(6) at the beginning of the scheme year following that in which the relevant last day falls ("the last active scheme year") had the member continued to be an active member throughout the last active scheme year, and
 - (b) the proportion of the last active scheme year during which the member was an active member who had reached pension age.
- (10) For the treatment of the pension account under this rule if the deferred member becomes an active member again, see rules C1.8(11) and C1.8(12).

C1.11 Effect on pension account of member becoming entitled to pension

- (1) This rule applies if an active member becomes entitled to immediate payment of a pension under rule D.1 (normal retirement), D.3 (early payment of pensions with actuarial reduction) or D.4 (early payment of pensions: ill-health).
- (2) The member's pension account under rule C1.8 must be closed and a pension account (or, as the case may be, a further pension account) must be established under this rule for the member in respect of the contributed pension.
- (3) The pension account under this rule must specify -
 - (a) the member's carried forward contributed pension (as defined in rule C1.10(5)),

- (b) the early payment reduction (if applicable) in respect of the member's carried forward contributed pension (see paragraph (6)),
 - (c) the retirement index addition in respect of the member's carried forward contributed pension (see rule C1.13),
 - (d) the age addition, if any, in respect of the member's carried forward contributed pension (see paragraph (5)),
 - (e) the member's full retirement contributed pension (see paragraph (4)),
 - (f) the commutation amount (if any) for the member's full retirement contributed pension, and
 - (g) the allocation amount (if any) for the member's full retirement contributed pension.
- (4) The member's full retirement contributed pension is the sum of -
- (a) the member's carried forward contributed pension (as defined in rule C1.10(5)),
 - (b) the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (5) In this rule "the age addition" in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme actuary having regard to -
- (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule C1.8(6) at the beginning of the scheme year following that in which the relevant last day falls ("the last active scheme year") had the member continued to be an active member throughout the last active scheme year, and
 - (b) the proportion of the last active scheme year during which the member was an active member who had reached pension age.
- (6) The early payment reduction for the member's carried forward contributed pension—
- (a) only applies where—

- (i) the member has become entitled to payment of a pension under rule D.3; and
 - (ii) the member has not exercised the option to buy out the actuarial reduction on the member's contributed pension under rule C1.15A; and
 - (b) is determined on the same basis as the reduction under rule D.3(4).
- (7) In this rule "the relevant last day" means the last day of the service in respect of which the member's pension will be payable under this Section.

C1.11A Effect on pension account of member becoming entitled to pension under rule D.1A (partial retirement)

- (1) This rule applies if a member becomes entitled to immediate payment of a pension under rule D.1A (partial retirement).
- (2) If the option under that rule is exercised in respect of the whole of the member's pension—
 - (a) rule C1.11 applies as if the member had ceased to be an active member on the day before he becomes entitled to the pension under rule D.1A, but—
 - (i) ignoring paragraph (3)(g) (allocation amount), and
 - (ii) with the substitution in paragraph (7) for the definition of "the relevant last day" of the following—

"the relevant last day" has the same meaning as in rule D.1A(12)", and
 - (b) if the member builds up further contributed pension after he becomes entitled to a pension under rule D.1A, a new pension account must be established under rule C1.8 for the member.
- (3) If the option under rule D.1A is exercised in respect of part of the member's pension, he will not be entitled to payment of any contributed pension under this Part until full retirement.

C1.12 Pension debit members

- (1) This rule applies where a pension sharing order is made.
- (2) The amounts specified in the account kept under this Part in respect of the pension debit member at the time that order takes effect must be reduced by such amounts as in the opinion of the Minister, after

consultation with the Scheme actuary, are appropriate having regard to the amount of the cash equivalent transfer value of the pension credit member.

- (3) This rule is subject to such modifications as the Minister may think appropriate in order to give effect to -
- (a) section 31 of the Welfare Reform and Pensions Act 1999, and
 - (b) any particular pension sharing order or arrangements.

C1.13 The retirement index addition

- (1) This rule deals with the way in which, for the purposes of rules C1.10, C1.11 and C1.11A, the retirement index addition is calculated in respect of the member's carried forward contributed pension for the purposes of calculating -
- (a) in the case of Rule C1.10, the provisional amount of the member's deferred contributed pension, and
 - (b) in the case of rules C1.11 and C1.11A, the member's full retirement contributed pension.
- (2) The retirement index addition is calculated as follows.

Step 1

Calculate the amount to which an annual pension of an amount equal to the carried forward contributed pension which was eligible to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year following the leaving year if the beginning date of that pension were the first day of the leaving year.

Step 2

Calculate the amount to which an annual pension of that amount which was eligible to be increased under that Act would be increased in the scheme year following the leaving year if the beginning date of that pension were the day after the relevant last day.

Step 3

Calculate the increase percentage by –

- (a) dividing the amount found at Step 1 by the amount found at Step 2,
- (b) multiplying the result of sub-paragraph (a) by 100%, and

- (c) subtracting 100% from the result of sub-paragraph (b).

Step 4

Calculate the increase percentage of the carried forward pension.

- (3) In this rule -

“the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act),

“the leaving year” means the scheme year in which the relevant last day falls, and

“the relevant last day” means—

- (a) in a case where the pension is payable under rule D.1A, the relevant last day as defined in rule D.1A(12), and
- (b) otherwise, the last day of the service in respect of which the member’s pension is payable.
- (4) Nothing in these rules requires the payment of any part of a contributed pension that is attributable to retirement index addition payable in respect of the scheme year in which the pension becomes payable to be made before the end of that year.

C1.14 Closing and adjusting accounts on transfer out

- (1) If a transfer value is paid by this Section in respect of a member, all pension accounts relating to the member must be closed, except as provided in paragraph (2).
- (2) Nothing in paragraph (1) requires any account to be closed if the amounts specified in the account are or include amounts to which the transfer value does not relate or is not attributable, but an account that is not closed because of this paragraph must be adjusted in such manner as the Minister considers appropriate to reflect the extinguishment under rule F.6 of the rights to any other benefits to which the transfer value payment relates.

Payment of contributed pension

C1.15 Entitlement to contributed pension on normal retirement or early payment of pension with actuarial reduction

- (1) A member entitled to a pension under rule D.1 (normal retirement) or rule D.3 (early payment of pension with actuarial reduction) is also

entitled to a contributed pension if the member has a pension account under this Part.

- (2) The annual amount of the contributed pension is found by -
- (a) taking -
 - (i) in the case of a deferred member becoming a pensioner member, the provisional amount of the member's deferred contributed pension specified in the member's pension account under rule C1.10, or
 - (ii) in the case of an active member becoming a pensioner member, the full retirement contributed pension specified in the member's pension account under rule C1.11,
 - (b) (where the member is entitled to early payment of a pension under rule D.3 and the member has not exercised the option under rule C1.15A), subtracting the early payment reduction so specified in respect of that pension, and
 - (c) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).

C1.15A Option to buy out actuarial reduction

- (1) Where a member is entitled to early payment of a pension under rule D.3 and is also entitled to a contributed pension under rule C1.15, the member may buy out the early payment reduction that would otherwise apply to the member's contributed pension under rule C1.15(2)(b).
- (2) The cost of buying out the early payment reduction is set out in tables prepared by the Minister, after consulting the Scheme actuary.
- (3) The member must meet the cost of buying out the early payment reduction in one of the ways set out in rule D.3A(4).

C1.15B Option to defer payment of contributed pension

- (1) Where—
 - (a) a member ("M") is entitled to early payment of a pension under rule D.3,
 - (b) M is also entitled to a contributed pension under this Part; and
 - (c) if M is a member to whom rule D.3(3) applies, M has reached the age of 55 years,

M may opt not to take M's contributed pension at the same time as M's early pension under rule D.3.

- (2) If M exercises the option in paragraph (1)—
 - (a) rule C1.10 applies (effect on pension account of active member becoming deferred member) in respect of M's contributed pension; and
 - (b) M is entitled to a contributed pension when M notifies the Scheme administrator in writing, in such form as the Minister requires, that M wishes to take the contributed pension, provided that M must take the contributed pension at or before pension age.
- (3) If M chooses to take M's contributed pension under paragraph (2) before pension age, the annual amount of the contributed pension is found by applying rule C1.15(2)(a)(i), (b) and (c).
- (4) If M chooses to take M's contributed pension under paragraph (2) at pension age, the annual amount of the contributed pension is found by applying rule C1.15(2)(a)(i) and (c).

C1.16 Entitlement to a contributed pension on early payment of pension for ill health

- (1) A member entitled to a lower tier pension under rule D.4 (early payment of pensions: ill health) is also entitled to a contributed pension if the member has a pension account under this Part.
- (2) The annual amount of the contributed pension is found by -
 - (a) taking the full retirement contributed pension specified in the member's pension account under rule C1.11, and
 - (b) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).
- (3) If, in the case of a member to whom rule D.4(1) applies, any of the amounts specified in the member's account under rule C1.8 in accordance with rule C1.8(2) and (4), as at the end of the last service day, were, or were attributable to, contributions made under rule C1.2 (member's option to pay additional lump sum contributions to purchase pension) made less than 12 months before the relevant day ("recent lump sum contributions"), these rules apply as if the member had become a deferred member in respect of the rights that accrued in the service that is ceasing so far as relating to the recent lump sum contributions. Accordingly -
 - (a) rule C1.10 applies as if -

- (i) the only amounts specified in the member's pension account under rule C1.8 in accordance with rule C1.8(2) and (4) as at the end of the last service day were so much of those amounts as are, or are attributable to, the recent lump sum contributions, and
 - (ii) no other amounts were specified in that account, and
 - (b) rule C1.11 applies as if the only amounts specified in the member's account under rule C1.8 in accordance with rule C1.8(2) and (4) as at the end of the last service day were the amounts so specified, less so much of those amounts as are, or are attributable to, the recent lump sum contributions, and
 - (c) rule C1.15 applies to the payment of contributed pension to the member from the amounts to which rule C1.10 applies, as if the member was a deferred member becoming a pensioner member, provided that he meets the requirements for payment of a pension under rule D.1 (normal retirement) or rule D.3 (early payment of a pension with actuarial reduction), and
 - (d) this rule and rules D.4 and D.6 apply to the payment of contributed pension to the member from the amounts to which rule C1.11 applies.
- (4) In paragraph (3) "the relevant day", in relation to a member, means -
- (a) the day on which the member's employer first requested the Scheme medical adviser for the opinion referred to in rule D.4(1) by virtue of which the member is entitled to the ill-health pension, or
 - (b) if the member was on sick leave on that day and did not return to service from that leave, the day on which that leave began.
- (5) In paragraph (3) "the last service day" means the last day of service in respect of which the member's pension under rule D.4 will be payable.
- (6) If the circumstances set out in rule J.8(1) apply (modification of pension entitlements: false statements etc. about ill-health), rule J.8(2) applies to any payment made under this Part C1.

Contributed pension for dependants and children

C1.17 Surviving spouse, surviving civil partner or dependant's entitlement to a contributed pension

- (1) A surviving spouse or surviving civil partner entitled to a pension under rule E.1 (surviving spouses' pensions) or a surviving adult dependant awarded a pension under rule E.2 (other adult dependants' pensions)

is also entitled to a dependant's contributed pension under this Part if the member was entitled to immediate payment of a contributed pension at the date of death or would have become entitled to such a pension had he not died.

- (2) On the death of an active member, the annual amount of the dependant's contributed pension payable under paragraph (1) is 37.5% of the member's assumed contributed pension.
- (3) For the purposes of paragraph (2), "the member's assumed contributed pension" is:
 - (a) the annual amount of the contributed pension to which the member would have been entitled if immediately before his death the member had become entitled, as an active member becoming a pensioner member, to the immediate payment of a pension under rule C1.15, and
 - (b) as if paragraphs (2)(b) and (c) of rule C1.15 were omitted.
- (4) On the death of a deferred member, the annual amount of the dependant's contributed pension payable under paragraph (1) is an amount equal to 37.5% of the provisional amount of the member's deferred contributed pension specified in the member's pension account under rule C1.10.
- (5) On the death of a pensioner member, the annual amount of the dependant's contributed pension payable under paragraph (1) is an amount equal to 37.5% of the annual amount of the member's contributed pension, assuming no subtractions had been made under rules C1.15(2)(b) or (c) or C1.16(2)(b) when it was calculated.
- (6) In accordance with section 7(4) of the Pensions (Increase) Act 1971, for the purposes of paragraph (5) any increase in the member's contributed pension since the date on which it is treated as beginning for the purposes of that Act is disregarded.
- (7) Where on the death of a member a pension is payable under rule E.1 or E.2 to a person ("the beneficiary") who is more than 12 years younger than the member, the annual amount of the dependant's contributed pension payable under paragraph (1) of this rule is reduced by the appropriate amount.
- (8) For the purposes of paragraph (7), the appropriate amount is the lesser of -
 - (a) 50% of the dependant's contributed pension, or
 - (b) the dependant's contributed pension x 2.5% x N,

where N is the number of whole years or part years in excess of 12 by which the beneficiary is younger than the member.

- (9) Paragraph (7) does not apply to a dependant's contributed pension payable under this rule in the case of a member who was a reserved joiner or an unreserved joiner if the member had been married to the person to whom the dependant's contributed pension is payable since before 1st October 2002.
- (10) Rules E.22 (dependants' pensions: suspension and recovery), E.25 (payment of pensions on death), E.26 (dual capacity membership) and E.29 (adjustments to benefits) apply to any dependant's contributed pension payable under this rule.

C1.18 Surviving children's entitlement to contributed pension

- (1) If -
 - (a) a member dies leaving an eligible child,
 - (b) a pension is payable in respect of the child under rule E.8, and
 - (c) the member was entitled to immediate payment of a contributed pension at the date of death or would have become entitled to such a pension had he not died,a child's contributed pension is payable under this rule.
- (2) If the child ceases to be an eligible child after the date of death, the pension ceases to be payable unless and until the child becomes an eligible child again.
- (3) This rule is subject to rule C1.19 (children born after the member's death).
- (4) Where one or two child's contributed pensions are payable under paragraph (1) immediately after the date of the member's death, the annual amount of each child's contributed pension is equal to -
 - (a) in the case of the death of an active member, the appropriate percentage of the member's assumed contributed pension as calculated in accordance with rule C1.17(3),
 - (b) in the case of the death of a deferred member, the appropriate percentage of the provisional amount of the member's deferred contributed pension specified in the member's pension account under rule C1.10, or

- (c) in the case of the death of a pensioner member, the appropriate percentage of the member's contributed pension calculated using the assumptions set out in rule C1.17(5) and (6).
- (5) Where three or more child's contributed pensions are payable under paragraph (1) immediately after the date of the member's death, the annual amount of each child's contributed pension is equal to twice the amount mentioned in paragraph (4), divided by the number of pensions so payable.
- (6) In this rule "the appropriate percentage" means -
 - (a) in a case where a pension is payable under rule E.1 or E.2, 30%, and
 - (b) in a case where no such pension is payable, 50%.
- (7) Rules E.22 (dependants' pensions: suspension and recovery), E.24 (provisional awards of children's pensions: later adjustments), E.25 (payment of pensions on death), E.26 (dual capacity membership) and E.29 (adjustment to benefits) apply to any child's contributed pension payable under this rule.

C1.19 Children born after the member's death

- (1) For the purposes of rule C1.18(1), a member may only be treated as leaving a child who is born after the member's death if the child's mother is pregnant with the child on that date.
- (2) No child's contributed pension is payable under that rule in respect of any period before the child's birth.
- (3) But in determining the number of pensions payable immediately after the date of the member's death for the purposes of rule C1.18(4) and (5) (amount of children's pensions), a pension in respect of a child born after the member's death is treated as so payable.

Part D

Retirement benefits

Entitlement to pensions

D.1 Normal retirement

- (1) The general rule is that a member is entitled to a pension for life if the member-
 - (a) has reached pension age, and
 - (b) has ceased to be employed in the employment that qualified him to belong to this Section of the Scheme or, if earlier, has reached the day before his 75th birthday after 5th April 2006.
- (2) The pension becomes payable when the member reaches pension age.
- (3) A former active member is only entitled to a pension under this rule if-
 - (a) he has at least two years' qualifying service (see rule A.8(1) and (2)),
 - (b) he was formerly entitled to rights under a personal pension scheme or a retirement annuity contract in respect of which a transfer value payment has been accepted by this Section of the Scheme under Part F (transfers), or
 - (c) he has ceased to be in employment which is contracted-out employment by reference to the Scheme before pension age but after the end of the tax year preceding that in which he reaches state pension age.
- (4) Subject to paragraph (4A) the amount of the annual pension payable under this rule is calculated by multiplying the appropriate fraction of the member's final pensionable earnings by the length of the member's reckonable service.
- (4A) Where the member is already entitled to receive a pension under rule D.1A (partial retirement), the member's reckonable service for the purposes of calculating his pension under this rule will be adjusted in accordance with rule D.1A(7)(b) or (8)(b).
- (5) The appropriate fraction is one sixtieth, or, if the member is entitled to a pension calculated by reference to a larger fraction, that fraction.
- (6) If the member is entitled to a pension calculated–

- (a) by reference to the appropriate fraction for part of the member's reckonable service, and
- (b) by reference to a larger fraction for another part of the member's reckonable service,

the amount of the member's annual pension under this rule is found by calculating the amounts due by reference to each of those fractions separately and adding those amounts together.

- (7) This rule does not apply to pensions derived from pension credit rights and, in the case of reserved joiners, is subject to rule L.10.

D.1A Partial retirement

- (1) This rule applies if—
 - (a) an active member has not ceased to be employed in an employment that qualifies the member to belong to this Section,
 - (b) if he had so ceased the member would be entitled to a pension for life by virtue of—
 - (i) rule D.1 (normal retirement), provided that he has not reached the day before his 75th birthday, or
 - (ii) rule D.3 (early payment of pensions with actuarial reduction) if he had opted for immediate payment of a reduced pension under that rule,
 - (c) the terms on which the member holds the employment change on or after 1st March 2008,
 - (d) as a result the amount of the member's earnings is reduced to 80% or less of their amount before the change, and
 - (e) the member opts for this rule to apply.
- (2) This rule also applies if—
 - (a) an active member who reached pension age before 1st March 2008 has not ceased to be employed in an employment that qualifies the member to belong to this Section,
 - (b) the member has not reached the day before his 75th birthday,
 - (c) on or after the date on which he reached pension age but before 1st March 2008, the member's earnings have reduced as a result of a change to the terms on which he holds the employment, each such reduction being "an earnings reduction",

- (d) either—
 - (i) if the member has only had one earnings reduction, the amount of the member's earnings was reduced to 80% or less of their amount before the earnings reduction, or
 - (ii) if the member has had more than one earnings reduction, the cumulative change percentage (see paragraph (3)) is 80% or less, and
 - (e) the member opts before 1st June 2008 for this rule to apply.
- (3) The cumulative change percentage is found by—
- (a) expressing the amount of the member's earnings immediately after each earnings reduction as a percentage of the member's earnings immediately before that earnings reduction to obtain "the change percentage" for each earnings reduction, and
 - (b) multiplying the change percentages.
- (4) The option under this rule—
- (a) may only be exercised once,
 - (b) may only be exercised by notice in writing in such form as the Minister requires, and
 - (c) except in the case of a member to whom paragraph (2) applies, may only be exercised in the period of three months beginning with the day on which the reduction in earnings by virtue of which it is exercisable takes effect.
- (5) A member who exercises the option—
- (a) is entitled to a pension payable for life under this rule with effect on and from the day after the relevant last day, and
 - (b) becomes both an active member and a pensioner member for the purposes of this Section.
- (6) The option must specify—
- (a) whether the member requires payment of part or the whole (calculated on the relevant last day) of the member's pension, and
 - (b) if only part of the pension, the proportion required ("the partial retirement proportion").

- (7) If the member exercises the option in respect of the whole of the member's pension—
- (a) the annual amount of pension to which the member is entitled is, subject to paragraph (9), determined by—
 - (i) calculating the annual amount of pension that would be payable to the member under rule D.1 (normal retirement) using the member's final pensionable earnings as if his last day of reckonable service or the last day of his active membership period was the relevant last day and using his reckonable service up to and including the relevant last day,
 - (ii) adding the annual amount of the member's full retirement contributed pension specified in the member's pension account under rule C1.11A, and
 - (iii) if the member has not reached pension age at the relevant last day, applying the reduction that would be determined under rule D.3(4) (early payment of pensions with actuarial reduction); and
 - (b) the member's reckonable service accrued for the period up to and including the relevant last day is adjusted, with effect from the day after the relevant last day, to zero.
- (8) If the member exercises the option in respect of part of the member's pension—
- (a) the annual amount of pension to which the member is entitled is, subject to paragraph (9), determined by—
 - (i) calculating the partial retirement proportion of the member's reckonable service up to and including the relevant last day, rounded up or down to the nearest whole day ("the partial reckonable service"),
 - (ii) calculating the annual amount of pension that would be payable to the member under rule D.1 (normal retirement) using the member's final pensionable earnings as if his last day of reckonable service or the last day of his active membership period was the relevant last day and using his partial reckonable service instead of his reckonable service, and
 - (iii) if the member has not reached pension age at the relevant last day, applying the reduction that would be determined under rule D.3(4), and

- (b) the member's reckonable service is adjusted, with effect from the day after the relevant last day, by subtracting the member's partial reckonable service from his total reckonable service up to and including the relevant last day, to determine the member's "remaining reckonable service". The member's remaining reckonable service, together with any reckonable service accrued after the relevant last day, will be used to calculate the benefits due to the member on full retirement.
- (9) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to benefits under this Section of the Scheme, the partial retirement proportion must be at least enough to ensure that the weekly rate of the pension payable to the member under this rule (after any commutation under rule D.8) is not less than that guaranteed minimum (regardless of whether or not the member has reached state pension age), multiplied by such factor as is indicated in tables provided by the Scheme actuary for a person of the member's age and sex at the date on which the pension becomes payable.
- (10) For reserved joiners who exercise the option under this rule, see rules L.10A (retirement benefits) and L.23A (death benefits).
- (11) Special terms apply to a member who exercises the option under this rule if he is subsequently eligible for an ill-health early retirement pension (see rule D.4(3A)) or if he dies before full retirement (see rules E.4(1A), E.10(2A), E.11(2A) and E.15(4)).
- (12) In this rule—

"the relevant last day" means the day before the date on which the member's earnings are reduced or, if later, 29th February 2008, and

"earnings" means the annual rate of the member's permanent pensionable earnings.

D.2 Pension credit members' pensions

- (1) The general rule is that a pension credit member is entitled to a pension for life derived from the member's pension credit rights if the member has reached pension age.
- (2) The pension becomes payable-
- (a) when the member reaches pension age, or
- (b) if it is later, when the pension sharing order under which the member is entitled to the pension credit takes effect.

- (3) The pension must be of such an amount that its value is equal to the member's pension credit, as calculated in accordance with regulations made under paragraph 5(b) of Schedule 5 to the Welfare Reform and Pensions Act 1999.

D.3 Early payment of pensions with actuarial reduction

- (1) A member may opt for immediate payment of a reduced pension before reaching pension age—
- (a) if—
 - (i) paragraph (2) applies; and
 - (ii) he has reached 55 or, if paragraph (3) applies, 50; or
 - (b) if paragraph (3A) applies.
- (2) This paragraph applies if the member—
- (a) meets the condition in paragraph (a), (b) or (c) of rule D.1(3), and
 - (b) has ceased to be employed in the employment that qualified him to belong to this Section of the Scheme.
- (3) This paragraph applies to a member if –
- (a) he became an active member before 6th April 2006,
 - (b) he became an active member after 5th April 2006 and had an actual or prospective right to a benefit under the Scheme on 5th April 2006 that gives him in relation to the Scheme a protected pension age of 50 under paragraphs 21 and 22 of Schedule 36 to the Finance Act 2004,
 - (c) he became an active member after 5th April 2006 as a result of a transfer that is a block transfer for the purposes of paragraph 22(6) of Schedule 36 to the Finance Act 2004 and he has in relation to the Scheme a protected pension age of 50 or less under paragraphs 21 to 23 of that Schedule, or
 - (d) the following apply to him:
 - (i) he became an active member after 5th April 2006,
 - (ii) immediately before becoming a member of this Scheme he belonged to a scheme that was, in the Minister's opinion, analogous to this Scheme ("the by-analogy scheme"),

- (iii) he was a member of the by-analogy scheme before 6th April 2006, and
- (iv) his pension will become payable before 6th April 2010 if he exercises the option under this rule.

(3A) This paragraph applies if—

- (a) the pension is derived from pension credit rights;
- (b) the pension sharing order from which the rights derive has taken effect; and
- (c) the member has reached 55.

(4) The amount of the annual pension under this rule is first calculated—

- (a) in the case of a member who is not a pension credit member, as mentioned in rule D.1(4) (and applying rule D.1(4A) where applicable); or
- (b) in the case of a pension credit member, as mentioned in rule D.2(3),

and then that amount is reduced by such amount as the Minister determines after consulting the Scheme actuary.

This is subject to paragraph (5).

- (5) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to benefits under this Section of the Scheme, the weekly rate of the pension immediately payable in respect of that service (after any commutation under rule D.8) must not be less than that guaranteed minimum, multiplied by such factor as is indicated in tables provided by the Scheme actuary for a person of the member's age and sex at the date on which the pension becomes payable.
- (6) The option under this rule may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.

D.3A Option to buy out actuarial reduction

- (1) A member who is entitled to a pension under rule D.3 may buy out any actuarial reduction that would otherwise apply to the member's pension under those rules and a member who is entitled to a pension under rule D.1A may buy out any actuarial reduction that would otherwise apply to the member's pension or to the member's contributed pension under that rule.

- (2) A member exercises the option under this rule by giving notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) The cost of buying out the actuarial reduction is set out in tables prepared by the Minister, after consulting the Scheme actuary.
- (4) The member must meet the cost of buying out the actuarial reduction by—
 - (a) paying a special contribution to this Section of the Scheme; or
 - (b) in the case of a member who is not a pension credit member—
 - (i) opting for the whole or part of any lump sum payable to the member under the Civil Service Compensation Scheme to be paid by the member's employer to this Section of the Scheme by way of special contribution; or
 - (ii) such combination of the options described in paragraphs (a) and (b)(i) as the member decides.
- (5) Where a member exercises the option under this rule, the annual amount of the pension in respect of which the member has bought out the actuarial reduction is calculated under rule D.1A or D.3 (as applicable) as if the reference to applying a reduction to that pension were omitted.

D.4 Early payment of pensions: ill-health

- (1) An active member is entitled to immediate payment of a pension before reaching pension age if—
 - (a) in the opinion of the Scheme medical adviser the member has suffered a permanent breakdown in health involving incapacity for employment, and
 - (b) the member has at least two years' qualifying service, and
 - (c) the Minister has agreed to the member becoming so entitled.
- (2) For the purpose of these rules a member's breakdown in health is "permanent" if, in the opinion of the Scheme medical adviser, it will continue until the member reaches pension age.
- (3) For the purpose of these rules a member's breakdown in health involves incapacity for employment if, in the opinion of the Scheme medical adviser, as a result of the breakdown the member—
 - (a) is incapable of gainful employment, or

(b) is incapable of doing his own or a comparable job.

A member within paragraph (b) will be entitled to a lower tier pension and a member within paragraph (a) will be entitled to a lower tier pension and an upper tier top up pension.

This is subject to paragraph (3A).

(3A) A member within paragraph (3)(a) or (b) who is already entitled to receive a pension under rule D.1A (partial retirement) will not be entitled to a lower tier pension or an upper tier top up pension. Instead, the member will be entitled to a pension calculated in accordance with rule D.1 without actuarial reduction under rule D.3.

(4) The amount of the annual lower tier pension and the amount of the aggregate of the annual lower tier pension and annual upper tier top up pension payable under this rule is calculated by multiplying the appropriate fraction of the member's final pensionable earnings by N.

This is subject to paragraph (10C).

(5) In the case of a member within paragraph (3)(a) for the purposes of calculating the aggregate of the lower tier pension and the upper tier top up pension, N is the sum of—

(a) the member's reckonable service, and

(b) the member's assumed service.

(6) In the case of a member whose basic reckonable service equals or exceeds 10 years, for the purposes of calculating the lower tier pension N is the member's reckonable service.

(7) In the case of a member whose basic reckonable service is less than 10 years, for the purposes of calculating the lower tier pension N is the sum of the additional period the member is entitled to count as reckonable service under rule C.6, if any, and the lowest of the following periods—

(a) 10 years,

(b) the member's basic reckonable service multiplied by 2, and

(c) the sum of the member's basic reckonable service and half the member's assumed service.

(8) The appropriate fraction is one sixtieth, or, if the member is entitled to a pension calculated by reference to a larger fraction, that fraction.

- (9) In this rule “the member’s assumed service” means the further basic reckonable service that the member could have counted if he had continued in service on the same terms as at the date of ceasing to be employed-
- (a) until reaching pension age, or
 - (b) in the case of a member eligible to be an active member because of rule B.1(2)(c) (fixed term appointments etc.), until the end of the fixed term,

unless the date he ceases to be employed is immediately preceded by a period of non-reckonable service, in which case any assumed service will be treated as if it had begun on the day after his last day of reckonable service.

- (10) In this rule –

“lower contribution service” means the reckonable service of a restricted member accrued during the period that he was an excluded member for the purposes of rule D.4(1) of the old rules;

“former excluded member” means an active member who on 31st December 2006 was an excluded member for the purposes of rule D.4(1) of the old rules, being a person who did not meet the required health standard;

“old rules” means these rules as they were in force on 31st December 2006;

“restricted member” means a former excluded member who has not made an election under paragraph (10A).

- (10A) A former excluded member may elect in such form and by such time as the Minister requires to be treated as if he had never been an excluded member for the purposes of rule D.4(1) of the old rules.
- (10B) A former excluded member who has made an election under paragraph (10A) must make the extra contributions to this Section of the Scheme that he would have been required to pay had he not been an excluded member for the purposes of rule D.4(1) of the old rules. The extra contributions must be paid in accordance with the terms set out in the notice of election.
- (10C) In the case of a restricted member, N in paragraph (4) is reduced by his lower contribution service.
- (10D) A restricted member who becomes entitled to an immediate pension under rule D.4(1) will be entitled to an additional pension on reaching pension age calculated by multiplying the appropriate fraction of his

final pensionable earnings by the length of his lower contribution service.

- (11) In the case of reserved joiners this rule is subject to rule L.12.
- (12) Where a member within paragraph 3(a) is in receipt of a pension under this rule on 5 April 2006, on 6 April 2006 his pension is split into a lower tier pension and an upper tier top up pension calculated in accordance with this rule.

D.5 Periodical review of ill-health awards

- (1) This rule applies where a member is entitled to an upper tier top up pension under rule D.4(3).
- (2) The Scheme medical adviser must review the question whether as a result of the breakdown in the member's health the member is incapable of gainful employment at any time if the Minister so directs, and in any event—
 - (a) before the fifth anniversary of the day on which the member became entitled to the pension, and
 - (b) subsequently at intervals not exceeding five years.
- (3) Where on any such review the Scheme medical adviser is of the opinion that the member is no longer incapable of gainful employment, at the end of the period of three months beginning on the date on which that opinion is given, the member ceases to be entitled to an upper tier top up pension under rule D.4.

D.6 Provisional ill-health awards

- (1) This rule applies where the Scheme medical adviser is unable to form an opinion whether—
 - (a) a member has suffered a permanent breakdown in health involving incapacity for employment, or
 - (b) a member's breakdown in health involves incapacity for employment within rule D.4(3)(a) or (b).
- (2) The Scheme medical adviser may recommend—
 - (a) that the member be treated—
 - (i) as having suffered such a permanent breakdown, or
 - (ii) as having suffered such a breakdown involving incapacity for employment within one or other of those rules, and

- (b) that the member's case should be reviewed after a period specified in the recommendation (which must not exceed 5 years).
- (3) Where such a recommendation is made, the member is to be treated for the purposes of these rules as being entitled to an ill-health pension as a member within rule D.4(3)(a) or rule D.4(3)(b) or rule D.4(3A) in accordance with the recommendation, subject to review under this rule.
- (4) Where a member is so treated—
 - (a) at the end of the period specified in the recommendation the Scheme medical adviser must give an opinion on the question or questions to which the recommendation related, and
 - (b) on and after the date on which that opinion is given (“the opinion date”) rule D.4 is to apply to the member accordingly, subject to paragraph (5).
- (5) Where as a result of the opinion—
 - (a) the member ceases to be entitled to an ill-health pension, or
 - (b) the ill-health pension to which the member is entitled is reduced,for a period of three months beginning on the opinion date the member is to be treated for the purposes of these rules as being entitled to an ill-health pension payable at the same rate as it was payable immediately before that date, and as continuing to be so entitled as a member within rule D.4(3)(a) or D.4(3)(b), as the case may be.

D.7 Calculation of unreduced earned pension.

- (1) If the member is entitled to immediate payment of an unreduced earned pension, the annual amount of the earned pension is calculated in accordance with rule D.1(4), but as if, for the words “the member's reckonable service”, there were substituted “the member's current reckonable service.
- (2) In this rule “current reckonable service” has the same meaning as “reckonable service” in rule A.9, except that it includes any period of service that the Minister has determined shall count as part of the member's reckonable service under rule 12.1.4(3) of the Civil Service Compensation Scheme and does not otherwise include—
 - (a) any service prior to the current period of continuous service in the Civil Service;
 - (b) any period of resettlement leave;

- (c) any service that a person is entitled to count under rule A.9(1)(d) (transfers under Part F);
- (d) any service that a person is entitled to count under rule C.11(1A) (purchase of added years by the employer from lump sum benefits payable under the Civil Service Compensation Scheme);
- (e) any reckonable service described in rule A.9(1)(b) or (c) (added years purchased by member or employer);
- (f) any reckonable service which results from the payment of contributions before 1st October 2002 for added years under section 7 of the 1972 Section or from a grant of added years made under rule 2.24 of the 1972 Section; and
- (g) any reckonable service which results from a credit of reckonable service in accordance with the transfer provisions of section 6 of the 1972 Section.

D.7ZA Additional service pension

- (1) This rule applies where—
 - (a) a member is entitled to immediate payment of an unreduced earned pension; and
 - (b) the member's reckonable service is greater than the member's current reckonable service.
- (2) If this rule applies the member—
 - (a) is entitled to an additional service pension under rule D.1, payable at pension age; and
 - (b) may opt to take the additional service pension early, with actuarial reduction, under rule D.3, or having bought out the actuarial reduction under rule D.3A.

This is subject to paragraph (3).

- (3) If this rule applies and the member—
 - (a) is a member to whom rule D.3(3) applies; and
 - (b) has not yet reached 55 years of age

the member is entitled to an additional service pension under rule D.1, which must come into payment at the same time as member's earned

pension, with actuarial reduction under rule D.3 or having bought out the actuarial reduction under rule D.3A.

- (4) The annual amount of an additional service pension is calculated in accordance with rule D.1(4), but as if, for the words “the length of the member’s reckonable service”, there were substituted “the length by which the member’s reckonable service exceeds the member’s current reckonable service”.
- (5) In this rule “current reckonable service” has the same meaning as in rule D.7(2).

D.7A Restructuring resulting in reduction in pensionable earnings

- (1) Where the pensionable earnings of an active member are reduced as a result of restructuring, the Minister may direct that this rule applies.
- (2) Where this rule applies, and if it produces a larger total amount payable by way of pension than that which would otherwise be awarded under rule D.1(4), rule D.1 applies with the following modifications.
- (3) The member will be awarded—
 - (a) a first pension calculated under rule D.1(4) but by reference to—
 - (i) the member’s final pensionable earnings determined as if he had resigned on the day before the day on which the reduction in earnings took effect; and
 - (ii) the length of his reckonable service up to and including that date; and
 - (b) a second pension calculated under rule D.1(4) but by reference to the length of his reckonable service on and after the day on which the reduction in earnings took effect, disregarding any service in excess of the limit in rule A.9(4).
- (4) In determining whether the calculations in paragraph (3) would produce a larger total amount payable by way of pension, account will be taken of any increases due on the first pension under the Pensions (Increase) Act 1971.

Lump sum payments

D.8 General option to exchange part of pension for lump sum

- (1) A member may opt to exchange part of the pension to which he would otherwise be entitled (including any pension to which he is entitled under Part C1) for a lump sum.
- (2) Where a member so opts, for every £1 by which his annual pension is reduced, he is to be paid a lump sum of £12.
- (3) But the lump sum paid under this rule to a member to whom this paragraph applies (see paragraph (8)) may not exceed-
 - (a) the amount of the annual pension, multiplied by 2.25, or
 - (b) if it is greater and it is not a pension debit member's pension or pension credit member's pension, three-eighths of the member's final pensionable earnings, multiplied by the lesser of-
 - (i) the sum of the periods mentioned in rule A.9(1)(a), (e) and (f) (calculated in accordance with rule A.9(2) if that applies) and so much, if any, of any period that the member is entitled to count under rule A.9(1)(d) as is attributable to a transfer under rule F.13 (bulk transfers in) or any equivalent provision of the 1972 Section, and
 - (ii) 40 years.

This is subject to paragraph (3A).

- (3A) A member may not exchange his pension for lump sum under this rule to the extent it would result in a scheme chargeable payment for the purposes of the Finance Act 2004 (see section 241 of that Act).
- (4) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to the pension in question, paragraph (1) only applies to so much of the pension, after any allocation under rules D.12 to D.14, as exceeds that guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the Scheme actuary.
- (5) This rule does not apply to a pension derived from pension credit rights if the pension debit member from whose rights the pension is derived has received a lump sum under this rule before the date on which the pension sharing order takes effect.

- (6) If part of the pension to which the member is entitled is attributable to a transfer value payment accepted by the Scheme by virtue of rule F.7(4) (Civil Service Additional Voluntary Contribution Scheme), paragraph (1) does not apply to that part.
- (7) In paragraph (3)(a) “the amount of the annual pension” means the amount of the annual pension to which the member would be entitled under this Part and Part C1 (apart from the option and disregarding any allocation made under rule D.12), calculated as at the time payment is first due.
- (8) Paragraph (3) applies to a member who –
 - (a) ceased to be an active member before 1st October 2007;
 - (b) became a pension credit member before 1st October 2007; or
 - (c) became a pension credit member after 30th September 2007 with rights derived from the rights of a member who ceased to be an active member before 1st October 2007.
- (9) This paragraph has been deleted.
- (10) The option under this rule may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires before the time when the first payment in respect of the pension is made.
- (11) For unreserved joiners and reserved joiners, see rules K.15 and L.14.

D.9 Option for members in serious ill-health to exchange whole pension for lump sum

- (1) Before a pension becomes payable to an active member or a deferred member under this Part together with any pension payable to him under Part C1 or at the time when a pension becomes payable under rule D.4 (early payment of pensions: ill-health) or before or at the time a pension becomes payable under rule D.2 (pension credit members' pensions) the member may opt before his 75th birthday to exchange the whole pension for a lump sum if the Scheme medical adviser certifies that the member has a life-expectancy of less than 12 months.
- (2) Where a member so opts, he is to be paid as soon as is reasonably practicable and before his 75th birthday an amount equal to the amount of the annual pension, multiplied by 5.
- (3) In paragraph (2) “the amount of the annual pension” means the amount of the annual pension to which the member would be entitled under this Part and Part C1 apart from the option, calculated as at the time payment would otherwise first be due.

- (4) This paragraph has been deleted.
- (5) This paragraph has been deleted.
- (6) The option under this rule may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (7) For reserved joiners, see rule L.15.

Pension debit members and pension credit members

D.10 Reduction in pension debit member's benefits

The benefits to which a pension debit member is entitled under this Part are subject to the reduction to be made under section 31 of the Welfare Reform and Pensions Act 1999.

D.11 Pension credit member's rights

- (1) Where regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (early or deferred retirement) applies, the Minister must be reasonably satisfied that the requirements of that regulation have been met.
- (2) Section 68A(2)(a) of the Pension Schemes Act 1993 (safeguarded rights) applies to the safeguarded rights of pension credit members.
- (3) Benefits that are attributable to a pension credit may not be aggregated with any other benefits that the pension credit member is entitled to under this Section of the Scheme.

Allocation

D.12 Election to allocate pension

- (1) An active member or deferred member may elect to allocate to another person a part of the member's annual pension under this Section of the Scheme (including any pension to which he is entitled under Part C1).
- (2) But no election may be made in respect of an ill-health pension or a pension payable under rule D.1A (partial retirement).
- (3) The member may not elect to allocate an amount that would result in his annual pension being less than the aggregate of the pensions to be paid in respect of the member under rules C1.17, E.1, E.2, this rule and rule L.26 ("the applicable rules"). This will be calculated using the following assumptions –

- (a) the member will die having become a pensioner member;
 - (b) the member will commute the maximum amount of pension he can under rule D.8;
 - (c) the member's marital or civil partnership status at the time of the allocation election will remain unchanged until the member dies;
 - (d) the persons who are contingent beneficiaries under the applicable rules at the time of the allocation election will survive the member; and
 - (e) in a case of a contingent beneficiary who would have been a dependant of the member for the purposes of paragraph 15(2) or (3) of schedule 28 to the Finance Act 2004 if the member had died when the allocation election was made, the contingent beneficiary will be such a dependant when the member dies.
- (4) If a member wishes to allocate pension to more than one person–
- (a) he must make a separate election in respect of each, and
 - (b) the limit under paragraph (3) applies to the aggregate amount allocated.
- (5) If the member is entitled to a guaranteed minimum pension, the member may not elect to allocate more than the amount by which the member's annual pension (before commutation under rule D.8) exceeds that guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the Scheme actuary.
- (6) If–
- (a) an election does not comply with paragraph (3) or (5), or
 - (b) taken together the member's elections do not so comply,
- the Scheme administrator may treat the election or, as the case may be, each of the elections, as allocating such smaller amount as would result in the election, or the elections taken together, so complying.

D.13 Procedure for election under rule D.12

- (1) An election under rule D.12 must be made no later than the date advised to the member by the Scheme administrator ("the closing date").
- (2) A member may at any time before the closing date–

- (a) revoke an election, or
- (a) amend an election by altering the amount allocated by it.
- (3) An election and any revocation or amendment of an election must be made in writing in such form as the Minister requires and be lodged with the Scheme administrator.
- (4) Subject to paragraphs (5) and (7), an election takes effect on the closing date.
- (5) An election has no effect if—
 - (a) the member dies before that date, or
 - (b) it is in favour of a person who dies before that date, or
 - (c) the Minister is not satisfied that at the time when the election is made that person is the member's spouse or a person who in the opinion of the Minister meets one of the conditions specified in paragraph (6).
- (6) They are—
 - (a) that the person is financially wholly or mainly dependent on the member, or
 - (b) that the member and the person are financially interdependent,
- (7) An election has no effect unless—
 - (a) before the closing date the member has made a declaration about the state of his health in such form and, if required, has provided such evidence relating to his health, as the Scheme medical adviser has requested, and
 - (b) the Scheme medical adviser is satisfied that at the date on which the member makes the declaration the member is in good health.

D.14 Effect of allocation

- (1) Where an election under rule D.12 for the allocation of a member's pension to another person ("the beneficiary") has taken effect—
 - (a) the member's pension is reduced accordingly (even if the beneficiary predeceases the member), and
 - (b) if the beneficiary survives the member, on the member's death the beneficiary becomes entitled to the payment of a pension for

life of such amount as the Minister may determine, after consultation with the Scheme actuary, having regard—

- (i) to the amount of the allocation to the beneficiary, and
- (ii) to the beneficiary's age and sex.

This paragraph is subject to paragraph (2A).

- (2) But the Minister may withhold payment from the beneficiary if—
 - (a) the member dies before the expiry of the period of two years beginning with the date on which the election takes effect, and
 - (b) the Minister is satisfied that the member made a false declaration about the state of his health in connection with making the election.
- (2A) Any allocation made in respect of a member whose pension comes into payment after 5th April 2006 shall not result in a pension being paid under this rule to a beneficiary unless the beneficiary —
 - (a) is the member's spouse or civil partner on the date when the member becomes entitled to the pension;
 - (b) is a dependant of the member for the purposes of paragraph 15(2) or (3) of schedule 28 to the Finance Act 2004; or
 - (c) is the member's spouse or civil partner at the date of the member's death.
- (3) References in these rules to pensions under this Part do not include pensions under this rule except where the context otherwise requires.

Contracting-out obligations (GMPs etc.)

D.15 Guaranteed minimum pensions etc.

- (1) Paragraphs (2) to (5) apply where a member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to benefits under this Section of the Scheme.
- (2) If apart from this rule—
 - (a) no pension would be payable to the member under this Section of the Scheme, or
 - (b) the weekly rate of the pension payable would be less than the guaranteed minimum,

a pension, the weekly rate of which is equal to the guaranteed minimum, is payable to the member for life from the date on which the member reaches state pension age.

- (3) If–
- (a) when the member reaches state pension age he is still in employment (whether or not it is scheme employment), and
 - (b) if it is not scheme employment, he consents to a postponement of his entitlement under paragraph (2),

paragraph (2) does not apply until he leaves employment.

This is subject to paragraph (4).

- (4) If the member continues in employment for a further 5 years after reaching state pension age, and does not then leave it, he is entitled from the end of that period to so much of his pension under this Part as equals his guaranteed minimum unless he consents to a further postponement of the entitlement.
- (5) Where paragraph (3) or (4) applies the amount of the guaranteed minimum to which the member is entitled under this rule is increased in accordance with section 15 of the Pension Schemes Act 1993.
- (6) This paragraph applies where a person has ceased to be in employment that is contracted-out by reference to this Section of the Scheme, and either–
- (a) all his rights to benefits under this Section of the Scheme, except his rights in respect of his guaranteed minimum or his rights under section 9(2B) of the Pension Schemes Act 1993 (“his contracting-out rights”), have been transferred under Part F (transfers), or
 - (b) he has no rights to benefits under this Section of the Scheme apart from his contracting-out rights.
- (7) Where paragraph (6) applies–
- (a) from the date on which the person reaches state pension age he is entitled to a pension payable for life at a weekly rate equal to his guaranteed minimum, if any, and
 - (b) from the date on which he reaches pension age he is entitled to a lump sum and pension in respect of his rights under section 9(2B) of the Pension Schemes Act 1993,

but a person falling within paragraph (6) is not to be regarded as a pensioner for the purposes of Part E (death benefits).

- (8) This rule does not apply if–
- (a) the pension is forfeited–
 - (a) as a result of a conviction for treason, or
 - (b) in a case where rule J.2(1)(a) (Official Secrets Acts offences) applies, or
 - (b) the pension is commuted under rule D.9 (option for members in serious ill-health to exchange whole pension for lump sum) or the pension is commuted under rule J.5 (commutation of small pensions) and the conditions in regulation 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 are met,

but if any other provision of this Section of the Scheme is inconsistent with this rule, this rule prevails.

- (9) In this rule “scheme employment”, in relation to a member, means employment in the employment by virtue of which he is eligible for membership of this Section of the Scheme.

Part E

Death benefits

Pensions for adult dependants

E.1 Surviving spouses' pensions

- (1) If an active member, a deferred member or a pensioner member dies leaving a surviving spouse, the surviving spouse is entitled to a pension for life.
- (2) Paragraph (1) does not apply if the member is an active member who would not have qualified for a pension under rule D.1(3) if his service had ceased on the date of death otherwise than by reason of death.
- (3) If the member and the surviving spouse married less than six months before the member's death, the Minister may withhold the pension.
- (4) Paragraph (1) is subject to rule L.28 (reserved joiners: cessation of entitlement to pension on remarriage etc.) and paragraph (3) is subject to rule E.27 (guaranteed minimum pensions for surviving spouses).

E.1A Civil Partnership

- (1) This Part, rule D.13(5), rule J.3(4) and Part L shall apply in relation to:
 - (a) a surviving civil partner as they apply in relation to a surviving spouse;
 - (b) a civil partner as they apply in relation to a spouse; and
 - (c) to civil partnership as they apply in relation to marriage.

This is subject to paragraphs (2) and (3).

- (2) In respect of the reckonable service of a reserved joiner derived from reckonable service under the 1972 Section, the pension to a surviving civil partner shall be calculated by reference only to reckonable service on and after 6 April 1988, including any reckonable service granted under section 6 of the 1972 Section in respect of a transfer value received on or after 6 April 1988.
- (3) In relation to any reserved joiner who died before 5th December 2005, for the purposes of rule L.28 a pensioner who forms a civil partnership shall not be treated as if he had married.

E.2 Other adult dependants' pensions

- (1) If an active member, a deferred member or a pensioner member dies leaving a surviving adult dependant and no surviving spouse, the Minister may award the surviving adult dependant a pension for life.
- (2) Paragraph (1) does not apply if the member is an active member who would not have qualified for a pension under rule D.1(3) if his service had ceased on the date of death otherwise than by reason of death.
- (3) A person is a surviving adult dependant in relation to a member for the purposes of this rule if—
 - (a) the person and the member jointly made and signed a declaration in a form prescribed by the Minister, and
 - (b) the person satisfies the Minister that at the time of the member's death—
 - (i) the person and the member were cohabiting as partners in an exclusive, committed long-term relationship,
 - (ii) the person and the member were not prevented from marrying (or would not have been so prevented apart from both being of the same sex), and
 - (iii) either the person was financially dependent on the member or they were financially interdependent.
- (4) A declaration for the purposes of paragraph (3) may be cancelled by the member or other party at any time by a signed revocation in such form as the Minister may prescribe or is willing to accept.

E.3 Amount of pensions under rules E.1 and E.2: active members

- (1) In the case of an active member, the annual amount of the pension payable under rule E.1 (surviving spouses' pensions) and rule E.2 (other adult dependants' pensions) is equal to 37.5% of the member's assumed pension (see rule E.4).

This is subject to paragraph (2) and rule L.24 (reserved joiners).

- (2) If—
 - (a) immediately before the deceased member's death he was entitled to exercise the option under rule G.3, or G.4 (aggregation of service), and
 - (b) the person to whom the pension is payable under rule E.1 or E.2 requests that this paragraph should apply,

these rules apply as if the member had exercised that option before his death (and accordingly no amount is payable under rule E.5(1)).

- (3) A request under paragraph (2)(b) may only be made by giving notice in writing to the Scheme administrator not later than 6 months after the date of the member's death in such form as the Minister requires.

E.4 Meaning of “the member’s assumed pension”

- (1) In this Part, “the member’s assumed pension”, in relation to a deceased active member, means the annual pension to which the member would have been entitled under rule D.1(4) on the assumption that—
- (a) the member’s basic reckonable service was the lowest of the periods specified in paragraph (2),
 - (b) the member’s pension had become payable on the date of death, and
 - (c) rule D.3(4) did not require any actuarial reduction to be made.

This is subject to paragraph (1A).

- (1A) In this Part, “the member’s assumed pension”, in relation to a deceased active member who was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, means the annual full retirement pension to which the member would have been entitled under rules D.1(4) and (4A) on the assumptions specified in paragraphs (1)(b) and (c).
- (2) The periods referred to in paragraph (1)(a) are—
- (a) the member’s basic reckonable service multiplied by 2,
 - (b) the sum of the member’s basic reckonable service and 10 years, and
 - (c) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the date of death until reaching pension age.
- (3) In the case of a member eligible to be an active member because of rule B.1(2)(c) (fixed term appointments etc.), the reference in paragraph (2)(c) to “reaching pension age” is to be taken as a reference to the end of the fixed term.
- (4) In the case of a member whose death is immediately preceded by a period of non-reckonable service it shall be assumed for the purposes

of paragraph (2)(c) that his reckonable service continued from his last day of reckonable service.

E.5 Amount of pensions under rules E.1 and E.2: deferred members

- (1) In the case of a deferred member, the annual amount of a pension payable under rule E.1 (surviving spouses' pensions) or rule E.2 (other adult dependants' pensions) is equal to 37.5% of the annual pension to which the member would have been entitled on the assumptions specified in rule E.4(1)(b) and (c).
- (2) Paragraph (1) is subject to rule E.3(2) (no amount payable under paragraph (1) in certain cases where the deceased member was both an active member and a deferred member) and rule L.25 (reserved joiners).
- (3) No pension is payable under this rule if the member –
 - (a) was a deferred member at the date of his death as a result of rule D.4(10D) (former excluded member who did not elect to pay extra contributions); and
 - (b) was also entitled at the date of his death to an ill-health pension as a member within rule D.4(3)(a) (member incapable of gainful employment) (see rule E.6(1) and (2)).

E.6 Amount of pensions under rules E.1 and E.2: pensioner members

- (1) In the case of a pensioner member, the annual amount of a pension payable under–
 - (a) rule E.1 (surviving spouses' pensions), or
 - (b) rule E.2 (other adult dependants' pensions),depends on whether at the date of death the member was entitled to an ill-health pension as a member within rule D.4(3)(a) (member incapable of gainful employment).
- (2) If the member was so entitled, the annual amount of the pension payable under rule E.1 or E.2 is equal to the pension that would have been payable under rule E.3 if the member had died at the beginning of the last day of his reckonable service.
- (3) Otherwise, the annual amount of the pension payable under rule E.1 or E.2 is equal–
 - (a) in a case where the member's pension was commuted under rule D.8 (general option to exchange part of pension for lump sum), to 37.5% of the annual pension to which the member

would have been entitled at the date of death if it had not been so commuted, and

- (b) otherwise, to 37.5% of the annual pension to which the member was entitled at that date.
- (4) For reserved joiners see rule L.26.

E.7 Actuarial reductions in pensions under rules E.1 and E.2

- (1) Where on the death of a member a pension is payable under rule E.1 or E.2 to a person (“the beneficiary”) who is more than 12 years younger than the member, the amount of the pension calculated in accordance with rule E.3, E.5 or E.6 is reduced by the appropriate amount.
- (2) That amount is the lesser of–
- (a) 50% of the pension so calculated, or
 - (b) the pension so calculated $\times 2.5\% \times N$,

where N is the number of whole years or part years in excess of 12 by which the beneficiary is younger than the member.

- (3) For unreserved and reserved joiners see rules K.14 and L.27.

Pensions for eligible children

E.8 Surviving children’s pensions

- (1) If a member dies leaving an eligible child, a pension is payable in respect of the child.
- (2) If the child ceases to be an eligible child after the date of death, the pension ceases to be payable unless and until the child becomes an eligible child again.
- (3) This rule is subject to rule E.13 (children born after the member’s death).

E.9 Meaning of “eligible child”

- (1) In these rules “eligible child”, in relation to a deceased member, means–
- (a) a natural or adopted child of the member who meets any of conditions A to C, or
 - (b) any other child or young person who–

- (i) meets any of those conditions, and
 - (ii) was financially dependent on the member at the date of death.
- (2) Condition A is that the person is aged less than 18.
- (3) Condition B is that the person is in full-time education or vocational training and is aged under the relevant age as defined in paragraph (4A).
- (4) Condition C is that the person is unable to engage in gainful employment because of physical or mental disability and is aged under the relevant age as defined in paragraph (4A). This is subject to paragraph (4B).
- (4A) For the purposes of paragraphs (3) and (4) the relevant age is-
 - (a) in the case of a member who dies before 6th April 2006, 26;
 - (b) in the case where the member's pension is in payment on 5th April 2006 and the person is born before 6th April 2007, 26;
 - (c) in a case not falling under (a) or (b), 23, unless at the date of the member's death the person is dependent on the member because of physical or mental impairment, in which case the relevant age is 26.
- (4B) A person will continue to meet condition C, regardless of his age if –
 - (a) the member dies after 5th April 2006;
 - (b) the person is at the date of the member's death dependent on the member because of physical or mental impairment;
 - (c) the person is unable to engage in gainful employment because of physical or mental impairment, and that impairment is, in the opinion of the Scheme medical adviser, likely to be permanent; and
 - (d) the person does not have a spouse or civil partner.
- (5) A person who is aged under 19 on the date when he ceases to be in full-time education is treated as being in such education until the first of the following dates after he so ceases–
 - (a) the second Monday in January,
 - (b) the second Monday after Easter Monday,

- (c) the second Monday in September,
 - (d) his 19th birthday,
 - (e) the date on which he becomes engaged full-time in gainful employment.
- (6) A person who at the date of a member's death is aged under 25 and taking a break from full-time education or vocational training not exceeding one academic year is assumed to be continuing in such education or training during the break for the purpose of determining—
- (a) whether the person is an eligible child at that date, and
 - (b) how many pensions are payable under rule E.8(1) immediately after that date.
- (7) But nothing in paragraph (6) requires a pension to be paid in respect of such a person during the break.

E.10 Amount of children's pension under rule E.8: active members

- (1) This rule applies for determining in the case of an active member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).
- (2) Where one or two pensions are payable under rule E.8(1) immediately after the date of the member's death, the annual amount of each pension is equal to the appropriate percentage of—
- (a) the member's assumed pension (see rule E.4), or
 - (b) the annual pension to which he would have been entitled if his basic reckonable service were service for the assumed period,
- whichever is the greater.

This is subject to paragraph (2A).

- (2A) In the case of an active member who was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, paragraph (2)(b) does not apply.
- (3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (4) In this rule—
- “the appropriate percentage” means—

(a) in a case where a pension is payable under rule E.1 or E.2, 30%, and

(b) in a case where no such pension is payable, 50%,

“the assumed period” means–

(i) 10 years, or

(ii) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the date of death until reaching pension age,

whichever is the lower.

(4A) In the case of a member whose death is immediately preceded by a period of non-reckonable service it shall be assumed for the purposes of paragraph (4)(ii) that his reckonable service continued from his last day of reckonable service.

(5) If–

(a) immediately before the deceased member’s death he was entitled to exercise the option under rule G.3 or G.4 (aggregation of service),

(b) no pension is payable under rule E.1 or E.2, and

(c) the cost condition is met (see paragraph (6)),

these rules apply as if the member had exercised that option before his death.

(6) The cost condition is that in the opinion of the Minister, after consultation with the Scheme actuary, the total cost of providing benefits in respect of the member under the Scheme would have been greater if he had exercised that option than if he had not (apart from paragraph (5)).

(7) In forming an opinion for the purposes of paragraph (6), the Minister must–

(a) assume that in the case of each child in respect of whom a pension is payable under rule E.8(1) of this Section or Section 4, Part 3 of the 1972 Section, the pension will be payable for the period of 5 years or, if longer, until the child reaches 18, and

(b) disregard the effect of the Pensions (Increase) Act 1971 in respect of any period after the date of death.

(8) For reserved joiners see rule L.29.

E.11 Amount of children's pension under rule E.8: deferred members

(1) This rule applies for determining in the case of a deferred member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).

(2) Where one or two pensions are payable under that rule immediately after the date of the member's death, the annual amount of each pension is equal to the appropriate percentage of—

(a) the annual pension to which the member would have been entitled on the assumptions specified in rule E.4(1)(b) and (c), or

(b) the annual pension to which he would have been entitled if his basic reckonable service were service for the assumed period,

whichever is the greater.

This is subject to paragraph (2A).

(2A) In the case of a deferred member who was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, paragraph (2)(b) does not apply.

(3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.

(4) In this rule—

“the appropriate percentage” has the same meaning as in rule E.10(4),

“the assumed period” means—

(i) 10 years, or

(ii) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the cessation date from that date until reaching pension age,

whichever is the lower, and

“the cessation date” means the date on which the member's service in the employment in which he was eligible to belong to this Section of the Scheme ceased.

(5) For reserved joiners see rule L.30.

E.12 Amount of children's pension under rule E.8: pensioner members

- (1) This rule applies for determining in the case of a pensioner member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).
- (2) Where one or two pensions are payable under that rule immediately after the date of the member's death, the annual amount of each pension is equal—
 - (a) in a case where the member's pension was commuted under rule D.8 (general option to exchange part of pension for lump sum), to the appropriate percentage of the annual pension to which the member would have been entitled at the date of death if it had not been so commuted, and
 - (b) otherwise, to the appropriate percentage of the annual pension to which the member was entitled at that date.

The "appropriate percentage" here has the same meaning as in rule E.10(4).

- (3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (4) For reserved joiners see rule L.31.

E.13 Children born after the member's death

- (1) For the purposes of rule E.8(1), a member may only be treated as leaving a child who is born after the member's death if the child's mother is pregnant with the child on that date.
- (2) No pension is payable under that rule in respect of any period before the child's birth.
- (3) But in determining the number of pensions payable immediately after the date of the member's death for the purposes of rules E.10(2) and (3), E.11(2) and (3) and E.12(2) and (3) (amount of children's pensions), a pension in respect of a child born after the member's death is treated as so payable.

Lump sum death benefits**E.14 Death of a member: lump sum benefit**

- (1) If a member dies, the Minister may pay the lump sum calculated in accordance with rule E.15, E.16, E.17, E.18 or E.19, as the case may be, to—

- (a) the person or persons nominated by the member in accordance with rule E.20, and/or
 - (b) the member's personal representatives.
- (1A) If rule E.17A applies the Minister may not pay a lump sum to any person or persons referred to in paragraph (1)(a) and (b) but may pay a pension calculated in accordance with rule E.17A.
- (2) If the Minister decides to pay all or part of the lump sum or the pension to persons so nominated and more than one individual has been so nominated, the payment is to be made to them in such proportions as he considers appropriate.
- (2A) If the Minister decides to pay the lump sum or the pension to the person or persons so nominated and to the personal representatives, the payment is to be made to the relevant parties in such proportions as he considers appropriate.
- (3) This rule does not apply if—
- (a) the member is—
 - (i) a pensioner member, or
 - (ii) a pension credit member who dies after any benefits attributable to his pension credit have become payable, and
 - (b) the death takes place more than five years after the member's pension becomes payable.
- (4) A lump sum that is calculated in accordance with rule E.17 and is paid under this rule shall for the purposes of the Finance Act 2004 be treated as a defined benefit lump sum death benefit, unless paragraph (5) applies.
- (5) A lump sum that is calculated in accordance with rule E.17 and, subject to paragraphs (6) and (7), is paid under this rule shall for the purposes of the Finance Act 2004 be treated as a pension protection lump sum death benefit if -
- (a) the member has specified in writing to the Scheme administrator that any such lump sum is to be treated as a pension protection lump sum death benefit; or
 - (b) paragraph 36 of Schedule 36 to the Finance Act 2004 applies to the member in relation to this rule (where the member has an actual right to a pension on 5th April 2006).

- (6) Paragraph (7) applies if the person who is the scheme administrator for the purposes of section 206 of the Finance Act 2004 (“the administrator”) is liable for tax under that section in respect of a pension protection lump sum death benefit.
- (7) The administrator may deduct from the lump sum paid under this rule the tax payable in respect of it.

E.15 Amount of lump sum benefit under rule E.14: active members

- (1) In the case of an active member, the amount of the lump sum payable under rule E.14 (death of a member: lump sum benefit) is equal to the member’s final pensionable earnings, multiplied by three.

This is subject to paragraphs (3) to (6A).

- (2) For the purposes of paragraph (1), the final pensionable earnings of a member employed part-time during any period are calculated by reference to the member’s actual rate of pensionable earnings during that period (and not in accordance with rule A.4(3)).

- (3) If–

- (a) the member was both an active member and a deferred member, and
- (b) the amount payable under rule E.16 is greater than the amount payable under paragraph (1),

the amount payable under rule E.16 is payable instead.

- (4) If the member was both an active member and a pensioner member, the amount payable under rule E.17 is payable instead of the amount under paragraph (1) (see E.17(3) and (3A)).
- (5) If the member was both an active member of this Section and a pensioner member of the 1972 Section (or would have been apart from any abatement), paragraph (4) and rule E.17 apply as if he were a pensioner member of this Section (and accordingly the amount payable by virtue of rule E.17(3) is payable instead of the amount under paragraph (1)).
- (6) If a lump sum is payable in respect of the member under rule 3.16 of the 1972 Section (preserved benefits), the amount specified in paragraph (1) is only payable if and to the extent that it exceeds the aggregate amount of any lump sum payments made in respect of him under rule 3.16 of the 1972 Section.
- (6A) If a lump sum is payable in respect of a member under rule 3.16 of the 1972 Section (preserved benefits) and under rule E.16 (amount of lump

sum benefit under rule E.14: deferred members), the amount specified in paragraph (1) is only payable if and to the extent that it exceeds the aggregate amount of any lump sum payments made in respect of him under rule 3.16 of the 1972 Section and rule E.16.

- (7) For the meaning of “final pensionable earnings” in this rule, see rule A.4(2).

E.16 Amount of lump sum benefit under rule E.14: deferred members

- (1) In the case of a deferred member, the amount of the lump sum payable under rule E.14 (death of a member: lump sum benefit) is equal to the lesser of—

- (a) 5DP, and
- (b) 2FPE,

where—

DP is the annual pension or, in the case of a member who is already entitled to a pension under rule D.1A (partial retirement), the annual full retirement pension, to which the member would have been entitled if—

- (a) the member’s pension had become payable on the date of death, and
- (b) rule D.3(4) did not require any actuarial reduction to be made, and

FPE is the amount of the member’s final pensionable earnings, increased by the same amount, if any, as a pension that came into payment on the day after the member’s service ceased at an annual rate equal to those earnings and was eligible to be increased under the Pensions (Increase) Act 1971 would have been increased under that Act by the date of death.

But this is subject to paragraph (2).

- (2) If the member was both a deferred member and an active member, the amount payable under rule E.15 is payable instead of the amount under paragraph (1) unless the amount under paragraph (1) is greater.
- (3) For the meaning of “final pensionable earnings” in this rule, see rule A.4(2), but for the purposes of this rule, the final pensionable earnings of a member employed part-time during any period are calculated by reference to the member’s actual rate of pensionable earnings during that period (and not in accordance with rule A.4(3)).
- (4) For reserved joiners, see rule L.33(1).

E.17 Amount of lump sum benefit under rule E.14: pensioner members

- (1) In the case of a pensioner member, the amount of the lump sum payable under rule E.14 (death of a member: lump sum benefit) is equal to the amount of the pension that would have been payable to the member (including any member's contributed pension that would have been payable under Part C1) during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death.
- (2) Any increases in the pension which might have become payable after the date of death are disregarded for the purposes of paragraph (1).
- (3) If the member was both a pensioner member and an active member, but was not entitled to a pension under rule D.1A (partial retirement), the amount payable under paragraph (1) is increased by—
 - (a) an amount equal to the maximum lump sum that would have been payable to the member under rule D.8 (general option to exchange part of pension for lump sum) in respect of the service current at the date of his death if he had retired on that date, and
 - (b) an amount equal to five times the annual pension to which the member would have been entitled in respect of that service if—
 - (i) he had so retired, and
 - (ii) that maximum lump sum had been paid by way of commutation.
- (3A) If the member was both a pensioner member and an active member as a result of being entitled to a pension under rule D.1A (partial retirement), the amount payable under paragraph (1) will be increased to the greater of—
 - (a) an amount obtained by calculating—
 - (i) the amount of partial retirement pension that would have been payable to the member under rule D.1A during so much of the period of five years beginning with the date on which the partial retirement pension became payable as falls after the date of death (disregarding any increases in the pension which might have become payable after the date of death), plus
 - (ii) the amount of full retirement pension that would have been payable to the member for a period of five years beginning with the date of death if the member had taken full retirement at the date of death (including any contributed pension that would have been payable under

Part C1 but disregarding any early payment reduction and any increases in the pension which might have become payable after the date of death); and

- (b) an amount obtained by calculating—
 - (i) the member's final pensionable earnings (as defined in rule A.4(2) and, in the case of a member employed part-time during any period, as if rule E.15(2) applies), multiplied by three, less
 - (ii) any lump sum paid to the member under rule D.8 (general option to exchange part of pension for lump sum) in respect of any pension to which the member was entitled under rule D.1A (partial retirement).
- (4) For reserved joiners, see rule L.33(2) and (3A).
- (5) This rule is subject to rule E.17A.

E.17A Amount of pension under rule E.14(1A)

- (1) This rule applies in the case of a person who –
 - (a) first became a pensioner member or pension credit member on or after 6th April 2006;
 - (b) had reached the age of 75 at or before the date of his death; and
 - (c) died before the fifth anniversary of the date on which the pension became payable.
- (2) The pension payable under rule E.14(1A) will be equal to the pension (including any contributed pension payable under Part C1) that would have been payable to the member had he been alive until the end of the pension protection period.
- (3) The pension will be payable for the pension protection period.
- (4) The pension protection period is the period from the date of the member's death until the fifth anniversary of the date on which the member's pension became payable.
- (5) For reserved joiners, see rule L.33(5).

E.18 Amount of lump sum benefit under rule E.14: pension credit members

- (1) In the case of a pension credit member who dies before age 75 and before any benefits derived from his pension credit have become payable, the amount of the lump sum payable under rule E.14 (death of a member: lump sum benefit) is equal to 25% of the cash equivalent that would have been payable under Chapter II of Part IVA of the Pension Schemes Act 1993 in respect of the member's benefits under the Scheme if—
 - (a) the member had been entitled to require the payment of such an amount, and
 - (b) it had been payable on the date of death.
- (2) In the case of a pension credit member who dies after any benefits derived from his pension credit have become payable, the amount of the lump sum payable under rule E.14 is equal to the amount of the pension that would have been payable to the member during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death.
- (3) Any increases in the pension which might have become payable after the date of death are disregarded for the purposes of paragraph (2).
- (4) This rule is subject to rule E.17A.

E.19 Members affected by court orders to former spouses on death

- (1) This rule applies where on a member's death the Minister is required under a court order to pay any part of any amount payable under rule E.14 to the member's former spouse.
- (2) Where this rule applies the amount payable under that rule is determined as if no such order had been made, and then this Part applies as if the amount payable under rule E.14 were reduced by the amount payable under the court order.

E.20 Nominations for lump sum death benefits

- (1) For the purposes of rule E.14 (death of a member: lump sum benefits), a member may nominate—
 - (a) one or more individuals,
 - (b) one incorporated or unincorporated body, or
 - (c) one or more individuals and one incorporated or unincorporated body.

- (2) If the member nominates –
 - (a) two or more individuals or
 - (b) one or more individuals and one incorporated or unincorporated body

he may indicate in the nomination how he wishes the payments to be apportioned between them.
- (3) The member must make his nomination by notice in writing to the Scheme administrator in such form as the Minister may prescribe or is willing to accept.
- (4) A member may revoke or alter a nomination by a further notice in writing to the Scheme administrator in such form as the Minister may prescribe or is willing to accept.
- (5) The nomination of a person is invalid if the person nominated is an individual who–
 - (a) was married to the member at the date the nomination was made and is not married to the member immediately before the member's death, or
 - (b) predeceases the member.
- (6) If a person nominated is convicted of the offence of murder or manslaughter of the member, the person's nomination is to be treated as invalid from the member's death.
- (7) If the person nominated is convicted of any offence, other than those mentioned in paragraph (6), of which the unlawful killing of the member is an element, the person's nomination may, at the Minister's discretion, be treated as invalid from the member's death.

General provisions

E.21 Pension debit members

- (1) This rule applies where the deceased member was a pension debit member.
- (2) If the member was an active member–
 - (a) the pension payable under rule E.1 (surviving spouses' pensions) or rule E.2 (other adult dependants' pensions) is calculated as mentioned in paragraph (3),

- (b) the amount payable under rule E.8(1) by virtue of rule E.10 (surviving children's pensions)–
 - (i) is first calculated as if the member were not a pension debit member (in particular, in determining the amount of the member's assumed pension or annual pension for the purposes of rule E.10(2)(a) and (b)), and
 - (ii) is then subject to any reduction required under section 31 of the Welfare Reform and Pensions Act 1999 ("section 31"), and
 - (c) the lump sum payable under rule E.14 (death of a member: lump sum benefit) is calculated under rule E.15.
- (3) The pension is first calculated under rule E.3 as if the member were not a pension debit member, and then it is reduced in the same proportion as the member's assumed pension would have been reduced under that section if he had been entitled to it on the date of death.
- (4) If the member was a deferred member–
- (a) the amount of the pension payable under rule E.1 or E.2 is calculated by reference to the amount of the pension to which the member would have been entitled after any reduction under section 31, and
 - (b) the amount payable under rule E.8(1) by virtue of rule E.11 is first calculated as if the member were not a pension debit member (in particular, in determining the amount of the annual pension referred to in rule E.11(2)(a) and (b)), and is then subject to any reduction required under section 31.
- (5) If the member was a pensioner member–
- (a) the amount of the pension payable under rule E.1 or E.2 is calculated by reference to the amount of the pension to which the member was entitled (after the reduction under section 31), and
 - (b) the amount payable under rule E.8(1) by virtue of rule E.12–
 - (i) is first calculated as if the member were not a pension debit member (in particular, in determining the amount of the annual pension referred to in rule E.12(2)(a) and (b) to which the member would have been or was entitled), and
 - (ii) is then subject to any reduction required under section 31.

E.22 Dependants' pensions: suspension and recovery

- (1) This rule applies where—
 - (a) on a member's death a pension has been awarded and paid under this Part, and
 - (b) subsequently it appears to the Minister that the member or the person to whom the pension was paid made a false declaration or deliberately suppressed a material fact in connection with the award.
- (2) The Minister may—
 - (a) cease paying the pension, and
 - (b) recover any payment made under the award.
- (3) Paragraph (2) does not affect the Minister's right to recover a payment or overpayment in any case where he considers it appropriate to do so.

E.23 Recovery of lump sum payments made to nominees

- (1) Where—
 - (a) payment is made to a person under rule E.14 (death of a member: lump sum benefit) because of the person's nomination by a member, and
 - (b) the person's nomination is subsequently found to be invalid under rule E.20(5) or (6),

the Minister may recover the payment.
- (2) Paragraph (1) does not affect the Minister's right to recover a payment or overpayment in any case where he considers it appropriate to do so.

E.24 Provisional awards of children's pensions: later adjustments

- (1) This rule applies where after the death of an active member, a deferred member or a pensioner member—
 - (a) a pension is paid in respect of one or more persons under this Part on the basis that they were eligible children at the date of the member's death or that there were then no other eligible children, and
 - (b) subsequently it appears—

- (i) that a person in respect of whom such a pension has been paid was not then an eligible child, or
 - (ii) that a further person was then an eligible child, or
 - (iii) that a child who was born after the member's death is an eligible child.
- (2) The Minister may make such adjustments in the amount of the pensions payable in respect of the children in question as are required in view of the facts as they subsequently appear.
- (3) Paragraph (2) does not affect the Minister's right to recover a payment or overpayment in any case where he considers it appropriate to do so.

E.25 Payments under this Part

- (1) Except where specified otherwise in this Part a pension under this Part is payable from the day after the date of the death of the member.
- (2) Payment of a lump sum payable under this Part must be made before the expiry of the period of two years beginning with that date.
- (3) A pension payable under this Part in respect of an eligible child aged less than 18 must be paid—
- (a) if the child is in the care of the member's surviving spouse or a person who is the member's surviving adult dependant for the purposes of rule E.2, to the surviving spouse or the adult dependant, and
 - (b) in any other case, to the person's guardian,
- unless the Minister directs otherwise.

E.26 Dual capacity membership

- (1) This rule applies where the deceased member was—
- (a) a member of this Section of the Scheme of two or more of the following kinds, or
 - (b) a member of this Section of the Scheme and a member of the 1972 Section.
- (2) They are—
- (a) an active member,
 - (b) a deferred member,

- (c) a pensioner member, and
 - (d) a pension credit member.
- (3) Where paragraph (1)(a) applies, the general rule is that–
- (a) benefits are payable in respect of the member under this Part as if two or more members of the kinds in question had died (so that two or more pensions or lump sums are payable in respect of the one deceased member), and
 - (b) the amounts payable are determined accordingly.
- (4) But that general rule is subject to–
- (a) rule E.3(2) (adult dependants' pension where the member was both an active member and a deferred member),
 - (b) rules E.15(3) and E.16(2) (amount of lump sum where the member was both an active member and a deferred member), and
 - (c) rules E.15(4) and E.17(3) or E.17(3A) (amount of lump sum where the member was both an active member and a pensioner member).
- (5) Where paragraph (1)(b) applies, the general rule is that benefits are payable in respect of the member under this Part regardless of the member's membership of the 1972 Section.
- (6) But that general rule is subject to–
- (a) rule E.15(5) (amount of lump sum where the member was both an active member of this Section and a pensioner member of the 1972 Section), and
 - (b) rule E.15(6) (amount of lump sum where the member was both an active member of this Section of the Scheme and a deferred member of the 1972 Section).

E.27 Guaranteed minimum pensions for surviving spouses

- (1) This rule applies where the surviving spouse of an active, deferred or pensioner member has a guaranteed minimum under section 17 of the Pension Schemes Act 1993 in relation to benefits in respect of the deceased member under this Section of the Scheme.
- (2) If apart from this rule-

- (a) no pension would be payable to the surviving spouse under this Part, or
- (b) the weekly rate of the pension payable would be less than the guaranteed minimum,

a pension the weekly rate of which is equal to the guaranteed minimum is payable to the surviving spouse for life.

- (3) Paragraph (2) does not apply if the pension is forfeited-
 - (a) as a result of a conviction for treason, or
 - (b) in a case where rule J.2(1)(a) (Official Secrets Acts offences) applies.

E.28 This rule has been deleted.

E.29 Adjustment to benefits

- (1) This rule applies if, apart from this rule, any part of a pension to which any person becomes entitled under this Part, rules D.12 to D.14 or Part L on the death of a member after reaching the age of 75 would not qualify as a dependants' scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules) (see paragraphs 16 to 16C of Schedule 28 to that Act).
- (2) When this rule applies the benefit payable to the person may be adjusted in such manner as is determined by the Minister.

Part F

Transfers

Transfers out

F.1 Right to transfer value payment

- (1) This Part supplements the rights conferred under Chapter IV of Part IV of the Pension Schemes Act 1993 (transfer values), and is without prejudice to them.
- (2) Accordingly, a member to whom that Chapter applies (see section 93(1)(a) of that Act) is entitled to require the payment of a transfer value in respect of the rights to benefit that have accrued to or in respect of him under this Section of the Scheme.
- (3) Subject to the provisions of this Part, any other member, other than –
 - (a) an active member,
 - (b) a member who would be an active member but for rule B.7 (inactive members), or
 - (c) a member whose pension under this Section of the Scheme has come into payment, except any member entitled to receive a pension under rule D.1A (partial retirement),

is entitled to require such a payment as if such rights had accrued to or in respect of him by reference to the reckonable service he is entitled to count under this Section of the Scheme (and references in this Part to his accrued rights or benefits are to be read accordingly).

- (4) Paragraph (3) does not apply if the contributions the member has paid during the period of service ending with his ceasing to be an active member are repaid to him under rule C.12(3) and, where applicable, in accordance with Chapter V of Part IV of the Pension Schemes Act 1993.
- (5) Paragraphs (2) and (3) do not apply to rights that are directly attributable to a pension credit.
- (6) Paragraphs (2) and (3) do not apply to rights that are attributable to periods of reckonable service or contributions for which entitlement to a pension has already arisen under rule D.1A.

F.2 Applications for statements of entitlement

- (1) A member who requires a transfer value payment to be made must apply in writing to the Scheme administrator for a statement of the amount of the cash equivalent of the member's accrued benefits under this Section of the Scheme at the guarantee date ("a statement of entitlement").
- (2) In this Part, "the guarantee date" means any date that—
 - (a) falls within the required period,
 - (b) is chosen by the Scheme administrator,
 - (c) is specified in the statement of entitlement, and
 - (d) is within the period of 10 days ending with the date on which the member is provided with the statement of entitlement.

In counting the period of 10 days referred to in sub-paragraph (d), Saturdays, Sundays, Christmas Day, New Year's Day and Good Friday are excluded.

- (3) In paragraph (2) "the required period" means—
 - (a) the period of three months beginning with the date of the member's application for a statement of entitlement, or
 - (b) such longer period (not exceeding six months beginning with that date) as may reasonably be required if, for reasons beyond the control of the Scheme administrator, the requisite information cannot be obtained to calculate the amount of the cash equivalent.
- (4) The member may withdraw the application for a statement of entitlement by notice in writing at any time before the statement is provided.
- (5) A member who—
 - (a) has made an application for a statement of entitlement under this rule, and
 - (b) has not withdrawn it,

may make only one other such application in the period of twelve months beginning with the date of the first application.

F.3 Applications for transfer value payments

- (1) A member who has applied for and received a statement of entitlement under rule F.2 may apply in writing to the Scheme administrator for a transfer value payment to be made.
- (2) On making such an application a member becomes entitled to a payment of an amount equal, or amounts equal in aggregate, to the amount specified in the statement of entitlement (or such other amount as may be payable by virtue of paragraph (10)).

In this Part such a payment is referred to as “the guaranteed cash equivalent transfer value payment”.

- (3) An application under paragraph (1) must be made before the end of the period of three months beginning with the guarantee date, and the payment must be made no later than—
 - (a) six months after that date, or
 - (b) if it is earlier, the date on which the member reaches normal pension age.
- (4) The application must specify the pension scheme or other arrangement to which the payment or payments should be applied.
- (5) The application must meet such other conditions as the Minister may require.
- (6) An application for a transfer value payment to be made under the public sector transfer arrangements may only be made—
 - (a) before the first anniversary of the day on which the member becomes eligible to be an active member of the scheme to which the transfer is to be made, and
 - (b) before the member reaches pension age.
- (7) This paragraph applies if a former active member does not have a right to a deferred pension under rule D.1 because he does not fall within rule D.1(3). In such a case the application may only be made on or before the date that is three months after the date on which the Scheme administrator gives the person written notice of his options in accordance with section 101AC of the Pension Schemes Act 1993 or before such later date as the Minister may allow.
- (8) The Minister may direct that any time limit applying to an application under paragraph (1) should be extended if he considers it reasonable to do so in the circumstances.

- (9) An application under this rule may be withdrawn by notice in writing, unless an agreement for the application of the whole or part of the guaranteed cash equivalent transfer value payment has been entered into with a third party before the notice is given.
- (10) If the payment is made later than six months after the guarantee date, the amount of the payment to which the member is entitled must be increased by–
- (a) the amount by which the amount specified in the statement of entitlement falls short of the amount it would have been if the guarantee date had been the date on which the payment is made, or
 - (b) if it is greater and there was no reasonable excuse for the delay in payment, interest on the amount specified in the statement of entitlement, calculated on a daily basis over the period from the guarantee date to the date when the payment is made at an annual rate of one per cent. above base rate.

F.4 Ways in which transfer value payments may be applied

- (1) A member who is entitled to a guaranteed cash equivalent transfer value payment under Chapter IV of Part IV of the Pension Schemes Act 1993 may only require the Minister to apply the guaranteed cash equivalent transfer value payment in one or more of the ways permitted under section 95 of that Act.
- (2) A member who is not entitled to a guaranteed cash equivalent transfer value payment under Chapter IV of Part IV of the Pension Schemes Act 1993 may only require the Minister to apply the guaranteed cash equivalent transfer value payment in one of the ways permitted under section 95 of that Act.
- (3) The whole of the guaranteed cash equivalent transfer value payment must be applied, unless paragraph (4) applies.
- (4) The benefits attributable to–
- (a) the member's accrued rights to a guaranteed minimum pension, or
 - (b) the member's accrued rights attributable to service in contracted-out employment on or after 6 April 1997,

may be excluded from the guaranteed cash equivalent transfer value payment if section 96(2) of the Pension Schemes Act 1993 applies (trustees or managers of certain receiving schemes or arrangements able and willing to accept a transfer payment only in respect of the member's other rights).

- (5) A transfer payment may only be made to –
- (a) a pension scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004, or
 - (b) an arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the Finance Act 2004 (see section 169(2) of that Act).

F.5 Calculating amounts of transfer value payments

- (1) The amount of the guaranteed cash equivalent transfer value payment is to be calculated in accordance with guidance and tables determined by the Minister for use at the guarantee date, after consultation with the Scheme actuary.

This is subject to paragraph (3).

- (2) In preparing those tables the Minister, after consultation with the Scheme actuary must use such factors as he considers appropriate, having regard to section 97 of the Pension Schemes Act 1993 and regulations made under that Act (whether or not the payment is in respect of a person entitled to a guaranteed cash equivalent transfer value payment under that Act).
- (3) If the amount calculated in accordance with paragraph (1) is less than the minimum transfer value, the amount of the guaranteed cash equivalent transfer value payment is to be equal to that value instead.
- (4) In paragraph (3) “the minimum transfer value”, in relation to any person, means the sum of-
- (a) any transfer value payments that have been made to the Scheme in respect of him,
 - (b) any contributions paid by him under Part C or Part C1, and
 - (c) in the case of an unreserved joiner or a reserved joiner–
 - (i) any contributions paid by him under the 1972 Section, and
 - (ii) any payments made before 1st October 2002 for the purchase of added years under the 1972 Section,

as a result of which he is entitled to count any reckonable service under this Section of the Scheme by reference to which the accrued rights subject to the transfer are calculated.

- (5) If the transfer value payment is made under the public sector transfer arrangements, the amount of the transfer value payment is calculated—
 - (a) in accordance with those arrangements rather than paragraphs (1) and (3), and
 - (b) by reference to the guidance and tables provided by the Government Actuary for the purposes of this paragraph that are in use on the date used for the calculation.
- (6) In the case of reserved joiners, this rule has effect subject to rule L.35 (transfers out: mixed transfer values).

F.6 Effect of transfers-out

Where a transfer value payment is made under this Part in respect of a person's rights under this Section of the Scheme, those rights are extinguished.

Transfers in

F.7 Applications for acceptance of transfer value payment from another scheme

- (1) Subject to the provisions of this Part, an active member may apply for a transfer value payment in respect of some or all of the rights that have accrued to or in respect of him under any of the following kinds of scheme or arrangement to be accepted by this Section of the Scheme.
- (2) They are –
 - (a) another occupational pension scheme registered under Chapter 2 of Part 4 of the Finance Act 2004,
 - (b) a personal pension scheme, or
 - (c) the Civil Service Additional Voluntary Contribution Scheme.
- (3) Paragraph (1) does not apply to rights that are directly attributable to a pension credit.
- (4) Paragraph (1) only applies in the case of a transfer from the Civil Service Additional Voluntary Contribution Scheme if the Minister considers that the amount to which the member is entitled under that Scheme is insufficient for the purchase of an annuity for the member.
- (5) Paragraph (1) does not apply if the member is on unpaid leave that does not count as reckonable service.

F.8 Procedure for applications under rule F.7

- (1) An application under rule F.7–
 - (a) must be made in writing,
 - (b) must specify the scheme or arrangement from which the transfer value payment is to be made and the anticipated amount of the payment,
 - (c) must be made in the case of a transfer value payment from an arrangement that is not an occupational pension scheme, during the period of one year beginning with the day on which the member becomes eligible to be an active member, and
 - (d) must meet such other conditions as the Minister may require.

But paragraph (c) is subject to paragraphs (2) and (3).

- (2) In the case of a transfer value payment to be made under the public sector transfer arrangements, the application under rule F.7 –
 - (a) must be made during the period of one year beginning with the day on which the member becomes eligible to be an active member, and
 - (b) must be received by the Scheme administrator before the applicant reaches the age which is the normal pension age under the scheme by which the transfer value payment is to be made.
- (3) In the case of a transfer value payment to be made by virtue of rule F.7(4) (Civil Service Additional Voluntary Contribution Scheme), an application must be made within the period of three months ending with the day on which the member is first entitled to receive benefits under Part D (or would be apart from any abatement under Part H).
- (4) The Minister may direct that an application under rule F.7 is to be treated for the purposes of this Part as having been made earlier than it was if he considers it reasonable to do so in the circumstances.
- (5) The Minister may direct that the time limit in paragraph (3) should be extended if he considers it reasonable to do so in the circumstances.

F.9 Acceptance of transfer value payments

- (1) Where an application is duly made by a member under rule F.7, the Scheme administrator may accept the transfer value payment if such conditions as the Minister may require are met, unless paragraph (4) applies.

- (2) If the Scheme administrator accepts the payment, the member is entitled to count the appropriate period of reckonable service for the purposes of this Section of the Scheme.
- (3) In paragraph (2) “the appropriate period” means the period calculated in accordance with rule F.10.
- (4) The Scheme administrator may not accept a transfer value payment if-
 - (a) it would be paid otherwise than under the public sector transfer arrangements,
 - (b) it would be applied in whole or in part in respect of the member’s or the member’s spouse’s entitlement to a guaranteed minimum pension, and
 - (c) it is less than the amount required for that purpose, as calculated in accordance with guidance and tables determined by the Minister for the purposes of this paragraph, after consultation with the Scheme actuary.

F.10 Calculation of transferred-in reckonable service

- (1) The period of reckonable service that a member is entitled to count under rule F.9(2) is calculated as at the date on which the transfer payment is received by the Scheme and in accordance with guidance and tables determined by the Minister for the purpose, after consultation with the Scheme actuary.

This is subject to paragraph (3).

- (2) For the purposes of that calculation the member’s pensionable earnings are to be taken to be the amount of those earnings as at–
 - (a) two months after the application under rule F.7 is received, or
 - (b) the date on which the transfer value payment is received,whichever is the later, and, in a case where the transfer value payment is received earlier than two months after that application is received, any necessary adjustment is to be made to that calculation to reflect any change in the amount of those earnings.
- (3) If the transfer value payment is accepted under the public sector transfer arrangements, the period the member is entitled to count is calculated–
 - (a) in accordance with those arrangements, and

- (b) by reference to the guidance and tables provided by the Government Actuary for the purposes of this paragraph, that are in use on the date that is used by the transferring scheme for calculating the transfer value payment.

Miscellaneous provisions

F.11 Public sector transfer arrangements

This Part applies in the case of a transfer to which the public sector transfer arrangements apply as it applies in other cases, except to the extent that-

- (a) any provision in this Part provides otherwise, or
- (b) the arrangements themselves make different provision.

F.12 Bulk transfers out

- (1) This rule applies where—
 - (a) the employment of one or more active members (“the transferring employees”) is transferred without their consent to a new employer,
 - (b) on that transfer the transferring employees cease to be eligible to be active members of this Section of the Scheme,
 - (c) after that transfer the transferring employees become active members of another occupational pension scheme (“the new employer’s scheme”),
 - (d) the Minister has agreed special terms for the making of transfer value payments in respect of the transferring employees to the new employer’s scheme, after consultation with the Scheme actuary, and
 - (e) the transferring employees have consented in writing to their rights being transferred in accordance with those terms.
- (2) This rule also applies where—
 - (a) the rights of one or more members (“the transferred members”) are transferred to another occupational pension scheme (“the new scheme”) from this Section of the Scheme without their

consent in accordance with section 73(2)(a)(i) and (4)(b) of the Pension Schemes Act 1993, and

- (b) the Minister has agreed special terms for the making of transfer value payments in respect of the transferred members to the new scheme, after consultation with the Scheme actuary.
- (3) In the case of the transferring members or the transferred members the transfer value payment to be paid—
- (a) is not calculated in accordance with rule F.5, but
 - (b) is to be such amount as the Minister determines to be appropriate in accordance with the special terms after consulting the Scheme actuary.
- (4) This Part has effect with such modifications as are necessary to give effect to those terms.
- (5) If a Minister of the Crown gives an undertaking concerning the pension rights of transferring members or the transferred members, this Part has effect with such modifications as the Minister considers necessary to reflect the terms of the undertaking.
- (6) If the transfer is directly or indirectly attributable to an enactment, this Part has effect with such modifications as the Minister considers necessary in consequence of the transfer.

F.13 Bulk transfers in

- (1) This rule applies where—
- (a) the employment of one or more persons (“the transferred employees”) is transferred without their consent to a new employer,
 - (b) on that transfer the transferred employees cease to be active members of an occupational pension scheme (“the former employer’s scheme”),
 - (c) after that transfer the transferred employees become active members of this Section of the Scheme,
 - (d) the Minister has agreed special terms for the acceptance of transfer value payments in respect of the transferred employees from the former employer’s scheme, after consulting the Scheme actuary, and
 - (e) the transferred employees have consented in writing to their rights being transferred in accordance with those terms.

- (2) This rule also applies where—
- (a) the rights of one or more persons (“the transferred members”) are transferred from an occupational pension scheme (“the former scheme”) to this Section of the Scheme without their consent in accordance with section 73(2)(a)(i) and (4)(b) of the Pension Schemes Act 1993, and
 - (b) the Minister has agreed special terms for the acceptance of transfer value payments in respect of the transferred members from the former scheme, after consultation with the Scheme actuary.
- (3) This Section of the Scheme has effect with such modifications as are necessary to give effect to the terms mentioned in paragraph (1)(e) or, as the case may be paragraph (2)(b).
- (4) If a Minister of the Crown gives an undertaking concerning the pension rights of the transferred employees or the transferred members, this Section of the Scheme has effect with such modifications as the Minister considers necessary to reflect the terms of the undertaking.
- (5) If the transfer is directly or indirectly attributable to an enactment, this Section of the Scheme has effect with such modifications as the Minister considers necessary in consequence of the transfer.

F13A Transfers in of former members who do not become active members of this Section

Paragraphs (4) and (5) of rule F.13 also apply where—

- (a) one or more persons who are deferred or pensioner members of this Section (“the transferred employees”) are transferred without their consent from an employment in which they are not eligible to be active members of the Scheme to an employment in which they are so eligible, and
- (b) after that transfer the transferred employee does not become an active member of the Scheme.

F.14 EU and overseas transfers

- (1) This rule applies in the case of a member whose transfer is subject to transfer arrangements concluded with-
- (a) the Communities Pension Scheme of the Institutions of the European Communities, or
 - (b) any other scheme for the provision of retirement benefits established outside the United Kingdom.

- (2) This Section of the Scheme applies in relation to the member with such modifications as the Minister considers necessary to comply with
- (a) the terms of those arrangements,
 - (b) any applicable provision contained in or made under any enactment, and
 - (c) the requirements to be met by a scheme registered under Chapter 2 of Part 4 of the Finance Act 2004.

Part G

Re-employment

Preliminary

G.1 Application of Part G: general

- (1) This Part applies to persons who—
 - (a) have been active members of the Scheme,
 - (b) have ceased to be employed in the employment that qualified them to belong to the Scheme, and
 - (c) become employed again on or after 1st October 2002 in an employment that qualifies them to belong to this Section of the Scheme.
- (2) But paragraph (1) does not apply where rule A.11(1) (disregard of short breaks in service) applies.
- (3) In these rules an active member of this Section of the Scheme to whom this Part applies is referred to as a “a re-employed active member”.
- (4) In this Part, in relation to any re-employed active member—
 - (a) the employment referred to in paragraph (1)(b) is referred to as “the earlier employment”, and
 - (b) the employment referred to in paragraph (1)(c) is referred to as “the current employment”.
- (5) Certain rules in this Part also apply to members who opted to cease to be active members and then became such members again (see rule G.7 (application of rules G.3 and G.4 to members who opted to leave Scheme)).
- (6) This Part also makes provision (see rule G.5) in relation to persons who—
 - (a) received a marriage gratuity under Treasury Minutes of 30 August 1957 or 3rd May 1966, and
 - (b) on or after 1st October 2002 enter an employment that qualifies them to belong to this Section of the Scheme.

Treatment of separate periods of service: aggregation

G.2 General rule: periods of service treated separately

- (1) The general rule is that—
 - (a) the reckonable service and qualifying service that a re-employed active member was entitled to count immediately before becoming an active member in the current employment is disregarded in determining rights in respect of his service in that employment, and
 - (b) the reckonable service and qualifying service that a re-employed active member is entitled to count as a result of his membership in the current employment is disregarded in determining rights in respect of his service in the earlier employment.
- (2) That general rule is subject to the following provisions of this Part (and see also rule A.11 (disregard of short breaks in service)).

G.3 Option to aggregate earlier membership: previous members of this Section

- (1) Subject to paragraph (6) this rule applies in the case of a re-employed active member who immediately before becoming an active member in the current employment was entitled under these rules to count reckonable service and qualifying service.
- (2) The member may opt for that service—
 - (a) to be aggregated with the reckonable service and qualifying service that he is entitled to count as a result of his membership of this Section in the current employment for the purpose of determining rights under this Section in respect of that membership, and
 - (b) to be disregarded for all other purposes of the Scheme.

This is subject to the following paragraphs.

- (3) If the service mentioned in paragraph (1) is service in respect of two or more earlier periods of membership, the member may only exercise the option under paragraph (2) in relation to the service in respect of the later of those periods (or, if there are more than two, the latest of them).
- (4) But in paragraph (3) the reference to the later or latest of those periods includes—

- (a) any period (“the earlier aggregated period”) in respect of which the member has previously exercised the option under paragraph (2) or rule G.4 or an option under rule K.7 or L.6 if he had the right to exercise that option because of his being a member in that later or latest period of service, and
- (b) any period earlier than the earlier aggregated period in respect of which the member previously exercised such an option if he had the right to exercise that option because of his being a member in the earlier aggregated period,

and so on.

- (5) If the re-employed active member was a reserved joiner in respect of his service in the earlier employment, the reckonable service and qualifying service he may count as a result of the exercise of the option under this rule is to be calculated in accordance with guidance and tables provided for the purpose by the Scheme Actuary.
- (6) A person to whom rule B.3(4) applies (eligibility where pension or lump sum previously received) may not exercise the option in paragraph (2) in respect of the previous employment referred to in that rule.

G.4 Option to aggregate earlier membership: members joining this Section for first time

- (1) Subject to paragraph (6) this rule applies in the case of a re-employed active member to whom rule G.3 does not apply who was awarded a preserved pension and lump sum under rule 3.11 of the 1972 Section.
- (2) The member may opt for the qualifying and reckonable service in respect of which the member was awarded the preserved pension—
 - (a) to be aggregated with the reckonable service and qualifying service that he is entitled to count as a result of his membership of this Section in the current employment for the purpose of determining rights under this Section in respect of that membership, and
 - (b) to be disregarded for all other purposes.

This is subject to paragraphs (3) to (6).

- (3) If the member is entitled to more than one preserved pension under rule 3.11 of the 1972 Section, the member may only exercise the option under paragraph (2) in relation to the service to which the later (or, if there are more than two, the latest) of the awards relates.
- (4) Where a person exercises the option under paragraph (2), the reckonable service and qualifying service he may count as a result of

the exercise of the option is to be calculated in accordance with guidance and tables provided for the purpose by the Scheme Actuary.

- (5) If–
- (a) the award under the 1972 Section of a member who exercises an option under this rule is subject to a pension debit, and
 - (b) in the opinion of the Scheme administrator it is necessary for the purpose of giving effect to the pension debit for some or all of the benefits to which the pension member is entitled under this Section of the Scheme as a result of exercising the option to be taken in a different form from that in which he would otherwise be entitled to take them,

the Scheme administrator may, after taking advice from the Scheme actuary, make such modifications to the member's rights as to the form of those benefits as he considers necessary for that purpose.

- (6) A person to whom rule B.3(4) applies (eligibility where pension or lump sum previously received) may not exercise the option in paragraph (2) in respect of the previous employment referred to in that rule.

G.5 Marriage gratuitants joining this Section for first time

- (1) This rule applies in the case of a person who–
- (a) received a marriage gratuity under Treasury Minutes of 30 August 1957 or 3rd May 1966 in respect of a period of service (“the gratuity service”),
 - (b) on or after 1st October 2002 enters an employment that qualifies her to belong to this Section of the Scheme and becomes an active member, and
 - (c) has not previously become an active member of the 1972 Section or this Section of the Scheme after receiving that gratuity.
- (2) The person may opt for the gratuity service to be aggregated with the reckonable service and qualifying service that she is entitled to count as a result of her membership of this Section of the Scheme for the purpose of determining rights under this Section of the Scheme in respect of that membership.

This is subject to paragraph (3).

- (3) A person may only exercise the option under paragraph (2) if she repays the amount of the marriage gratuity to the Minister in such manner as the Minister requires.

- (4) The reckonable service and qualifying service a person may count as a result of the exercise of the option is to be calculated in accordance with guidance and tables provided for the purpose by the Scheme actuary.

G.6 Procedure for exercising options under rules G.3 to G.5

- (1) An option under rule G.3(2) or G.4(2) may only be exercised before the end of—
 - (a) the period of 12 months beginning with the day on which the current employment begins, or
 - (b) such longer period, if any, as the Minister or, if the Minister so directs, the Scheme administrator considers appropriate.
- (2) An option under rule G.5 may only be exercised before the end of—
 - (a) the period of three months beginning with the day on which the current employment begins, or
 - (b) such longer period, if any, as the Minister or, if the Minister so directs, the Scheme administrator considers appropriate.
- (3) An option under rule G.3(2), G.4(2) or G.5 may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.

G.7 Application of rules G.3 and G.4 to members who opted to leave Scheme

- (1) Rules G.3 and G.4 apply to a member who, having been an active member of the Scheme, opted to cease to be such a member whilst continuing to be employed in the employment that qualified him to belong to the Scheme as they apply to a member who ceases to be so employed.
- (2) In relation to such a person those rules apply as if he had ceased to be so employed when he ceased to be an active member by virtue of the option and had been re-employed at the time when he becomes an active member again.
- (3) This rule does not apply where rule A.11 (2) (disregard of short breaks in service) applies.

G.8 Re-employment after awards under the Civil Service Compensation Scheme

- (1) This rule applies where—

- (a) a re-employed active member has received benefits under section 2 of the Civil Service Compensation Scheme (compulsory retirement and redundancy) or section 3 of that Scheme (flexible retirement) on the basis of enhanced reckonable service, and
 - (b) the period by which his reckonable service was enhanced (“the enhancement period”) exceeds the period beginning with the day on which his early retirement began (“the first retirement day”) and ending with the day before he was re-employed.
- (2) The re-employed member’s current service counts as reckonable service for the purposes of this Section of the Scheme only in so far as it is service after the time when the period since the beginning of the first retirement day equals the enhancement period.

G.9 Re-employed members with preserved pensions

- (1) This rule applies to a re-employed active member –
- (a) whose current active membership period ends on or after 6th April 2006,
 - (b) who, in respect of an earlier period of employment, has a preserved pension under this Section or the 1972 Section, and
 - (c) who does not exercise an option under rule G.3 or rule G.4.
- (2) Where this rule applies the qualifying service in respect of which the member was awarded the preserved pension shall be aggregated with the qualifying service that he is entitled to as result of his current membership of this Section.

Part H

Abatement

H.1 Application of Part H

- (1) This Part applies where a person who is a pensioner member or a deferred member of this Section of the Scheme is re-employed before his 75th birthday as a Civil Servant or in an employment or office of a kind listed for the time being in Schedule 1 to the Superannuation Act 1972 (whether or not he is an active member in that employment).
- (1A) An active member who becomes a pensioner member on becoming entitled to a pension under rule D.1A (partial retirement) in connection with exercising the option under that rule following a change in the terms on which the member holds an employment is treated for the purposes of this Part as a re-employed pensioner.
- (2) In this Part—
- (a) a person to whom this Part applies is referred to as a “re-employed pensioner”,
 - (b) the pension to which he is or will become entitled is referred to as the “old service pension”,
 - (bb) the “old service pension” includes—
 - (i) where paragraph (1A) applies, any contributed pension to which the member is entitled under rule D.1A, or
 - (ii) otherwise, any contributed pension to which the member is entitled under Part C1 in respect of which contributions were paid during the old service, and
 - (c) the service
 - (i) in the employment that has terminated, or
 - (ii) up to and including the relevant last day (as defined in rule D.1A(12)),
and in respect of which the pension is or will be payable, is referred to as the “old service”, and
 - (d) the service
 - (i) that the person enters on re-employment, or

- (ii) after the relevant last day (as defined in rule D.1A(12)),
is referred to as the “new service”.
- (2A) In the case of a re-employed pensioner whose old service ends before 1st April 2007 and who has not exercised an option in accordance with paragraph (2B)(b), references in this Part to –
- (a) “the old rate” mean the amount of the annual rate of basic pay payable to the re-employed pensioner as at the last day of his old service; and
- (b) “the new rate” mean the amount of the annual rate of the basic pay payable to him at the time he enters the new service.
- (2B) Paragraph (2C) applies to a re-employed pensioner –
- (a) whose old service ends after 31st March 2007; or
- (b) (i) whose old service ends before 1st April 2007 and (ii) who has opted by notice in writing in such form and at such time as the Minister requires for paragraph (2C) to apply to him.
- (2C) In the case of a re-employed pensioner to whom this paragraph applies, references in this Part to -
- (a) “the old rate” mean his final pensionable earnings as at the last day of his old service as calculated for the purposes of rule E.15 (lump sum death benefit: active member), but without applying rule A.6 (permitted maximum); and
- (b) “the new rate” mean the amount of the annual rate of his permanent pensionable earnings payable to him at the time he enters the new service.
- (3) This Part does not apply if the new service is–
- (a) for a period of less than 15 days in any 91 day period, or
- (b) for periods totalling in aggregate less than 15 days in any 91 day period.
- (4) In the case of a person who is re-employed on a fee-paid basis, references in this Part to the annual rate of the basic pay or permanent pensionable earnings payable to him at the time he enters the new service include references to the fees payable to him, expressed as an annual rate.
- (5) This Part does not apply to a re-employed pensioner who has reached the age of 75.

H.2 Abatement of pensions on re-employment: general rules

- (1) If—
- (a) in respect of a re-employed pensioner, the old rate exceeds the new rate, and
 - (b) the annual rate of the old service pension to which he is entitled at the time of re-employment, or, if he is a deferred member, at the time when he becomes entitled to payment of the pension, is greater than the amount of that excess,

the annual rate of the old service pension as at that time is reduced by such amount (“the reduction amount”) as is necessary so that it is equal to the amount of that excess as at that time.

- (2) If the new rate equals or exceeds the old rate, payment of the old service pension to the re-employed pensioner during the new service will be suspended.
- (3) Where paragraph (1) applies, the annual rate of the old service pension continues to be reduced by the reduction amount, regardless of any subsequent increase in the annual rate of the old service pension under the Pensions (Increase) Act 1971 after the time when the member is re-employed, or if he is a deferred member, after the time he becomes entitled to payment of the pension.
- (4) In the case of a person who becomes a re-employed pensioner before 1st October 2007 and who exercises the option under rule D.8 (general option to exchange part of pension for lump sum) in relation to the old service pension, references in this rule to the annual rate of that pension are to its annual amount after commutation under that rule.
- (5) In the case of a person who becomes a re-employed pensioner after 30th September 2007, references in this rule to the annual rate of the old service pension are to its annual amount multiplied by 0.8125.
- (6) For a person who becomes a re-employed pensioner after 30th September 2007 and who in respect of his old service pension is a reserved joiner, see rule L.14(3).

H.3 Abatement of pensions: effect of changes after re-employment

- (1) This rule applies where after the re-employed pensioner enters the new service any of the following changes occurs—
- (a) the number of hours the re-employed pensioner is required to work in his new service alters,

- (b) the re-employed pensioner is re-employed in another post or his post is regraded
 - (c) the re-employed pensioner's basic pay, or, in the case of a person to whom rule H.1(2C) applies, permanent pensionable earnings, changes as a result of being on, or returning from, sick leave, or
 - (d) in the case of a re-employed pensioner to whom rule H.1(2C) applies, the person starts, or ceases, to receive a permanent allowance that is treated as permanent pensionable earnings under rule A.2(2)(b).
- (2) Rule H.2 applies from the time of the change as if the re-employed pensioner were being re-employed at the time of the change, and the service before the change is disregarded.

H.4 Special rules in cases of entitlement to two or more pensions

- (1) This rule applies where the re-employed pensioner is entitled, or apart from this Part would be entitled, to the payment of more than one pension in respect of old service, (including cases where, in addition to being entitled to one or more pensions under this Section, the re-employed pensioner is entitled to one or more pensions under the 1972 Section).
- (2) If two or more of the pensions relate to service that ended before the re-employed pensioner's pension age, for the purposes of rules H.2 and H.3, the old rate is taken to be whichever of the old rates is the greater or greatest.

H.5 Minister's power to modify Part H

- (1) This rule applies if the Minister considers that in any case or class of cases there are special circumstances which call for exceptional treatment under this Part.
- (2) The Minister may direct that in the case or class of cases in question rule H.2(1) or (2) or H.3(2) is not to apply or is only to apply to the extent that the Minister directs.

H.6 Adjustment of the old rate

- (1) If the re-employed pensioner's new service does not begin immediately after the old service ceases, the old rate is taken to be the adjusted old rate.
- (2) In paragraph (1) "the adjusted old rate" means the old rate, increased by the same amount, if any, as a pension would have been increased

under the Pensions (Increase) Act 1971 by the day on which the new service began if–

- (a) the amount payable was equal to the old rate,
- (b) it came into payment on the day after the old service ceased,
and
- (c) it was eligible to be increased under that Act.

H.7 General disregard of effect of abatement

In rules C1.17 and C1.18 and Part E of these Rules, and in Parts K and L as they have effect in relation to benefits payable under rules C1.17 and C1.18 and Part E, references to the amount of the pension payable to a person are to be taken as references to the amount so payable apart from any reduction falling to be made under this Part.

Part J

Miscellaneous and supplementary provisions

Pension credit members with two or more pension credits

J.1 Pension credit members with two or more entitlements

- (1) Where a pension credit member is entitled to two or more pension credits-
 - (a) benefits are payable to or in respect of the member under this Section of the Scheme as if he were two or more pension credit members, each being entitled to one of the pension credits (so that two or more pensions or lump sums are payable in respect of the one pension credit member), and
 - (b) the amounts of those benefits are determined accordingly.
- (2) Where a pension credit member is also an active member, a deferred member or a pensioner member-
 - (a) benefits are payable to the member under this Section of the Scheme as if he were two or more members (so that two or more pensions are payable in respect of the one member), and
 - (b) the amounts of those pensions or any other sums payable in respect of them are determined accordingly.

Forfeiture

J.2 Events enabling forfeiture

- (1) This paragraph applies to a member who is an active member, a deferred member or a pensioner member if he—
 - (a) is convicted of one or more offences under the Official Secrets Acts 1911 to 1989 for which the member has been sentenced on the same occasion-
 - (i) to a term of imprisonment of at least 10 years, or
 - (ii) to two or more consecutive terms amounting in the aggregate to at least 10 years,
 - (b) is convicted of an offence in connection with the employment that qualifies the member to belong to this Scheme, in respect of which a Minister of the Crown has issued a forfeiture certificate, or

- (c) has after becoming a member of this Scheme incurred a monetary obligation to the Crown or, if the member is not employed by the Crown, to the member's employer which—
 - (i) arises out of a criminal, negligent or fraudulent act or omission by the member, and
 - (ii) arises out of or is connected with the member's employment relationship with the member's employer.
- (2) This paragraph applies to a person who is convicted of the murder or manslaughter of the member or any other offence which involves the unlawful killing of the member.
- (3) In paragraph (1)(b) "forfeiture certificate" means a certificate that the Minister issuing the certificate is satisfied that the offence—
 - (a) has been gravely injurious to the State, or
 - (b) is liable to lead to a serious loss of confidence in the public service.

J.3 Forfeiture of benefits

- (1) The Minister may withhold benefits payable under this Section of the Scheme in respect of a member to whom paragraph (1) of rule J.2 applies to such extent as the Minister considers appropriate.

This is subject to paragraphs (3) to (5).
- (2) The Minister may withhold pension benefits payable under Part E and (if applicable) rules C1.17 and C1.18 to a person to whom paragraph (2) of rule J.2 applies to such extent as the Minister considers appropriate, and if the whole of a person's benefits are so withheld that Part and (if applicable) rules C1.17 and C1.18 shall apply as if that person had predeceased the member.

This is subject to paragraph (4).
- (3) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to benefits under this Section of the Scheme, paragraph (1) only applies to so much of the member's pension as exceeds that guaranteed minimum, unless rule J.2(1)(a) (Official Secrets Acts offences) applies.
- (4) In the case of a pension payable to the surviving spouse of a member, paragraph (1) is subject to rule E.27 (guaranteed minimum pensions for surviving spouses).

- (5) Where rule J.2(1)(c) (monetary obligations) applies–
- (a) if the amount of the obligation is in dispute, paragraph (1) only applies if the obligation has become enforceable–
 - (i) under an order of a competent court, or
 - (ii) in consequence of an award of an arbitrator or, in Scotland, an arbiter to be appointed (failing agreement by the parties) by the sheriff,
 - (b) only benefits to which the member himself is entitled may be withheld, and
 - (c) the benefits withheld must not exceed the amount of the monetary obligation or, if less, the value of the person's entitlement or the accrued right in question (as determined under section 93(2) of the Pensions Act 1995).
- (6) This rule is without prejudice to section 2 of the Forfeiture Act 1870 (under which forfeiture is required in cases of treason, subject to whole or partial restoration under section 70(2) of the Criminal Justice Act 1948).

J.4 Procedure and appeals

- (1) If the Minister proposes to withhold a person's benefits under rule J.3, he must notify the person in writing that he proposes to do so.
- (2) The person may appeal against the Minister's proposal to the Civil Service Appeal Board.
- (3) On such an appeal the Civil Service Appeal Board–
 - (a) may confirm or reject the Minister's proposal, or
 - (b) may amend it so as reduce the extent to which the benefits are withheld.
- (4) The Minister must comply with the Board's decision.
- (5) If the Minister withholds benefits under rule J.3 in a case where rule J.2(1)(c) (monetary obligations) applies, the member must be given a certificate showing any amount withheld and the effect of its being withheld on his benefits under this Section of the Scheme.

Commutation of small pensions

J.5 Commutation of small pensions

- (1) Where the member's relevant entitlements do not exceed the small pensions commutation maximum and the commutation requirements that apply are met, the Scheme administrator may pay the person entitled to any of the following pensions a lump sum of such an amount as the Scheme actuary advises represents the capital value of the pension if—
- (a) that person consents, and
 - (b) in a case where that person is a member and the pension is one which may not be less than his guaranteed minimum, he has reached state pension age.
- (2) Those pensions are—
- (a) a pension to which a member is entitled under Part D,
 - (b) a pension payable to any person under Part E (death benefits), or
 - (c) a pension payable to any person under Part C1 (contributed pension).
- (3) If—
- (a) a member is entitled to more than one pension in respect of the employment by virtue of which he is eligible for membership of this Section of the Scheme, or
 - (b) a person is entitled to more than one pension in respect of the same member and the same employment of the member, or
 - (c) a pension credit member is entitled—
 - (i) to more than one pension under rule D.2, or
 - (ii) to one or more pensions within sub-paragraph (a) in addition to one or more pensions under rule D.2,
- those pensions may only be commuted under this rule if they do not in aggregate exceed the amount that is permitted to be commuted under all the commutation requirements that apply in the circumstances in question.
- (4) The payment of a lump sum under this rule in respect of a pension discharges all liabilities under these rules in respect of that pension.

(5) In this rule–

“the small pensions commutation maximum” means the amount that is permitted to be commuted, having regard to all the commutation requirements that apply in the circumstances in question, and

“the commutation requirements” means requirements permitting the commutation of small pensions that are imposed–

- (a) by regulation 20 or 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996,
- (b) by paragraph 7 of schedule 29 to the Finance Act 2004 or, in relation to a pension payable under Part E, by paragraph 20 of schedule 29 to the Finance Act 2004, or
- (c) by regulation 3(2)(b) of the Pension Sharing (Pension Credit Benefit) Regulations 2000.

Determination of questions

J.6 Determination of questions

Except as otherwise provided by these rules, any question arising under this Section of the Scheme is to be determined by the Minister, whose decision on it shall be final.

Information, evidence, suspension etc.

J.7 Information and evidence

- (1) The Minister may require any person who is receiving a pension under this Section of the Scheme to provide him with evidence to establish–
 - (a) the person’s identity, and
 - (b) his continuing entitlement to payment of any amount.
- (2) If such evidence is not provided, the Minister may withhold the whole or any part of any benefits payable under this Section of the Scheme in respect of the person.

J.8 Modification of pension entitlements: false statements etc. about ill-health

- (1) This rule applies where–
 - (a) an ill-health pension has been awarded to a member, or

- (b) the Minister has accepted an application by the member for a transfer value payment from another scheme,

and subsequently it appears to the Minister that the member made a false declaration about his health or deliberately suppressed a material fact.

- (2) The Minister may—
 - (a) cease paying the pension,
 - (b) withhold the whole or part of the pension, or
 - (c) recover any payment made.

J.9 Administrator for purposes of tax legislation

The Cabinet Office is appointed to be responsible for the discharge of all duties relating to the Scheme which are imposed on the administrator under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988.

J.10 Payment on behalf of members of lifetime allowance charge

- (1) A member may request the person who is the scheme administrator for the purposes of section 217 of the Finance Act 2004 (“the administrator”) to pay on his behalf any amount that is payable by way of the lifetime allowance charge under section 214 of the Finance Act 2004 when—
 - (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to him, and
 - (b) the member and the administrator are jointly and severally liable in relation to that event.
- (2) Such a request may only be made by notice in writing given before the event occurs.
- (3) The administrator may only comply with such a request if the member pays the administrator the amount in question on or before the date on which the event occurs.

J.11 Reduction of benefits where lifetime allowance charge payable

- (1) This rule applies if—

- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to a member,
 - (b) the member and the scheme administrator for the purposes of section 217 of the Finance Act 2004 (“the administrator”) are jointly and severally liable in relation to that event, and
 - (c) no request has been duly made under rule J.10 in relation to the event or, if such a request has been made, the administrator is prevented from complying with it by paragraph (3) of that rule.
- (2) Where this rule applies the administrator must pay any of the tax payable on the event.
 - (3) The benefits payable to or in respect of the member, or the transfer payment in the case of event 8 in the table in section 216(1) of the Finance Act 2004, shall be reduced to reflect fully the amount of tax payable.
 - (4) The amount of the reduction shall be determined in accordance with guidance provided by the Minister and, in the case of any reduction to pension benefits, consistent with normal actuarial practice.

J.12 Reduction of prospective benefits at member’s request

- (1) If a member requests, prospective benefits to and in respect of him shall be reduced by such amount as he agrees with the Minister. This is subject to paragraph (2) and rules D.15 and E.27 (guaranteed minimum pensions).
- (2) A request under paragraph (1) must be made in writing to the Scheme administrator before the member’s benefits have come into payment.
- (3) Any reduction in respect of prospective benefits under this rule shall be irrevocable once the benefits have come into payment.

Part K

1972 Section leavers: Unreserved joiners

Preliminary

K.1 Application of Part K: meaning of “unreserved joiner”

- (1) This Part makes provision in relation to persons who-
 - (a) are active members of the 1972 Section immediately before 1st October 2002, and
 - (b) opt to become members of this Section of the Scheme on the basis set out in this Part.
- (2) In these rules a member of this Section to whom this Part applies is referred to as an “unreserved joiner”.
- (3) If an unreserved joiner becomes a re-employed active member, this Part does not apply in relation to his service after he does so unless the break in service immediately before such re-employment did not exceed six months.

K.2 Options for 1972 Section members to join this Section under Part K

- (1) A person who—
 - (a) would be eligible to join this Section of the Scheme by virtue of his employment if he met the condition in rule B.1(5)(a) (which requires that the person’s employment began on or after 1st October 2002), and
 - (b) immediately before that date was an active member of the 1972 Section by virtue of his employment,

may opt to join this Section of the Scheme under the terms of this Part unless he has been re-employed on or after his reaching pension age.

- (2) The option may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires not later than 31st March 2003.

For this purpose the notice is treated as having been given on the date on which it is received by the Scheme administrator.

This is subject to paragraph (6).

- (3) The option has effect from 1st October 2002.
- (4) If contributions due from the member under Part C in respect of any periods beginning on or after 1st October 2002 are not made when they are due because of the time when the option is exercised (whether or not that is on or after 1st October 2002), the amount overdue is to be paid by deduction from the member's pensionable earnings in such manner and at such rate as the Minister requires.
- (5) If, in a case where paragraph (4) applies, the member ceases to be an active member before the amount overdue has been paid under that paragraph, the amount outstanding becomes payable immediately.
- (6) The Minister may direct that the time limit in paragraph (2) should be extended if he considers that the person has not had a reasonable opportunity to consider whether to exercise the option

Transfer of service from the 1972 Section

K.3 Service credited from the 1972 Section

- (1) On becoming an unreserved joiner, a member becomes entitled to count the following service under this Section.
- (2) The member may count as qualifying service a period equal in length to the period of qualifying service which the member was entitled to count under the 1972 Section (but not exceeding 40 years).
- (3) The period of reckonable service which the member may count under this Section is calculated by multiplying the period of reckonable service in years (not exceeding 40 years) which the member is entitled to count under the 1972 Section by 0.92 or, in a case where paragraph (4) applies, the factor specified in that paragraph for that case.

This is subject to paragraphs (5) and (6) and rule K.7 (treatment of preserved awards).

- (4) If the member has not paid contributions for all the reckonable service he may count under the 1972 Section so as to entitle a surviving spouse of the member to a surviving spouse's pension at half the rate of the member's retirement pension—
 - (a) for the period of reckonable service in years in respect of which the member paid such contributions so as to entitle a surviving spouse of the member to a surviving spouse's pension at a third of the rate of the member's pension—
 - (i) if the member is a man, the factor is 0.88, and
 - (ii) if the member is a woman, the factor is 0.91, and

(b) for the period of reckonable service in years in respect of which the member paid no contributions so as to entitle a surviving spouse of the member to a surviving spouse's pension—

(i) if the member is a man, the factor is 0.80, and

(ii) if the member is a woman, the factor is 0.89.

This is subject to paragraphs (5) and (6) and rule K.7 (treatment of preserved awards).

(5) If a reduction under rule 3.19 of the 1972 Section (modification on account of National Insurance benefits) would have applied if a pension had become payable in respect of the unreserved joiner under section 3 of that Section, then the reckonable service the member may count under this Section, as calculated under paragraphs (2) and (3), is reduced.

(6) The amount of the reduction is—

$A \times B/C$

where—

A is the amount of the annual reduction in pension that would have applied under rule 3.19 from the member's state pension age,

B is such factor as the Scheme actuary may advise by reference to the member's sex and to the member's age on 30th September 2002, and

C is the member's pensionable earnings at that date for the purposes of the 1972 Section.

(7) When an unreserved joiner becomes a member of this Section under this Part all rights in respect of him under the 1972 Section by reference to qualifying or reckonable service that is taken into account in calculating the reckonable service or qualifying service he is entitled to count under this Section cease.

K.3A Reinstatement of part-time service which was formerly not pensionable

(1) An unreserved joiner may apply to make contributions to reinstate a period of part-time service on or after 8th April 1976 and before 1st January 1995 which was formerly not pensionable and which forms part of a period of continuous employment ending no earlier than six months before the date on which the application is made.

- (2) The application is to be made by notice in writing to the Scheme administrator in such form as the Minister may prescribe or is willing to accept.
- (3) The amount of contributions payable is calculated as it would have been under rule 4.69 of the 1972 Section in respect of the reckonable service the unreserved joiner could have applied to reinstate under the 1972 Section.
- (4) If an unreserved joiner leaves service when he has paid some but not all the contributions due under paragraph (3), he may elect to pay the outstanding contributions due.
- (5) If an unreserved joiner dies when he has paid some but not all of the contributions due under paragraph (3), the outstanding contributions due are to be deducted from any lump sum death benefits payable or, if none are payable, his personal representatives may elect to make a single lump sum payment of the outstanding amount.
- (6) If the outstanding contributions referred to in paragraphs (4) and (5) are not made, the period of reckonable service the unreserved joiner may count under this rule is reduced.
- (7) The amount of the reduction is-
$$A \times B/C$$
where-
A is the period of reckonable service the unreserved joiner could have counted under paragraph (8),
B is the amount of the outstanding contributions, and
C is the amount of contributions payable under paragraph (3).
- (8) The period of reckonable service which an unreserved joiner may count under this rule is calculated by applying rule K.3(3) to the period of reinstated reckonable service in years which he would have been entitled to count under the 1972 Section.

K.4 Treatment of added years: contributions paid before 1st October 2002

- (1) For the purposes of rule K.3(3), the reckonable service of a member who—
 - (a) has bought added years under section 7 of the 1972 Section, or

- (b) is buying them under a contract which is in force on 30th September 2002,

is first calculated as if he were leaving the Scheme on that date before multiplying by the factor specified in rule K.3(3) or, in a case where paragraph (2) applies, the factor specified in that paragraph for that case.

- (2) Where, if the member had left the Scheme on that date, any period of added years bought by him would not entitle a surviving spouse of the member to a surviving spouse's pension, then for that period—
- (a) if the member is a man, the factor is 0.80, and
- (b) if the member is a woman, the factor is 0.89.

K.5 Treatment of added years: contributions paid on or after 1st October 2002

- (1) This rule applies where an unreserved joiner is buying added years under a contract which is in force on 30th September 2002 and does not terminate on that date.
- (2) This Section of the Scheme is to apply as respects contributions made after that date as if the option to pay the additional contributions under section 7 of the 1972 Section had been exercised under rule C.4 of this Section, and those contributions are to continue to be paid after that date accordingly (subject to any later amendment or cancellation of the contract).

This is subject to paragraphs (3) to (5).

- (3) The reckonable service the member may count as a result of making those contributions is first calculated as it would have been if he had remained an active member of the 1972 Section after 30th September 2002, and then reduced under rule K.3 as if he had been entitled to count it on September 30th 2002.

This is subject to paragraphs (4) and (5).

- (4) Where—
- (a) the contributions payable under rule C.4 by virtue of paragraph (2) would exceed the amounts permitted by rules C.4(6) and C.13, and
- (b) only one contract was in force on 30th September 2002,

the contract has effect on and after 1st October 2002 as if it related only to the maximum amounts that are so permitted.

- (5) Where—
- (a) the contributions payable under rule C.4 by virtue of paragraph (2) would exceed the amounts permitted by rules C.4(6) and C.13, and
 - (b) two or more contracts were in force on 30th September 2002,
- then on and after 1st October 2002 each of those contracts has effect as if it related to such amount as is agreed between the member and the Scheme administrator.

K.6 Treatment of added years: grants

- (1) This rule applies where a grant of a period of added years has been made under rule 2.23, 2.24 or 2.24a of the 1972 Section in respect of a member who is an unreserved joiner.
- (2) For the purposes of rule K.3(3), the period of reckonable service attributable to the grant of added years that the member is entitled to count under the 1972 Section is first calculated as if he were leaving the Scheme on 30th September 2002, and then the result is multiplied by the factor specified in rule K.3(3).
- (3) The remaining period of the grant of added years continues to accrue after that date at the same rate as it did until that date, subject to paragraph (4).
- (4) In respect of any period that would have accrued after that date the member may count under this Section—
 - (a) a period of qualifying service equal to the period that would have accrued, and
 - (b) a period of reckonable service equal to the period that would have accrued, multiplied by 0.92.

K.7 Treatment of preserved awards

- (1) This rule applies where a member who is an unreserved joiner—
 - (a) has been awarded a preserved pension and lump sum under rule 3.11 of the 1972 Section in respect of service which ended before the beginning of the service which is current on 30 September 2002, and
 - (b) neither the pension nor the lump sum has been brought into payment by that date.

For this purpose, a pension is treated as being in payment if it would be apart from abatement under rule 3.26 of the 1972 Section.

- (2) Rule K.3 does not apply to the qualifying and reckonable service in respect of which the member was awarded the preserved pension, unless when the member exercises the option under rule K.2(1) (option to join this Section under the terms of this Part) he opts for it to do so; and if a member does so opt, that service is disregarded for all purposes of the 1972 Section.
- (3) If the member has been awarded more than one preserved pension in respect of which paragraph (1) applies, he may only exercise the option under paragraph (2) in respect of the latest award.
- (4) An option under paragraph (2) may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires.

K.8 Members re-employed after awards under the Civil Service Compensation Scheme

- (1) This rule applies where—
 - (a) an unreserved joiner has received benefits under section 2 of the Civil Service Compensation Scheme (compulsory retirement and redundancy) or section 3 of that Scheme (flexible retirement) on the basis of enhanced reckonable service, and
 - (b) the period by which his reckonable service was enhanced (“the enhancement period”) exceeds the period beginning with the day on which his early retirement began (“the first retirement day”) and ending with 30th September 2002.
- (2) The unreserved joiner’s service on and after 1st October 2002 counts as reckonable service only in so far as it is service after the time when the period since the beginning of the first retirement day equals the enhancement period.

K.9 Transfers in: transitional provision

- (1) This rule applies where—
 - (a) a member applied in writing for the 1972 Section to accept a transfer value payment in respect of him,
 - (b) the member is an unreserved joiner, and
 - (c) the transfer value payment is received on or after 1st October 2002.

- (2) If the transfer value payment is received before the expiry of the period of one year beginning with the date on which the member became an active member (or if he has become such a member more than once, the last such date), the period of reckonable service that the member is entitled to count for the purposes of this Section of the Scheme—
 - (a) is first calculated in accordance with the 1972 Section, and
 - (b) is then reduced in accordance with rule K.3 as if it were reckonable service that the member was entitled to count under the 1972 Section.
- (3) If the transfer value payment is not received as mentioned in paragraph (2), the period of reckonable service that the member is entitled to count for the purposes of this Section of the Scheme is calculated in accordance with the rule F.10, but the date for the purposes of rule F.10(1) and rule F.10(2) is taken to be the date on which the payment is received.
- (4) The period that the member is entitled to count as a result of the transfer value payment is treated as reckonable service on or after 1st October 2002.

Miscellaneous provisions

K.10 Rights of certain unreserved joiners to earlier pension age etc.

- (1) This rule applies to unreserved joiners—
 - (a) to whom rule 2.27 of the 1972 Section applied immediately before 1st October 2002 (prison officers in post on 30 September 1987), or
 - (b) whose pension age is reduced under rule 2.31 of that section (reduction of pension age in cases of certain overseas service).
- (2) The pension age of such members is the same as their pension age was under the 1972 Section.

K.11 Repayment of certain contributions

- (1) An unreserved joiner who has paid contributions in respect of widow's or widower's benefits for service exceeding 40 years is entitled to payment of an amount equal to the contributions paid before 1st October 2002 for the excess service.
- (2) An unreserved joiner who has paid contributions in pursuance of an option exercised under rule 4.14(iii) or 4.22aa of the 1972 Section (additional contributions paid to avoid reduction or elimination of lump sum deduction for enhancement of reckonable service on early

retirement) is entitled to payment of an amount equal to the contributions paid before 1st October 2002.

- (3) The unreserved joiner's employer must pay any amount due under this rule as if it were an amount of unpaid salary.
- (4) In paragraph (1) "service" means service counting as reckonable service under the 1972 Section.

K.12 Cancellation of obligations in respect of shortfalls in surviving spouse contributions

- (1) This rule applies where, if an unreserved joiner had died immediately before he joined this Section of the Scheme, rule 4.17 or 4.23b of the 1972 Section would have applied (recovery of unpaid contributions under rules 4.15, 4.16, 4.23 or 4.23a of that Section).
- (2) Without prejudice to rule K.3(7), after the unreserved joiner has joined this Section no deduction may be made under or recovery enforced by the Scheme in respect of any contributions in respect of which rule 4.17 or 4.23b would have applied if the unreserved joiner had died at that time.

K.13 Pension debit members

- (1) This rule applies where—
 - (a) on becoming a member of this Section of the Scheme an unreserved joiner is a pension debit member, and
 - (b) in the opinion of the Scheme administrator it is necessary for the purpose of giving effect to the pension sharing order to which the member's rights are subject for some or all of the benefits to which the pension member is entitled under this Section of the Scheme to be taken in a different form from that in which he would otherwise be entitled to take them.
- (2) The Scheme administrator may, after taking advice from the Scheme actuary, make such modifications to the member's rights as to the form of those benefits as he considers necessary for that purpose.

K.14 Disapplication of rule E.7

Rule E.7 (actuarial reductions in pensions under rules E.1 and E.2) does not apply to a pension payable under rule E.1 in the case of a member who was an unreserved joiner if the member had been married to the person to whom the pension is payable since before 1st October 2002.

K.15 Special rules as to service to be taken into account when lump sum taken under rule D.8

- (1) This rule applies to an unreserved joiner who ceased to be an active member before 1st October 2007 for the purpose of calculating the periods of service by reference to which the maximum lump sum for which pension rights may be exchanged under rule D.8 is calculated (see rule D.8(3)(b)(i)).
- (2) If an unreserved joiner is entitled to count reckonable service under rules K.3 to K.7 that includes—
 - (a) a period in respect of added years, or
 - (b) a period attributable to service that he is entitled to count because of a transfer to the Scheme from another pension scheme or arrangement (other than a transfer under a provision of the 1972 Section that corresponds to rule F.13 of this Section (bulk transfers in)),those periods are excluded from the service that is taken into account under rule D.8(3)(b)(i).
- (3) The periods of service that are taken into account under that rule are taken into account at their full length, disregarding any reduction applicable under rule K.3 in determining the amounts of service that are to be counted for the purposes of this Section.

Part L

1972 Section leavers: Reserved joiners

Preliminary

L.1 Application of Part L: “reserved joiners”

- (1) This Part makes provision in relation to persons who—
 - (a) are active members of the 1972 Section immediately before 1st October 2002, and
 - (b) opt to become members of this Section of the Scheme on the basis set out in this Part.
- (2) In these rules a member of this Section to whom this Part applies is referred to as a “reserved joiner”.
- (3) If a reserved joiner becomes a re-employed active member, this Part does not apply in relation to his service after he does so unless:
 - (a) the break in service immediately before such re-employment did not exceed six months, or
 - (b) he –
 - (i) was required by the terms of a secondment to resign in respect of the last service that qualified him to belong to the Scheme before becoming such a re-employed active member, and
 - (ii) was immediately employed in an employment which qualified him to belong to this Section of the Scheme following termination of his secondment.
- (4) Rule L.36 contains an index of expressions defined for this Part.

L.2 Options for 1972 Section members to join this Section under Part L

- (1) A person who—
 - (a) would be eligible to join this Section of the Scheme by virtue of his employment if he met the condition in rule B.1(5)(a) (which requires that the person’s employment began on or after 1st October 2002), and

- (b) immediately before that date was an active member of the 1972 Section by virtue of his employment,

may opt to join this Section of the Scheme under the terms of this Part unless he has been re-employed on or after his reaching pension age.

- (2) The option may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires not later than 31st March 2003.

For this purpose the notice is treated as having been given on the date on which it is received by the Scheme administrator.

This is subject to paragraph (6).

- (3) The option has effect from 1st October 2002.
- (4) If contributions due from the member under Part C in respect of any periods beginning on or after 1st October 2002 are not made when they are due because of the time when the option is exercised, the amount overdue is to be paid by deduction from the member's pensionable earnings in such manner and at such rate as the Minister requires.
- (5) If, in a case where paragraph (4) applies, the member ceases to be an active member before the amount overdue has been paid under that paragraph, the amount outstanding becomes payable immediately.
- (6) The Minister may direct that the time limit in paragraph (2) should be extended if he considers that the person has not had a reasonable opportunity to consider whether to exercise the option.

Transfer of service from the 1972 Section

L.3 Service credited to this Section from the 1972 Section

- (1) On becoming a reserved joiner, a member becomes entitled—
- (a) to count the period of qualifying service he was entitled to count immediately before 1st October 2002 under the 1972 Section as qualifying service under this Section, and
- (b) to count the period of reckonable service he was entitled to count immediately before 1st October 2002 under the 1972 Section as reckonable service under this Section.
- (2) When a reserved joiner becomes a member of this Section under this Part all rights in respect of him under the 1972 Section by reference to qualifying or reckonable service that is taken into account in calculating

the reckonable service or qualifying service he is entitled to count under this Section cease.

L.3A Reinstatement of part-time service which was formerly not pensionable

- (1) A reserved joiner may apply to make contributions to reinstate a period of part-time service on or after 8th April 1976 and before 1st January 1995 which was formerly not pensionable and which forms part of a period of continuous employment ending no earlier than six months before the date on which the application is made.
- (2) The application is to be made by notice in writing to the Scheme administrator in such form as the Minister may prescribe or is willing to accept.
- (3) The amount of contributions payable is calculated as it would have been under rule 4.71 of the 1972 Section in respect of the reckonable service the reserved joiner could have applied to reinstate under the 1972 Section.
- (4) If a reserved joiner leaves service when he has paid some but not all the contributions due under paragraph (3), he may elect to pay the outstanding contributions due.
- (5) If a reserved joiner dies when he has have paid some but not all of the contributions due under paragraph (3), the outstanding contributions due are to be deducted from any lump sum death benefits payable or, if none are payable, his personal representatives may elect to make a single lump sum payment of the outstanding amount.
- (6) If the outstanding contributions referred to in paragraphs (4) and (5) are not made, the period of reckonable service the reserved joiner may count under this rule is reduced.

This is subject to paragraph (9).

- (7) The amount of the reduction is-

$A \times B/C$

where-

A is the period of reckonable service the reserved joiner could have counted under paragraph (8),

B is the amount of the outstanding contributions, and

C is the amount of contributions payable under paragraph (3).

- (8) The period of reckonable service which the reserved joiner may count under this rule is the period of reckonable service which he would have been entitled to count under rule 2.8c of the 1972 Section and such reckonable service is to count in this Section as reckonable service before 1st October 2002.
- (9) Rule L.19 is to apply to the contributions paid by a reserved joiner under this rule, the contributions being deemed to have been paid during the period of part-time service he is entitled to count under this rule, starting at the beginning. To the extent that contributions paid under this rule are refunded under rule L.19, the period of reckonable service is not to be reduced under paragraph (6).

L.4 Treatment of added years

- (1) This rule applies where a member who is a reserved joiner—
- (a) has bought added years under section 7 of the 1972 Section of the Scheme, or
 - (b) is buying them under a contract which is in force on 30th September 2002,
- (2) For the purposes of calculating the period of reckonable service that the member was entitled to count immediately before 1st October 2002 under the 1972 Section, the period attributable to the payments made before 1st October 2002 is calculated as if he were leaving the Scheme on 30th September 2002.
- (3) That period counts as service before 1st October 2002.
- (4) Where paragraph (1)(b) applies—
- (a) this Section of the Scheme is to apply as respects contributions paid after 30th September 2002 as if the option to pay the additional contributions under section 7 of the 1972 Section had been exercised under rule C.4 of this Section,
 - (b) those contributions are to continue to be paid after that date accordingly, and
 - (c) the reckonable service which may be counted as a result of those contributions counts as service on or after 1st October 2002 and is calculated as specified in paragraphs (5) and (6).

This is subject to paragraphs (7) and (8).

- (5) Where any period of added years bought by those contributions would have entitled a surviving spouse of the member to a surviving spouse's pension under the 1972 Section at half the rate of the member's

retirement pension, then instead of that period the member may count under this Section a period of reckonable service equal to that period in years, multiplied by 0.92 or, in a case where paragraph (6) applies, by the factor specified in that paragraph for that case.

- (6) Where, any period of added years bought by the member's contributions would not have entitled a surviving spouse of the member to a surviving spouse's pension under the 1972 Section, then for that period—
- (a) if the member is a man, the factor is 0.80, and
 - (b) if the member is a woman, the factor is 0.89.
- (7) Where—
- (a) the contributions payable under rule C.4 by virtue of paragraph (2) would exceed the amounts permitted by rules C.4(6) and C.13, and
 - (b) only one contract was in force on 30th September 2002,
- that contract has effect on and after 1st October 2002 as if it related only to the maximum amounts that are so permitted.
- (8) Where—
- (a) the contributions payable under rule C.4 by virtue of paragraph (2) would exceed the amounts permitted by rules C.4(6) and C.13, and
 - (b) two or more contracts were in force on 30th September 2002,
- then on and after 1st October 2002 each of those contracts has effect as if it related to such amount as is agreed between the member and the Scheme administrator.
- (9) It does not matter for the purposes of this rule whether or not a reduction under rule 3.19 of the 1972 Section (modification on account of National Insurance benefits) would have applied if a pension had become payable in respect of the reserved joiner under section 3 of that Section.

L.5 Treatment of added years: grants

- (1) This rule applies where a grant of a period of added years has been made under rule 2.23, 2.24 or 2.24a of the 1972 Section in respect of a member who is a reserved joiner.
- (2) For the purposes of calculating the period of reckonable service that the member was entitled to count immediately before 1st October 2002

under the 1972 Section, the period attributable to the grant of added years is calculated as if he were leaving the Scheme on 30th September 2002.

- (3) That period counts as service before 1st October 2002.
- (4) The reckonable service attributable to the remaining period of the grant of added years—
 - (a) continues to accrue on and after 1st October 2002 at the same rate as it did before that date, subject to paragraph (5), and
 - (b) counts as service on or after that date.
- (5) In respect of any period that would have accrued on or after that date the member may count under this Section—
 - (a) a period of qualifying service equal to the period that would have accrued, and
 - (b) a period of reckonable service equal to the period that would have accrued, multiplied by 0.92.

L.6 Treatment of preserved awards

- (1) This rule applies where a member who is a reserved joiner—
 - (a) has been awarded a preserved pension and lump sum under rule 3.11 of the 1972 Section in respect of service which ended before the beginning of the service which is current on 30th September 2002, and
 - (b) neither the pension nor the lump sum has been brought into payment by that date.

For this purpose, a pension is treated as being in payment if it would be apart from abatement under rule 3.26 of the 1972 Section.

- (2) Rule L.3 does not apply to the qualifying and reckonable service in respect of which the member was awarded the preserved pension, unless when the member exercises the option under rule L.2(1) (option to join this Section under the terms of this Part) he opts for it to do so; and if a member does so opt, that service is disregarded for all purposes of the 1972 Section.
- (3) If the member has been awarded more than one preserved pension in respect of which paragraph (1) applies, he may only exercise the option under paragraph (2) in respect of the later or latest award.

- (4) An option under paragraph (2) may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires.

L.7 Members re-employed after awards under the Civil Service Compensation Scheme

- (1) This rule applies where—
- (a) a reserved joiner has received benefits under section 2 of the Civil Service Compensation Scheme (compulsory retirement and redundancy) or section 3 of that Scheme (flexible retirement) on the basis of enhanced reckonable service, and
 - (b) the period by which his reckonable service was enhanced (“the enhancement period”) exceeds the period beginning with the day on which his early retirement began (“the first retirement day”) and ending with 30th September 2002.
- (2) The reserved joiner’s service on and after 1st October 2002 counts as reckonable service only in so far as it is service after the time when the period since the beginning of the first retirement day equals the enhancement period.

L.8 Transfers in: transitional provision

- (1) This rule applies where—
- (a) a member applied in writing for the 1972 Section to accept a transfer value payment in respect of him,
 - (b) the member is a reserved joiner, and
 - (c) the transfer value payment is received on or after 1st October 2002.
- (2) The period of reckonable service that the member is entitled to count for the purposes of this Section of the Scheme is calculated in accordance with rule F.10, but the date for the purposes of rule F.10(1) and rule F.10(2)—
- (a) if the transfer value payment is received before the expiry of the period of one year beginning with the date on which the member became an active member (or if he has become such a member more than once, the last such date), is taken to be that date, and
 - (b) otherwise, is taken to be the date on which that payment is received.

- (3) The period that the member is entitled so to count is treated as reckonable service on or after 1st October 2002.

Retirement benefits

L.9 Retirement benefits under this Part: general

- (1) Part D (retirement benefits) has effect in relation to a member who is a reserved joiner with the modifications in rules L.10 to L.14.

- (2) In this Part—

“new reckonable service”, in relation to a reserved joiner, means reckonable service on or after 1st October 2002, and service treated as being such service (and “new basic reckonable service” is to be interpreted accordingly); and

“old reckonable service”, in relation to a reserved joiner, means reckonable service before 1st October 2002, and service treated as being such service (and “old basic reckonable service” is to be interpreted accordingly).

“partial new reckonable service” means—

- (a) where rule D.1A(7) applies to the member, his new reckonable service accrued for the period up to and including the relevant last day, or
- (b) where rule D.1A(8) applies to the member, the partial retirement proportion of his new reckonable service up to and including the relevant last day, rounded up or down to the nearest whole day;

“partial old reckonable service” means—

- (a) where rule D.1A(7) applies to the member, his old reckonable service accrued for the period up to and including the relevant last day, or
- (b) where rule D.1A(8) applies to the member, the partial retirement proportion of his old reckonable service up to and including the relevant last day, rounded up or down to the nearest whole day;

“partial retirement proportion” has the same meaning as in rule D.1A(6)(b);

“relevant last day” has the same meaning as in rule D.1A(12);

“remaining new reckonable service” means the member’s new reckonable service up to and including the relevant last day, less the

member's partial new reckonable service, plus any reckonable service accrued by the member after the relevant last day; and

“remaining old reckonable service” means the member's old reckonable service up to and including the relevant last day, less the member's partial old reckonable service.

L.10 Retirement benefits: normal retirement

- (1) For the purposes of rule D.1 (normal retirement) the appropriate fraction is—
 - (a) in relation to the reserved joiner's old reckonable service, one eightieth, and
 - (b) in relation to the reserved joiner's new reckonable service, one sixtieth or, if the member is entitled to a pension in respect of that service calculated by reference to a larger fraction, that fraction.
- (2) A reserved joiner who is entitled to a pension under rule D.1 is also entitled to a lump sum payable when he reaches pension age.
- (3) The amount of that lump sum is equal to three-eightieths of his final pensionable earnings, multiplied by the member's old reckonable service.

L.10A Retirement benefits: member who takes partial retirement

- (1) If a reserved joiner becomes entitled to a pension under rule D.1A (partial retirement), the following rules apply.
- (2) When calculating the benefits to which the reserved joiner is entitled on partial retirement, references to old reckonable service shall be construed as references to partial old reckonable service and references to new reckonable service shall be construed as references to partial new reckonable service.
- (3) The reserved joiner is entitled to a lump sum payable at the time when the pension becomes payable under rule D.1A equal to three-eightieths of his final pensionable earnings multiplied by his partial old reckonable service, less, in the case of a member who has not reached pension age at the relevant last day (as defined in rule D.1A(12)), the reduction that would be determined under rule D.3(4).
- (4) When calculating the benefits to which the reserved joiner is entitled on full retirement, references to old reckonable service shall be construed as references to remaining old reckonable service (if any) and references to new reckonable service shall be construed as references to remaining new reckonable service.

L.11 Retirement benefits: early retirement with actuarial reduction

- (1) If a reserved joiner exercises the option under rule D.3 (early payment of pensions with actuarial reduction), he is entitled to a lump sum payable at the time when the pension becomes payable under that rule.
- (2) The amount of that lump sum is equal to three-eighths of his final pensionable earnings, multiplied by his old reckonable service, less such amount as the Minister determines after consulting the Scheme actuary.

L.11A Option to buy out actuarial reduction

- (1) If a reserved joiner ("R") exercises the option under rule D.3A to buy out the actuarial reduction that would otherwise apply to R's pension, R must also buy out any actuarial reduction that would otherwise apply to the lump sum payable to R under this Part in connection with the pension in respect of which R has bought out the actuarial reduction.
- (2) The cost of buying out the lump sum actuarial reduction in respect of R is included in the tables referred to in rule D.3A(3).
- (3) Where this rule applies, the amount of the lump sum payable under rule L.10A, L.11, L.13 or L.13A (as applicable) is calculated as if the reference to applying a reduction to that lump sum were omitted.

L.12 Retirement benefits: early retirement on ill health

- (1) The amount of the annual pension payable to a reserved joiner under rule D.4 (early payment of pensions: ill-health) is equal to the sum of the old service amount and the enhanced new service amount.

This is subject to paragraph (4A).

- (2) In paragraph (1) "the old service amount" means $\frac{1}{80}$ th of the member's final pensionable earnings, multiplied by his old reckonable service.
- (3) In paragraph (1) "the enhanced new service amount" means $\frac{1}{60}$ th of the member's final pensionable earnings, multiplied by the enhanced service.
- (4) In paragraph (3) "the enhanced service" means N (as found under rule D.4), less the member's old reckonable service.
- (4A) If the reserved joiner is entitled to a pension under rule D.1A (partial retirement), paragraph (1) applies with the substitution of the words "new service amount" for the words "enhanced new service amount".

- (4B) In paragraph (4A) the “new service amount” means $1/60^{\text{th}}$ of the member’s final pensionable earnings, multiplied by the member’s new reckonable service.
- (5) If the reserved joiner is entitled to a pension in respect of any of his new reckonable service calculated by reference to a larger fraction than $1/60^{\text{th}}$, in paragraphs (3) and (4A) a reference to that fraction is to be substituted for the reference to $1/60^{\text{th}}$, so far as it applies to that service.
- (6) A reserved joiner who is entitled to a pension under rule D.4 is also entitled to a lump sum payable at the time when that pension becomes payable.
- (7) The amount of that lump sum is equal to $3/80^{\text{ths}}$ of the reserved joiner’s final pensionable earnings, multiplied by his old reckonable service.

L.13 This rule has been omitted.

L.13A Additional service lump sum

- (1) (a) If rule D.7ZA applies to a reserved joiner (“R”), R is entitled to an additional service lump sum under rule L.10, payable at pension age.
- (b) If R opts to take the additional service pension described in rule D.7ZA early, R must take the additional service lump sum at the same time as the additional service pension comes into payment.

This is subject to paragraph (4).

- (2) If R takes the additional service pension with actuarial reduction under rule D.3, R must also take the additional service lump sum with actuarial reduction under rule L.11.
- (3) If R opts, under Rule D.3A, to buy out the actuarial reduction that would otherwise apply to the additional service pension R must also, under rule L.11A, buy out the actuarial reduction that would otherwise apply to the additional service lump sum.
- (4) If R—
- (a) is a member to whom rule D.3(3) applies; and
- (b) has not yet reached 55 years of age,

R’s additional service lump sum must be paid at the same time as R’s earned pension and additional service pension come into payment,

with actuarial reduction under rule L.11, or having bought out the actuarial reduction under rule L.11A.

- (5) The amount of the additional service lump sum is found by calculating three-eighths of R's final pensionable earnings, multiplied by the amount of R's old reckonable service that is not current reckonable service.
- (6) In this rule, "current reckonable service" has the same meaning as in rule D.7(2).

L.14 Retirement benefits: supplementary provisions

- (1) In the case of a reserved joiner who ceased to be an active member before 1st October 2007, rule D.8 (general option to exchange part of pension for lump sum)–
 - (a) applies to so much of a reserved joiner's pension as is calculated by reference to his new reckonable service, but
 - (b) does not apply to so much of a reserved joiner's pension as is calculated by reference to his old reckonable service.
- (2) In any other case rule D.8 applies to all of the reserved joiner's pension.
- (3) In the case of a reserved joiner who, for the purposes of Part H, becomes a re-employed pensioner after 30th September 2007, references in rule H.2 to the annual rate of the old service pension are to the aggregate of –
 - (a) the annual amount of that pension that is attributable to old reckonable service, and
 - (b) the annual amount of that pension that is attributable to new reckonable service multiplied by 0.8125.

L.15 Option for members in serious ill-health to exchange whole pension for lump sum

In relation to a reserved joiner rule D.9(1) (option for active member in serious ill-health to exchange his whole pension for lump sum) has effect with the insertion in paragraph (1) after the words "whole pension" of the words "and his right to a lump sum under rule L.10(2)".

Miscellaneous provisions concerning retirement

L.16 Rights of certain reserved joiners to earlier pension age

- (1) This rule applies to members who are reserved joiners—
 - (a) to whom rule 2.27 of the 1972 Section applied immediately before 1st October 2002 (prison officers in post on 30 September 1987), or
 - (b) whose pension age is reduced under rule 2.31 of that section (reduction of pension age in cases of certain overseas service).
- (2) The pension age of such members is the same as their pension age was under the 1972 Section.

L.17 Repayment of certain contributions

- (1) A reserved joiner who has paid contributions in respect of widow's or widower's benefits for service exceeding 40 years is entitled to payment of an amount equal to the contributions paid before 1st October 2002 for the excess service.
- (2) A reserved joiner who has paid contributions in pursuance of an option exercised under rule 4.14(iii) or 4.22aa of the 1972 Section (additional contributions paid to avoid reduction or elimination of lump sum deduction for enhancement of reckonable service on early retirement) is entitled to payment of an amount equal to the contributions paid before 1st October 2002.
- (3) The reserved joiner's employer must pay the amount due as if it were an amount of unpaid salary.
- (4) In paragraph (1) "service" means service counting as reckonable service under the 1972 Section.

L.18 Cancellation of obligations in respect of shortfalls in surviving spouse contributions

- (1) This rule applies where, if a reserved joiner had died immediately before he joined this Section of the Scheme, rule 4.17 or 4.23b of the 1972 Section would have applied (recovery of unpaid contributions under rules 4.15, 4.16, 4.23 or 4.23a of that Section).
- (2) Without prejudice to rule L.3(2), after the reserved joiner has joined this Section no deduction may be made under or recovery enforced by the Scheme in respect of any contributions in respect of which rule 4.17 or 4.23b would have applied if the reserved joiner had died at that time.

L.19 Repayment to unmarried members of contributions for surviving spouses' benefits

- (1) This rule applies where a member who is a reserved joiner—
- (a) is not married on 30th September 2002, and
 - (b) does not marry before his pension comes into payment under this Section.
- (2) The member is entitled when his pension comes into payment to repayment of any periodical contributions paid by him under the 1972 Section in respect of widow's or widower's benefits, together with compound interest.

This is subject to paragraphs (2A) to (8A).

- (2A) For the purposes of paragraphs (2B) and (2C) an "old rules member" is a member who—
- (a) was under age 60 on 5th April 2006,
 - (b) was in receipt of a pension under this Section of the Scheme on that date, and
 - (c) would have been entitled to a repayment under this Rule L.19 if its terms had not been amended on 6th April 2006 ("old rule L.19").
- (2B) An old rules member shall at age 60 be entitled to such additional benefits under this Section in place of the repayment he would have been entitled to under old rule L.19, disregarding its provision for deduction of tax, in such manner as the Minister determines is consistent with basis for determining similar additional benefits under rule 4.19(xii) of the 1972 Section.

This is subject to paragraph (2C).

- (2C) An old rules member may opt for this paragraph to apply to him instead of paragraph (2B). The option may only be exercised by notice to the Scheme administrator in such form and at such time as the Minister may require. Where an option has been exercised in accordance with this paragraph the old rules member shall receive at age 60 the repayment he would have been entitled to under old rule L.19, disregarding its provision for deduction of tax.
- (3) If any of those contributions were paid at a time when the member was married, the member is only entitled to repayment of the contributions paid since he ceased to be married or, if he has been married more than once, since he last ceased to be married.

- (4) If the member has a guaranteed minimum in respect of his service, there is to be deducted from the amount otherwise due under paragraph (2) an amount equal—
- (a) if the member is a man, to 20% of the annual value of the widow's guaranteed minimum pension that would have been payable under rule E.27 (guaranteed minimum pensions for surviving spouses) if—
 - (i) he had died leaving a widow at the time the amount becomes payable, and
 - (ii) no other pension had been payable to her under Part E of these rules, or
 - (b) if the member is a woman, to 20% of the annual amount of the widower's guaranteed minimum pension that would have been payable under that rule if—
 - (i) she had died leaving a widower at the time the amount becomes payable, and
 - (ii) no other pension had been payable to him under Part E of these rules.

This is subject to paragraphs (5) to (7).

- (5) If a member who is a man is entitled to a guaranteed minimum and his last marriage ended after 5th April 1978 but not later than 5th April 1997, instead of the amount referred to in paragraph (4) the amount of the deduction under that paragraph is equal to $D \times A/B$,

where—

- D is the amount that would be the amount of the deduction under paragraph (4) apart from this paragraph,
- A is the period beginning with the end of the member's marriage and ending with 5th April 1997, and
- B is the period beginning with 6th April 1978 and ending with 5th April 1997.

This is subject to paragraph (7).

- (6) If a member who is a woman is entitled to a guaranteed minimum and her last marriage ended after 5th April 1988 but not later than 5th April 1997, instead of the amount referred to in paragraph (4) the amount of the deduction under that paragraph is equal to $D \times C/E$,

where—

- D is the amount that would be the amount of the deduction under paragraph (4) apart from this paragraph,
- C is the period beginning with the end of the member's marriage and ending with 5th April 1997, and
- E is the period beginning with 6th April 1988 and ending with 5th April 1997.

This is subject to paragraph (7).

- (7) Where paragraph (4) applies and a transfer value payment has been accepted—
 - (a) in the case of a member who is a man, in respect of service of the member in the period beginning with 6th April 1978 and ending with 5th April 1997, and
 - (b) in the case of a member who is a woman, in respect of service of the member in the period beginning with 6th April 1988 and ending with 5th April 1997,

the amount of the deduction under paragraph (4) (or the amount to be substituted for it by virtue of paragraph (5) or (6)) is equal to—

$D \times F/G$,

where—

- D is the deduction that would be made under paragraph (4) (or the amount to be substituted for it by virtue of paragraph (5) or (6)), apart from this paragraph,
 - F is so much of the period mentioned in sub-paragraph (a) or (b) as is a period during which the member paid periodical contributions under the 1972 Section, and
 - G is the period by reference to which the guaranteed minimum pension mentioned in that sub-paragraph would have been calculated.
- (8) Where paragraphs (4), (5), (6) or (7) apply and the member's pension comes into payment before age 60, the amount otherwise due under this rule may be subject to further reduction in accordance with guidance provided by the Scheme actuary.

- (8A) Where a member becomes entitled to a pension under D.1A (partial retirement) no entitlement to repayment of periodical contributions arises under paragraph (2) until the member takes full retirement.
- (9) In this rule “compound interest” means–
- (a) in respect of the period beginning on 1st April 1995, interest at the yearly average of the building society average rate for share accounts as announced annually by the Minister, with yearly rests,
 - (b) in respect of the period beginning on 1st April 1990 and ending on 31st March 1995, interest at the yearly average of the building society basic rate as announced annually by the Minister, with yearly rests, and
 - (c) in respect of any period before 1st April 1990, interest at the rate of 5% per annum, with yearly rests.

L.20 Pension debit members

- (1) This rule applies where–
- (a) on becoming a member of this Section of the Scheme a reserved joiner is a pension debit member, and
 - (b) in the opinion of the Scheme administrator it is necessary for the purpose of giving effect to the pension sharing order to which the member’s rights are subject for some or all of the benefits to which the pension member is entitled under this Section of the Scheme to be taken in a different form from that in which he would otherwise be entitled to take them.
- (2) The Scheme administrator may, after taking advice from the Scheme actuary, make such modifications to the member’s rights as to the form of those benefits as he considers necessary for that purpose.

L.21 This rule has been deleted.

Death benefits: general

L.22 Death benefits under Part L

Part E (death benefits) has effect in relation to a member who is a reserved joiner with the modifications in rules L.23 to L.33.

L.23 Meaning of expressions relevant to death benefits-general

- (1) In this Part–

“assumed new service pension”, in relation to a deceased active member, means the annual pension to which the member would have been entitled if–

- (a) the member’s new basic reckonable service was the lowest of the periods specified in paragraph (2),
- (b) the member’s old reckonable service, other than service attributable to the purchase of added years by contributions paid before 1st October 2002, was disregarded (except for determining the periods specified in paragraph (2)), and
- (c) the full pension payment assumptions are applied;

“assumed spouse service old pension”, in relation to a deceased member, means the annual pension to which the member was or would have been entitled–

- (a) on the assumption that the member could only count reckonable service that is relevant old reckonable service, and
- (b) where necessary on the full payment assumptions;

“the full payment assumptions”, in relation to a deceased member who was an active or deferred member at the date of death, means the assumptions–

- (a) that the member’s pension had become payable on the date of death, and
- (b) rule D.3(4) did not require any actuarial reduction to be made;

“new service pension”, in relation to a deceased member, means the annual pension to which the member would have been entitled if–

- (a) the member could only count reckonable service that is new reckonable service, and
- (b) the full payment assumptions are applied;

“old service pension”, in relation to a deceased member, means the annual pension to which the member would have been entitled if–

- (a) the member could only count reckonable service that is old reckonable service, and
- (b) the full payment assumptions are applied;

“relevant old reckonable service”, in relation to a deceased member, means the sum of–

- (a) the old reckonable service for which the member paid contributions under the 1972 Section so as to entitle the member's surviving spouse to a surviving spouse's pension at half the rate of the member's retirement pension, and
- (b) the old reckonable service for which the member paid such contributions so as to entitle the member's surviving spouse to a surviving spouse's pension at one third of the rate of that pension, multiplied by 2/3.

This definition is modified in the case of a man who was a woman during his membership of the 1972 Section so that in respect of old reckonable service on or after 6 April 1978, relevant old reckonable service means his old reckonable service.

- (2) The periods referred to in paragraph (1) are—
 - (a) the member's basic reckonable service multiplied by 2,
 - (b) the sum of the member's basic reckonable service and 10 years , and
 - (c) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the date of death until reaching pension age.
- (3) In the case of a member eligible to be an active member because of rule B.1(2)(c) (fixed term appointments etc.), the reference in paragraph (2)(c) to "reaching pension age" is to be taken as a reference to the end of the fixed term.

L.23A Meaning of expressions relevant to death benefits – member who has taken partial retirement

- (1) If a reserved joiner dies after taking partial retirement but before taking full retirement, the following modifications apply when calculating the death benefits payable in respect of the reserved joiner.
- (2) In respect of the reserved joiner's capacity as a deceased pensioner member, references to partial old reckonable service shall be substituted for references to old reckonable service and references to partial new reckonable service shall be substituted for references to new reckonable service.
- (3) In respect of the reserved joiner's capacity as a deceased active or deferred member, references to remaining old reckonable service (if any) shall be substituted for references to old reckonable service and references to remaining new reckonable service shall be substituted for references to new reckonable service.

Death benefits: pensions for adult dependants

L.24 Amount of pensions under rules E.1 and E.2: active members

- (1) In the case of a reserved joiner who was an active member, the annual amount payable under rule E3(1) (pension payable under rules E.1 and rule E.2) is—
- (a) in the case of a pension under rule E.1 (surviving spouses' pensions), an amount equal to A + B, and
 - (b) in the case of a pension under rule E.2 (other adult dependants' pensions), an amount equal to B.
- (2) In this rule—

A is 50% of the member's assumed spouse service old pension (as defined in rule L.23), and

B is 37.5% of the member's assumed new service pension (as so defined)

except in the case of a member who has exercised the option under rule D.1A (partial retirement), here B is 37.5% of the member's new service pension (as so defined).

L.25 Amount of pensions under rule E.5: deferred members

- (1) In the case of a reserved joiner who was a deferred member, the annual amount payable under rule E5(1) (pension payable under rules E.1 and rule E.2) is—
- (a) in the case of a pension under rule E.1 (surviving spouses' pensions), an amount equal to A + B, and
 - (b) in the case of a pension under rule E.2 (other adult dependants' pensions), an amount equal to B.
- (2) In this rule—

A is 50% of the member's assumed spouse service old pension (as defined in rule L.23), and

B is 37.5% of the member's new service pension (as so defined).

L.26 Amount of pensions under rule E.6: pensioner members

- (1) In the case of a reserved joiner who was a pensioner member, the annual amount payable under rule E6(3) (pension payable under rules

E.1 and rule E.2 in cases other than where an ill-health pension is payable under rule D.4(3)(a) is–

- (a) in the case of a pension under rule E.1 (surviving spouses' pensions), an amount equal to A + B, and
- (b) in the case of a pension under rule E.2 (other adult dependants' pensions), an amount equal to B.

(2) In this rule–

A is 50% of the member's assumed spouse service old pension (as defined in rule L.23), and

B is 37.5% of the amount of the pension to which the member was entitled at the date of death, less the old service pension (as so defined).

(3) If the member's pension was commuted under rule D.8 (general option to exchange part of pension for lump sum), the annual pension to which the member would have been entitled at the date of death if it had not been so commuted is used to calculate B.

L.27 Disapplication of rule E.7

Rule E.7 (actuarial reductions in pensions under rules E.1 and E.2) does not apply to a pension payable under rule E.1 in the case of a member who was a reserved joiner if the member had been married to the person to whom the pension is payable since before 1st October 2002.

L.28 Cessation of entitlement to pension on remarriage etc.

(1) If a person who is entitled to a pension under rule E.1 ("a pensioner") that includes the amount defined as A in rule L.23, L.24 or L.25 marries or begins to cohabit with another person as a partner in an exclusive, committed long-term relationship, the pensioner ceases to be entitled to that amount.

(2) If–

- (a) a pensioner to whom paragraph (1) has applied ceases to be married, or to cohabit as mentioned in that paragraph, and
- (b) the Minister so directs,

paragraph (1) is to be disregarded from the time specified in the direction.

Death benefits: pensions for eligible children

L.29 Amount of children's pension under rule E.8: active members

- (1) This rule applies instead of rule E.10 for determining in the case of a deceased active member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).
- (2) Where one or two pensions are payable under rule E.8(1) immediately after the date of the member's death, the annual amount of each pension is equal to A + B, where-

A is the appropriate old service percentage (see paragraph (4)) of the member's old service pension (as defined in rule L.23), and

B is the appropriate new service percentage (see paragraph (4)) of-

- (a) the amount of the member's assumed new service pension (as defined in rule L.23), or
- (b) the amount of the annual pension to which he would have been entitled on the full payment assumptions if his basic reckonable service were service for the assumed period and his old reckonable service was disregarded (except for calculating the assumed period),

whichever is the greater.

This is subject to paragraph (2A).

- (2A) Where the deceased member was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, B is the appropriate new service percentage (see paragraph (4)) of the member's new service pension (as defined in rule L.23).
- (3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (4) In this rule-
"the appropriate new service percentage" means-
 - (a) in a case where a pension is payable under rule E.1 or E.2, 30%, and
 - (b) in a case where no such pension is payable, 50%,

“the appropriate old service percentage” means–

- (a) in a case where a pension is payable under rule E.1, 30%, and
- (b) in a case where no such pension is payable, 50%,

“the assumed period” means–

- (a) 10 years, or
- (b) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the date of death until reaching pension age,

whichever is the lower.

- (5) Where this rule applies in the case of a member who was a pension debit member, the references in E.21(2)(b) to rule E.10, the member’s assumed pension and rule E.10(2)(a) and (b) are to be taken as a references to this rule, the member’s old service pension and assumed new service pension and paragraph (2) respectively.

L.30 Amount of children’s pension under rule E.8: deferred members

- (1) This rule applies instead of rule E.11 for determining in the case of a deferred member the annual amount of a pension payable under rule E.8(1) (surviving children’s pensions).
- (2) Where one or two pensions are payable under that rule immediately after the date of the member’s death, the annual amount of each pension is equal to A + B,

where–

A is the appropriate old service percentage of the old service pension, and

B is the appropriate new service percentage of–

- (a) the amount of the annual pension to which the member would have been entitled on that date on full payment assumptions if his old reckonable service was disregarded, or
- (b) the amount of the annual pension to which he would have been entitled on those assumptions if his basic reckonable service were service for the assumed period and his old reckonable service was disregarded (except for calculating the assumed period),

whichever is the greater.

This is subject to paragraph (2A).

- (2A) Where the deceased member was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, B is the appropriate new service percentage (see paragraph (4)) of the member's new service pension (as defined in rule L.23).
- (3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (4) In this rule—

“the appropriate new service percentage” and “the appropriate old service percentage” have the same meaning as in rule L.29(4),

“the assumed period” means—

- (a) 10 years, or
- (b) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the cessation date from that date until reaching pension age,

whichever is the lower, and

“the cessation date” means the date on which the member's service in the employment in which he was eligible to belong to this Section of the Scheme ceased.

- (5) Where this rule applies in the case of a member who was a pension debit member, the references in E.21(4)(b) to rule E.11 and rule E.11(2)(a) and (b) are to be taken as references to this rule and paragraph (2) respectively.

L.31 Amount of children's pension under rule E.8: pensioner members

- (1) This rule applies instead of rule E.12 for determining in the case of a pensioner member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).
- (2) Where one or two pensions are payable under that rule immediately after the date of the member's death, the annual amount of each pension is equal to A+B,

where—

A is the appropriate old service percentage of the old service pension, and

B is the appropriate new service percentage of the amount of the annual pension to which the member was entitled at the date of death after subtraction of the old service pension.

- (3) But if the member's pension was commuted under rule D.8 (general option to exchange part of pension for lump sum), the amount of the annual pension to which the member was entitled is determined for the purposes of paragraph (2) as if it had not been commuted.
- (4) Where three or more pensions are payable under rule E.8(1) immediately after the date of the member's death, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (5) In this rule "the appropriate new service percentage" and "the appropriate old service percentage" have the same meaning as in rule L.29(4).
- (6) Where this rule applies in the case of a member who was a pension debit member, the references in E.21(5)(b) to rule E.12 and rule E.12(2)(a) and (b) are to be taken as references to this rule and paragraph (2) respectively.

L.32 Children's pensions: supplementary

- (1) This rule applies where the number of pensions payable immediately after the date of the member's death has to be determined for the purposes of rule L.29(3), L.30(3) or L.31(2) and (4) (amount of children's pensions) in a case where rule E.13(1) applies (member treated as leaving a child who is born after the member's death where the child's mother is pregnant with the child on that date).
- (2) A pension payable in respect of the child born after the member's death is treated as payable immediately after the date of death.

Death benefits: lump sum benefits

L.33 Lump sum death benefits

- (1) In the case of reserved joiners, these rules have effect as if the amount of the lump sum referred to in rule E.16(1) (lump sums: deferred members) was the lesser of—
 - (a) 5DP + LS, and
 - (b) 2FPE,where—

DP is the annual pension or, in the case of a member who is already entitled to a pension under rule D.1A (partial retirement), the annual full retirement pension, to which the member would have been entitled in respect of the member's new reckonable service if—

- (a) the member's pension had become payable on the date of death, and
- (b) rule D.3(4) did not require any actuarial reduction to be made,

LS is the lump sum to which the member would have been entitled under rule L.10 if a lump sum under that rule had become payable on the date of death,

FPE is the amount of the member's final pensionable earnings, increased by the same amount, if any, as a pension that came into payment on the day after the member's service ceased at an annual rate equal to those earnings and was eligible to be increased under the Pensions (Increase) Act 1971 would have been increased under that Act by the date of death

(See also paragraphs (2) to (4) of rule E.16.)

- (2) In the case of reserved joiners, the amount of the lump sum under rule E.17(1) (lump sums: pensioner members) is an amount equal to the sum of—
 - (a) the amount of the annual pension that would have been payable to the member in respect of the member's old reckonable service during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death, less the amount of any lump sum already paid to the member in respect of his old reckonable service, and
 - (b) the amount of the new service pension that would have been payable to the member during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death.
- (3) For the purposes of paragraph (2), the annual amount of the new service pension is to be taken as the amount of the annual pension, including the amount of any contributed pension under Part C1, payable to the member at the date of death, less the amount of that pension payable in respect of the member's old reckonable service.
- (3A) In the case of reserved joiners, the amount of the lump sum under rule E.17(3A)(a) (member who is both a pensioner member and an active member as a result of being entitled to a pension under rule D.1A (partial retirement)) is an amount equal to the sum of—

- (a) the amount of partial retirement pension that would have been payable to the member under rule D.1A in respect of the member's old reckonable service during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death, less the amount of any lump sum already paid to the member in respect of his old reckonable service, and
 - (b) the amount of the new service partial retirement pension (see paragraph (3B)) that would have been payable to the member during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death, and
 - (c) the amount of full retirement pension that would have been payable to the member in respect of his old reckonable service and his new reckonable service for a period of five years beginning with the date of his death if the member had taken full retirement at the date of death (including any contributed pension that would have been payable under Part C1 but disregarding any early payment reduction).
- (3B) For the purposes of paragraph (3A) the annual amount of the new service partial retirement pension is to be taken as the amount of the annual pension including the amount of any contributed pension under Part C1, payable to the member at the date of death, less the annual amount of that pension payable in respect of the member's old reckonable service.
- (4) Any increases in the pension which might have become payable after the date of death are disregarded for the purposes of paragraphs (2), (3), (3A) and (3B).
- (5) (a) Where rule E.17A applies in the case of a reserved joiner, the pension payable under rule E.14(1A) will be equal to the new service pension that would have been payable to the reserved joiner had he been alive until the end of the pension protection period.
- (b) The pension shall be payable for the pension protection period.
- (c) For the purposes of this paragraph –
- (i) the new service pension is the pension that would have been paid, (including any contributed pension that would have been paid under Part C1), less the amount of that pension that would have been payable in respect of the reserved joiner's old reckonable service; and

- (ii) the pension protection period is the period from the date of the reserved joiner's death until the fifth anniversary of the date on which the reserved joiner's pension became payable.
- (6)
 - (a) Where paragraph (5) applies, an additional pension shall be payable under rule E.14(1A) if the reserved joiner died before the second anniversary of the date on which his pension became payable.
 - (b) The additional pension will be equal to the old service pension that would have been payable to the reserved joiner had he been alive until the end of the additional protection period.
 - (c) The additional pension shall be payable for the additional protection period.
 - (d) For the purposes of this paragraph –
 - (i) the old service pension is the amount of the pension that would have been payable in respect of the reserved joiner's old reckonable service; and
 - (ii) the additional protection period is the period from the date of the reserved joiner's death until the second anniversary of the date on which the reserved joiner's pension became payable.

L.34 This rule has been deleted

Transfers out: mixed transfer values

L.35 Transfers out: mixed transfer values

In the case of a reserved joiner to whom rule 6.29 of the rules of the 1972 Section and Appendix 11 to those rules would have applied if he had remained a member of that Section, the amount of the transfer value payment to which he is entitled in respect of service before 6th September 1987 is calculated in accordance with that rule and Appendix.

Index of expressions defined in this Part

L.36 Index of expressions defined in this Part

In this Part–

“the appropriate new service percentage”, in relation to a deceased reserved joiner, has the meaning given in rule L.29(4) (amount of children's pension under rule E.8: active members);

“the appropriate old service percentage”, in relation to a deceased reserved joiner, has the meaning given in rule L.29(4);

“assumed new service pension”, in relation to a deceased reserved joiner, has the meaning given in rule L.23(1) (meaning of expressions relevant to death benefits-general);

“assumed spouse service old pension”, in relation to a deceased reserved joiner, has the meaning given in rule L.23(1);

“the full payment assumptions”, in relation to a deceased reserved joiner who was an active or deferred member at the date of death, has the meaning given in rule L.23(1);

“new reckonable service”, in relation to a reserved joiner, has the meaning given in rule L.9 (retirement benefits under this Part: general);

“new basic reckonable service”, in relation to a reserved joiner, has the meaning given in rule L.9;

“new service pension”, in relation to a deceased reserved joiner, has the meaning given in rule L.23(1);

“old basic reckonable service”, in relation to a reserved joiner, has the meaning given in rule L.9;

“old reckonable service”, in relation to a reserved joiner, has the meaning given in rule L.9;

“old service pension”, in relation to a deceased reserved joiner, has the meaning given in rule L.23(1); and

“relevant old reckonable service” , in relation to a deceased reserved joiner, has the meaning given in rule L.23(1).”

Part M

Members of former by- analogy schemes

M.1 Application of Parts K and L to members of former by- analogy schemes

- (1) This Part applies to a person who-
 - (a) immediately before becoming a member of this Scheme belonged to a scheme that was, in the Minister's opinion, analogous to this Scheme ("the former scheme"),
 - (b) has had a transfer value in respect of his rights under that former scheme accepted by this Scheme, and
 - (c) while a member of the former scheme opted that terms analogous to Part K or L in that scheme would apply to him or who opts to become a member of this Section of the Scheme on the basis set out in either of those Parts.
- (2) Part K or L, as appropriate, will apply to that person in respect of any time prior to the date he joins this Scheme as if:
 - (a) all references in this Section of the Scheme to any rule or Part of this Scheme are references to the analogous provisions in the former scheme at the time the person was a member of it;
 - (b) all references in this Section of the Scheme to any rule, Part or Section of the Civil Service Compensation Scheme are references to the analogous provisions in that Scheme at the time the person was a member of the former scheme.
- (3) This Part is subject to:
 - (a) any special terms that the Minister may have agreed that apply to the member under rule F.13(1)(d) or F.13(2)(b) (special terms for bulk transfers in);
 - (b) any modifications to this Section of the Scheme under rule F.13(4) that may apply to that member (undertakings by a Minister of the Crown in respect of transfers);
 - (c) any special terms that may apply in the case of public sector transfer arrangements or as may otherwise be agreed by the Minister in respect of that particular member.

Section II

The 1972 Section

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This Section has been deleted. The rules originally set out in Section 10, which were in force before 1 April 1987, are reproduced in Appendix 14. The Section 10 rules which were in force from 1 April 1987 until 31 December 1994 are reproduced in Appendix 15.

Section 11: Injury benefits

This Section has been deleted. The rules formerly in Section 11 which were in force before 1 October 2002 are reproduced in Appendix 16. The rules in force on and after 1 October 2002 are set out in the Civil Service Injury Benefits Scheme.

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15.1 Employers' contributions

Appendix	Rule	Title
1	1.9	Pensionable emoluments
2	This appendix has been deleted	
3	2.18	Block transfers into the Civil Service
4	2.19; app 12	Rules applying to transfers between the Civil Service and other employments
5	2.26	Prison Officer grades
6	2.29	Countries and places to which Rule 2.29 applies
7	3.25	Re-employed civil servants whose earlier service ended before 1 June 1972
8	This appendix has been deleted	
9	This appendix has been deleted	
10	This appendix has been deleted	
11	6.1; 6.23; 6.29; 6.32; 6.34	Public service transfer values
12	11.16	Containing the provisions originally set out in Section 6
13	2.22	Reckoning of service pensionable under the FSSU
14	former10.2(iv)	Containing the provisions originally set out in Section 10
15		Containing the former Section 10 rules and in force on and between 1 April 1987 and 31 December 1994
16		Containing the former Section 11 rules in force before 1 October 2002.

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Section 1: Introduction

- 1.1 Except where otherwise stated, this scheme applies to staff whose service ends on or after 1 June 1972 and before 1 October 2002 or who are in service on 30th September 2002.
- 1.2 Section 9 applies to staff whose service ended on or after 29 February 1972 and before 1 June 1972.
- 1.2a References in this Section II of the scheme to “this scheme” or “the scheme” shall be taken as referring to this Section II unless the context otherwise requires.
- 1.2b References in this Section II to “rules” are to rules in this Section II unless the context otherwise requires.
- 1.2c The rules of this Section II of the scheme are to be construed without reference to Section I of the scheme except where they refer to that Section.
- 1.2d References to “the 1972 Section” mean to this Section II of the scheme.
- 1.2e References to “the 2002 Section” mean to Section I of the scheme.
- 1.2f References to “the General Provisions Section” mean to Section IV of the scheme.

Coverage of the scheme

- 1.3 In these rules ‘Civil Service’ means the Civil Service of the State or any of the employments or offices listed in Schedule 1 to the Superannuation Act 1972, as subsequently amended by any order under section 1(5) of that Act or by any enactment.
- 1.3a Except in relation to persons or classes of persons determined by the Minister, or where rule 1.3b, 1.3c or 1.3e applies, the 1972 Section is closed to persons serving in the civil service whose service begins, or whose service after re-employment begins, after 30 September 2002.
- 1.3b (i) This rule applies to a person –
- (a) who was accruing rights under a scheme that is, in the Minister’s opinion, analogous to the 1972 Section (“the analogous scheme”);
 - (b) who has applied for a transfer in respect of his rights under the analogous scheme to be made to the 1972 Section;

- (c) whose service to which the analogous scheme relates ended as a result of –
 - (i) his resignation, or
 - (ii) the expiration of a fixed-term appointment; and
 - (d) whose service in the Civil Service began not more than 28 days after the end of the service to which the analogous scheme relates.
- (ii) The 1972 Section applies to a person to whom this rule applies from the date that his current service in the Civil Service begins. This is subject to rule 1.4.
- 1.3c (i) A person re-employed in the Civil Service, other than on a casual basis, who is in receipt of a pension or lump sum in respect of pensionable service to which the 1972 Section applies (“the previous employment”) may elect in writing in such form as may be prescribed by the Minister that the 1972 Section is to apply to him in respect of his re-employment provided that at least one of conditions (a) to (c) apply to him:
- (a) he is re-employed pursuant to a term of his previous employment that gave him the option to be treated for the purposes of this scheme as retired and then re-employed;
 - (b) the previous employment terminated at a higher responsibility level or grade than his current employment (but see paragraphs (ii) to (iv));
 - (c) the conditioned weekly hours of his current employment are on a part-time basis and do not exceed 75% of the weekly conditioned hours of the previous employment and the level of pay for his current employment takes account of that reduction in conditioned hours.
- (ii) Paragraph (i)(b) is met if the previous employment was in a specialist grade or post and his current employment is in a non-specialist grade or post.
- (iii) Paragraph (i)(b) is not met if the person is promoted, including temporarily, during his current employment to the same or a higher responsibility level or grade as the previous employment.
- (iv) Where paragraph (iii) applies pensionable service in respect of the current employment will cease on the same date that the promotion takes effect.
- (v) An election under this rule will take effect:

- (a) from the start of the person's employment to which the election applies provided that such election is made before the end of the period of three months beginning with the first day of the person's employment, or
 - (b) where an election is not made under (a), at whatever date the Minister determines to be the earliest practicable date after receipt of the person's election form by the scheme administrator.
 - (vi) This rule is subject to rule 1.3d.
 - (vii) This rule does not apply to a person –
 - (a) re-employed in the Civil Service on or after 30 July 2007 after a break in service of more than 28 days; or
 - (b) re-employed on or after 1 March 2008, other than a person who meets condition (a) of paragraph (i) and who in respect of his previous employment had a pension age of 55 under rule 2.27 .
- 1.3d Rule 1.3c does not apply to a person re-employed after he retired on medical grounds with benefits under the scheme or to a person re-employed after he left under the Compulsory and Redundancy, Flexible or Approved categories referred to in the Civil Service Compensation Scheme.
- 1.3e (i) This rule applies to a person re-employed in the Civil Service –
- (a) to whom the 1972 Section previously applied;
 - (b) who is re-employed not more than 28 days after the end of the previous service that qualified him to belong to the 1972 Section;
 - (c) whose previous service ended as a result of –
 - (i) his resignation,
 - (ii) the expiration of a fixed-term appointment, or
 - (iii) his leaving under the Civil Service Management Code's Compulsory Early Retirement or Severance category or its Flexible Early Retirement or Severance category; and
 - (d) who has not received payment of a pension or lump sum in respect of pensionable service to which the 1972 Section applied.

- (ii) The 1972 Section applies to a person to whom this rule applies from the date that his re-employment begins. This is subject to rule 1.4.

1.4 Except where otherwise stated, this scheme applies to all persons serving full-time or part-time in the Civil Service except the following:

- (i) casual staff;
- (ii) staff engaged (including former civil servants re-employed) on a fee-paid or sessional basis;
- (iii) staff whose terms of appointment state them to be outside the civil service superannuation arrangements;
- (iv) unestablished staff engaged locally overseas;
- (v) staff who are covered for their service in the Civil Service by another occupational pension scheme or the 2002 Section or who have a partnership pension account as defined in rule A.1(4) of that Section;
- (vi) part-time staff who
 - (a) before 1 October 1982 worked less than 18 hours a week; or
 - (b) on or after 1 October 1982 and on or before 31 December 1994 worked less than 15 hours a week unless their service qualified under rules 2.7 or 2.7a,

but part time staff shall only be excluded from this scheme in relation to the periods mentioned in (a) and (b) above and shall not be excluded in relation to any such periods if their service qualifies under rule 2.7c.

Except where otherwise stated, 'civil servant' in these rules means a person to whom this scheme applies, and 'pensionable service' means service as a civil servant.

Right to opt out of the scheme

- 1.4a (i) Under rule 1.4b or (as the case may be) rule 1.4c below, a person may exercise an option not to be a member of the scheme.
- (ii) As from the effective date of the option, the scheme does not apply to that person, and he is not to be regarded as a civil servant for its purposes.

- (iii) A person who has exercised the option, and has not under rule 1.4d elected to rejoin the scheme, is referred to in the following provisions as having opted out of the scheme, and any of his service in the Civil Service at a time when he has opted out is referred to as opted-out service.
- 1.4b (i) This rule applies to a person who, immediately before 6 April 1988, was serving in the Civil Service, and to whom the scheme then applied.
- (ii) Such a person may, on or after 6 April 1988, exercise an option that the scheme is not any longer to apply to him. The option must be exercised in writing, in such form as may be prescribed by the Minister.
- (iii) Subject to paragraph (iv) below, the effective date of the option is whatever date the Minister determines to be the earliest practicable after that on which the form of option, duly completed, is received in the Superannuation Branch of the Department by which the person is employed.
- (iv) Where a person exercises the option allowed by this rule, and:
- (a) on the date on which the form of option is received in the Superannuation Branch he has less than 2 years' pensionable service; and
- (b) that date is not later than 2 July 1988,
- he may elect that the option is to be retrospective to 6 April 1988. If he so elects, the effective date of the option is that day, and not as provided by paragraph (iii) above.
- 1.4c (i) This rule applies to a person who enters the Civil Service on or after 6 April 1988, and does not fall within any of paragraphs (i) to (vi) of rule 1.4.
- (ii) The scheme applies to such a person unless and until he exercises an option that it shall not do so. The option must be exercised in writing, in such form as may be prescribed by the Minister.
- (iii) Subject to paragraph (iv) below, the effective date of the option is whatever date the Minister determines to be the earliest practicable after that on which the form of option, duly completed, is received by the scheme administrator.
- (iv) However, if the date on which the form of option is so received is not more than 3 months after that on which the person entered the Civil Service, the effective date of the option is the date of

entry into the Civil Service and not as provided by paragraph (iii).

- 1.4d (i) Where in any period of employment in the Civil Service a person has opted out of the scheme, he may once elect that the scheme is again to apply to him. The election must be in writing, in such form as may be prescribed by the Minister.
- (ii) As from the effective date of his election, the person again becomes a civil servant within the meaning of the scheme.
- (iii) The effective date is whatever date the Minister determines to be the earliest practicable after that on which the form of election, duly completed, is received by the scheme administrator.
- (iv) This rule shall also apply in the case of a person who has opted out of the scheme and
- (a) has made contributions to a personal pension scheme; and
 - (b) has suffered loss as a result of a contravention which is actionable under section 62 of the Financial Services Act 1986,
- notwithstanding that he has opted out of the scheme more than once.

Inactive members

- 1.4e (i) A civil servant may opt to be treated as an inactive member of the scheme if
- his relevant earnings are above an amount determined by the Minister, or
 - his relevant pension benefits are above an amount determined by the Minister.
- For the purposes of this paragraph the Minister shall determine what types of earnings and pension benefits are relevant.
- (ii) The option must be exercised by notice in writing to the scheme administrator in such form as the Minister requires.
- (iii) A person cannot revoke the option once it has been exercised.
- (iv) A person who has exercised the option shall cease to be treated as a civil servant in service for the purposes of paragraph (v)

and (vi) and shall, for the purposes of paragraphs (vii) and (viii), be treated as an inactive member from such date on or after the date the option is exercised as the Minister considers appropriate.

- (v) He shall cease to be treated as a civil servant in service for the purposes of accruing reckonable service, except for the purposes of determining his pensionable earnings.
- (vi) He shall cease to be treated as a civil servant in service for the purposes of the rules relating to contributions paid by civil servants.
- (vii) An inactive member shall not be entitled to any enhancement to reckonable service for the purposes of calculating benefits on retirement on medical grounds.
- (viii) For the purposes of calculating benefits payable on death in service of an inactive member there shall be no enhancement to reckonable service.

Definitions

- 1.5 'Reckonable service' means service (in the Civil Service or elsewhere) which reckons towards a pension under this scheme. 'Qualifying service' means service which counts towards the qualifying periods for benefits; it is usually, but not necessarily, the same as reckonable service. Section 2 sets out the different kinds of service which are treated as reckonable or qualifying. In all cases reckonable and qualifying service are counted in years and fractions of a year, with each completed day after a whole number of years counting as 1/365th of a further year.
- 1.6a Subject to rules 1.6aa, 1.6b and 2.33(iv), 'pensionable earnings' means salary (or wages), including London weighting where appropriate, and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure (see rule 1.7). Where the last three years of service include leave at reduced pay, the full rate of pay will be taken. The full rate will also be taken when pay is temporarily abated in the national interest, and when pay is voluntarily surrendered in whole or in part. Where there is part-time service in the last three years of reckonable service the full-time rate of pay will be taken; if no full-time rate is specified, the full-time equivalent will be calculated by multiplying actual pensionable earnings by the proportion which full-time hours (excluding meal breaks except where such breaks are paid for the part-time staff) bear to part-time hours over the period in question or where a civil servant, appointed on or after 1 April 1987, surrenders part of his pay as an alternative to the voluntary abatement of a non-PCSPS public service pension. When a civil servant is seconded to another employer under an arrangement whereby such

other employer pays his salary but the civil servant remains subject to this scheme, pensionable earnings will be calculated by reference not to his actual pay but to the pay he would have received if he had remained in the Civil Service. In the case of a civil servant to whom rule 2.17a applies, pensionable earnings in respect of any service that reckons under this scheme by virtue of that rule will be the pensionable earnings which would have applied if he had not been called out for service.

Where a civil servant's last three years of reckonable service include a period on or after 23 June 1994 during which she received statutory maternity pay, the salary to be used for the purpose of calculating pensionable earnings will be the salary (or wages) and pensionable emoluments that she would have received during that period if she had not been on maternity leave, rather than the statutory maternity pay received.

1.6aa Subject to rule 1.6b, in the case of those fluctuating emoluments, or parts thereof, designated as pensionable by the Minister pursuant to paragraph 2 (ix) of Appendix 1 then 'pensionable earnings' will in those cases be treated as meaning the total of:

- (a) pensionable earnings calculated according to rule 1.6a; and
- (b) the average yearly amount of those fluctuating emoluments, or those parts of any fluctuating emoluments, which the Minister has agreed to count as pensionable pursuant to paragraph 2 (ix) of Appendix 1, ('the average yearly amount') paid or payable in respect of the last three years of reckonable service ending with the last day of the pensionable earnings year;

except that where a civil servant who has within the last three years of reckonable service commenced membership of a non consolidated pay scheme and is still a member of such a scheme immediately prior to resignation or retirement then the period over which the average yearly amount shall be calculated shall be the actual period of reckonable service ending with the last day of the pensionable earnings year during which the civil servant was a member of such scheme.

For the purposes of this sub-paragraph (b), the 'pensionable earnings year' shall mean the year of reckonable service used for the purposes of calculating pensionable earnings under rule 1.6a.

Where the year of service in respect of which a fluctuating emolument was paid has a different last day to that of the pensionable earnings year, the fluctuating emolument (or nil amount if appropriate) will be apportioned on a pro rata basis between whichever of the years of reckonable service into which it fell.

Where in the last three years or less of reckonable service referred to in sub paragraph (b), no fluctuating emolument was awarded in one or more of those years or parts of a year, a nil amount will be included for that year or part of a year in calculating the average of fluctuating emoluments.

In determining the average yearly amount, fluctuating emoluments paid other than in respect of the pensionable earnings year may be increased in proportion to the increase in the retail price index from the last day of the year of payment up to the last day of the pensionable earnings year.

For the purposes of rules 1.6a and 1.7 'pensionable emoluments' shall be taken to exclude any fluctuating emolument treated as pensionable by the Minister pursuant to paragraph 2 (ix) of Appendix 1, and any such fluctuating emolument will instead be taken into account for the purposes of calculating pensionable earnings in the manner described in sub paragraph (b) of this rule.

- 1.6b (i) Any pensionable earnings in excess of the permitted maximum shall be disregarded for the purpose of calculating the pensionable earnings of a person who becomes a civil servant on or after 1 June 1989. For the purposes of applying this rule, pensionable earnings will be assessed as one twelfth of the permitted maximum for the appropriate tax year for each month's service falling in that tax year. For periods of less than one month, the permitted maximum will be the same proportion of one twelfth of the permitted maximum that the number of days service bears to the number of days in the month.
- (ii) Rule 1.6b(i) does not apply to a person who becomes a civil servant on or after 1 June 1989 in the following circumstances:
- (A) benefits cease to accrue to him under another scheme, having the same rules as this scheme (the other scheme), and he thereupon becomes a civil servant; or
- (B) benefits cease to accrue to him under this scheme, or under the other scheme
- (a) by reason of his secondment or posting to another employer and
- the period of his secondment or posting ends and he becomes a civil servant; and
 - at the time of his secondment or posting he had a definite expectation that he would again become a civil servant; or

- (b) by reason of his unpaid absence and, within one month of returning to work, he becomes a civil servant; or
 - (c) by reason of her pregnancy or confinement and, within one month of returning to work, she becomes a civil servant; or
 - (d) (where the circumstances are other than those prescribed in (a), (b) or (c) above) and, within one month of benefits ceasing so to accrue, he becomes a civil servant; and
- (C) the person was a member of this scheme or, as the case may be, of the other scheme, before 1 June 1989 and continued to be such a member until benefits so ceased to accrue to him, or
- (D) he moves from employment by a National Health Service Trust or by a Health Authority (in either case 'the Earlier Employer') to employment by the Department of Health or its equivalent in Scotland or Wales and immediately before the move:
- (a) he was in pensionable service in an occupational pension scheme of the Earlier Employer, and
 - (b) his benefits under that scheme were not limited by reference to the permitted maximum referred to in rule 1.6b(i).
- (iii) Where a person who has become a civil servant on or after 1 June 1989 has been credited with reckonable service applicable to a transfer value under rule 6.22(iii), rule 1.6b(i) will not apply in calculating benefits referable to service rendered by him when he was a member of the scheme from which the transfer was accepted and paragraph 20 of Schedule 6 to the Finance Act 1989, or equivalent scheme provision, did not apply to him.

1.7 To determine, for the purposes of rule 1.6a, pensionable earnings in 'whichever of the last three years of reckonable service gives the highest figure', salary and pensionable emoluments in the year of reckonable service ending on the last day of reckonable service will be compared with salary and pensionable emoluments in each year of reckonable service ending on a prescribed date, where:

- (i) a 'prescribed date' is a date 91 reckonable days before the last day of reckonable service, or any multiple of 91 reckonable days before the last day of reckonable service up to a maximum multiple of eight;

- (ii) a 'year of reckonable service' is a calendar year where reckonable service is continuous; or 365 consecutive reckonable days where reckonable service is discontinuous; or 366 consecutive reckonable days where the year includes a 29 February;
- (iii) a 'reckonable day' is a day which counts in whole or in part as reckonable service.

Where reckonable service is more than one year but less than 3 years, pensionable earnings will be calculated as described above on the whole period of reckonable service.

- 1.8 Where reckonable service is less than one year, 'pensionable earnings' will be calculated by multiplying total pay and pensionable emoluments by the proportion which one year bears to the actual length of reckonable service.
- 1.9 'Pensionable emoluments' are defined in Appendix 1.
- 1.10 (i) 'full-time hours' means the hours of attendance each week established by the Minister as the norm for a person employed in a particular grade or office;
- (ii) 'full-time service' means service by an individual under conditions of employment requiring attendance each week for full-time hours;
- (iii) 'part-time hours' means the actual number of hours of attendance of part-time service by an individual each week, together with the hours taken off by him within the ordinary annual leave and sick leave allowances;
- (iv) 'part-time service' means service by an individual under conditions of employment not requiring attendance each week for full-time hours;
- (v) 'conditioned hours' means the number of hours required to be served by an individual each week under his conditions of employment.
- 1.11 'Pension age' means the earliest age at which a civil servant may retire voluntarily with a pension. For prison officers in post on 30 September 1987 the pension age is 55 (see rules 2.26 and 2.27); for civil servants with service in certain countries overseas it can be between 55 and 60 (see rules 2.29 and 2.31); and for all other civil servants it is 60. 'Normal pension age' for the purposes of section 6 means the age specified in the foregoing sentence of this rule.

- 1.12 `Retirement on medical grounds' means retirement from the Civil Service with a medical certificate issued by the Scheme Medical Adviser which states that the person concerned is prevented by ill health from discharging his duties, and that his ill health is likely to be permanent.
- 1.13 `Resignation' means termination of service or voluntary retirement from the Civil Service before the pension age.
- 1.13a. (i) "Contracted out employment" is to be construed in accordance with section 8 of the Pension Schemes Act 1993.
- (ii) "Contributions equivalent premium" has the meaning given in section 55(2) of the Pension Schemes Act 1993.
- (iii) "Guaranteed minimum" means the guaranteed minimum as defined in sections 14 and 17 of the Pension Schemes Act 1993 (minimum pensions for earners, widows and widowers) –
- (a) as increased in accordance with the requirements of section 109 of that Act (annual increase of minimum pensions), and
- (b) in a case where a reduction has been made under section 15A of that Act (reduction of guaranteed minimum in consequence of pension debit), as reduced in accordance with that section.
- (iv) "Guaranteed minimum pension" has the meaning given in section 8(2) of the Pension Schemes Act 1993.
- (v) "Occupational pension scheme" has the meaning given in section 1 of the Pension Schemes Act 1993.
- (vi) "Personal pension scheme" means, unless the context otherwise requires, a personal pension scheme, within the meaning of section 1 of the Pension Schemes Act 1993, that is registered under Chapter 2 of Part 4 of the Finance Act 2004.
- (vii) "State pension age" means pensionable age, as defined in section 181(1) of the Pension Schemes Act 1993.
- (viii) "Weekly rate", in relation to a guaranteed minimum pension, has the same meaning as in regulation 55(1) of the Occupational Pension Schemes (Contracting-out) Regulations 1996.
- 1.13b. "Basic social security pension" means the basic pension paid under section 44 of the Social Security Contributions and Benefits Act 1992.

- 1.13c. 'Fixed rate' (in the context of revaluation of guaranteed minimum pensions) means a fixed rate determined in accordance with the provisions of the Pension Schemes Act 1993, and of any relevant regulations made thereunder.
- 1.13d "Fixed term appointment" or "period appointment" means an appointment the maximum period of which is fixed at the time of the appointment, and references to a fixed term appointment or period appointment shall include:
- (i) contracts for an initial fixed term which may be extended for a further specified period at the employing department's option both after a specified portion of the fixed term has expired and subsequently at fixed intervals; and
 - (ii) contracts for an initial fixed term which have been automatically and continuously renewed until notice of non renewal is given by the employing department.
- 1.13e 'Standard pay terms' means the normal basic and performance pay terms for the grade concerned.
- 1.13f The 'Compensation Scheme' means the Civil Service Compensation Scheme which came into force on 1 January 1995.
- 1.13ff The "Civil Service Injury Benefits Scheme" means the Civil Service Injury Benefits Scheme which came into force on 1 October 2002, as from time to time amended.
- 1.13g 'The Minister' means the Minister for the Civil Service.
- 1.13h The 'Scheme Actuary' is the actuary appointed by the Minister from time to time to provide a consulting service on a range of actuarial matters relevant to Civil Service pension and compensation arrangements.
- 1.13j The 'Scheme Medical Adviser' is the person or body appointed for the time being by the Minister to provide a consultation service on medical matters in relation to Civil Service pension and injury benefit arrangements or, in a case where a function normally exercisable by that adviser is being exercised by another person or body on an appeal from that adviser's decision in accordance with procedures that are acceptable to the Minister, is that other person or body.
- 1.13k 'Ordinary adoption leave' means leave under section 75A of the Employment Rights Act 1996.
- 1.13l 'Ordinary maternity leave' means:

- (i) in relation to any period before 22 August 1996, leave under section 33 of the Employment Protection Consolidation Act 1978, and
- (ii) in relation to any period after 21 August 1996, leave under section 71 of the Employment Rights Act 1996.

1.13m 'Paternity leave' means leave under regulation 4 or 8 of The Paternity and Adoption Leave Regulations 2002.

1.13n "Retail prices index" means the general index (for all items) published by the Office for National Statistics or, if that index is not published for a relevant month, any substituted index or index figures published by that office.

- 1.13o (i) "Permitted maximum" means, unless the context otherwise requires –
- (a) in relation to any tax year before the tax year 2006-07, the figure specified for that tax year in an order made under section 590C of the Income and Corporation Taxes Act 1988, and
 - (b) in relation to any later year, the figure found for that year by virtue of paragraphs (ii) to (iv).
- (ii) The figure referred to in paragraph (i)(b) is £108,600. This is subject to paragraphs (iii) and (iv).
- (iii) If the retail prices index for the month of September preceding the tax year 2007-08 or any later tax year is higher than it was for the previous September, the figure for that year shall be an amount arrived at by –
- (a) increasing the figure for the previous tax year by the same percentage as the percentage increase in the retail prices index, and
 - (b) if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple.
- (iv) If the retail prices index for the month of September preceding the tax year 2007-08 or any later tax year is not higher than it was for the previous September, the figure for that year shall be the same as for the previous tax year.
- 1.13p (i) "Full retirement" means the time at which a civil servant who has already partially retired becomes entitled to receive any pension and lump sum payable to him under this scheme to which he is not already entitled under rule 3.3b; and

- (ii) “Partial retirement” means the time at which a civil servant becomes entitled to receive a pension and lump sum under rule 3.3b.

Rule 1.13q “Unreduced earned pension” means an Earned Pension, as defined in the Civil Service Compensation Scheme, paid in accordance with rule 12.3.11(b) or 12.4.7(b) of that Scheme.

Power to determine questions

1.14 Any question under the scheme shall be determined by the Minister, whose decision on it shall be final.

Pensioners' declarations

1.15 The Minister may require a person in receipt of a pension under this scheme to provide evidence to establish

- (i) his identity; and
- (ii) his continuing entitlement to the amount being paid

and if such evidence is not provided the Minister reserves the right to stop payment of the pension.

Effect of additional voluntary contributions

1.16 deleted

1.17 Where a civil servant has made an option under rule 7.2a of this scheme as in force on 5 April 2006 or has given notice under rule 5.1(c)(ii)(B) of the Civil Service Additional Voluntary Contribution Scheme as in force on 5 April 2006 or where he is granted added years under rule 2.24a

- (i) he will be treated for the purpose of rules 1.6b, 4.9, 4.12, 4.22, 4.35, 4.44, 7.3 and 7.4 as if he were a person who became a civil servant on or after 1 June 1989;
- (ii) This paragraph has been deleted.
- (iii) This paragraph has been deleted.

Administrator for purposes of tax legislation

1.18 The Cabinet Office is appointed to be responsible for the discharge of all duties relating to the scheme which are imposed on the administrator under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988.

Conversion of lump sum into pension

- 1.19 This rule applies where any benefit payable as a lump sum under the rules would be an unauthorised payment for the purposes of Part 4 of the Finance Act 2004 (see section 160(5) of that Act). The Minister may determine in such cases that some or all of the benefit shall instead be paid in the form of a pension calculated in accordance with guidance provided by the Scheme actuary. This rule does not apply to any refund of contributions payable under paragraph (xiii) of rules 4.19 or 4.23d.

Adjustment to benefits

- 1.20 This rule applies if, apart from this rule, any part of a pension to which any person becomes entitled under sections 4, 5 or 9 on the death of a civil servant or former civil servant after reaching the age of 75 would not qualify as a dependants' scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules) (see paragraphs 16 to 16C of Schedule 28 to that Act). When this rule applies the benefit payable to the person may be adjusted in such manner as is determined by the Minister.

Section 2: Reckonable Service

Full-time service

Part-time service

Broken service

Leave

War service and national service

Other service outside the Civil Service

Service in the Civil Service under FSSU

Added years

Prison Officers

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Casual service

Pay restructuring

Section 2: Reckonable Service

- 2.1 So far as the reckoning of service before 1 June 1972 is concerned, the rules in this section are subject to any direction made before that date by the Treasury or by the Minister for the Civil Service under the Superannuation Act 1965 or any enactment repealed by that Act or otherwise, and such service before 1 June 1972 will accordingly reckon in the same way as it would have reckoned or have been permitted to reckon, by virtue of any direction or otherwise, had it ended immediately before that date.
- 2.2 Except where otherwise stated, reckonable service is also qualifying service and service which is not reckonable service is not qualifying service.
- 2.3 Except for the purposes of rules 1.6a, 1.7, 4.15(ii) and 4.16(ii) reckonable service cannot exceed 45 years in total. This is subject to the following. Before 1st March 2008 a member may not count as reckonable more than 40 years' service before the pension age. After 29th February 2008, a member who has accrued 40 years' reckonable service before the pension age may count any further service accrued on or after 1st March 2008 as reckonable, subject to the overall limit of 45 years.
- 2.3a After 6th April 2006, no period after the day before a person's 75th birthday shall count as reckonable service.
- 2.3b If a civil servant has exercised the option under rule 3.3b (partial retirement)—
- (a) the reckonable service that the civil servant can count on later full retirement is adjusted in accordance with rule 3.3b(viii)(c) or (ix)(c), and
 - (b) the civil servant's partial retirement will have no effect on the length of his qualifying service.

Full-time service

- 2.4 Subject to the provisions of these rules, reckonable service is the period of a person's continuous full-time service in the Civil Service ending with his last day of service. For this purpose, service starts from the date of taking up duty. However:
- (i) service in an unestablished capacity under 18 years of age given before 1 June 1972 does not reckon;
 - (ii) service in the Civil Service excluded from the scheme by rule 1.4 does not reckon or qualify except in the circumstances described in rule 2.22 (service in the Civil Service under FSSU)

and rule 2.32 (casual service immediately preceding appointment as a civil servant);

- (iii) service other than as a civil servant does not reckon or qualify except for particular purposes specified in former section 10 as set out at Appendix 2 of the Compensation Scheme, former section 11 of this scheme as set out in Appendix 16 and the Civil Service Injury Benefits Scheme.

2.5 This rule has been deleted.

2.6 This rule has been deleted.

Part-time service

2.7 Where continuous service consists of or includes part-time service of:

- (i) 18 hours a week or more before 1 October 1982; or
- (ii) in the case of a civil servant who was rendering full-time service or part-time service of 15 hours a week or more on 1 October 1982, less than 18 hours a week on or after 1 June 1972 and before 1 October 1982; or
- (iii) 15 hours a week or more on or after 1 October 1982,

that service will qualify as follows:

- (a) any week in which such part-time service is given will qualify as one week's full-time service;
- (b) on or after 1 December 1980, any regularly occurring unpaid absences which form part of the conditions of employment will qualify at their calendar length as full-time service;
- (c) part-time service under 18 years of age given before 1 June 1972 will not qualify at all;
- (iv) on or after 1 April 1987, any regularly occurring weeks of less than 15 hours which form part of the conditions of employment will qualify as one week's full-time service.

Subject to rule 2.7a(ii) below, this rule applies only to part-time service rendered before 1 January 1990.

2.7a This rule applies to part-time service rendered on or after 1 January 1990 and on or before 31 December 1994.

- (i) Where the conditioned hours of a civil servant

- (a) are 15 or more per week; or
- (b) in the case of conditions of employment requiring a repeated cycle of service, average 15 or more per week over the period of the cycle; or
- (c) in the case of conditions of employment requiring service during only part or parts of the year, average 15 or more a week over that part or parts,

each week which forms part of the conditions of employment will qualify as one week's full-time service.

- (ii) Notwithstanding this rule, rule 2.7 shall continue to apply after 1 January 1990 to a civil servant whose part-time service qualified under rule 2.7 but does not qualify under this rule, provided that there is no change in the conditioned hours of the civil servant.

Except as provided in this rule or in rule 2.7 above or in rule 2.7c below, part-time service rendered on or before 31 December 1994 does not qualify, but two periods of continuous service which do qualify may be treated as continuous full-time service if they are separated by a period of continuous part-time service which does not qualify.

2.7b This rule applies to part-time service rendered on or after 1 January 1995. Each week which forms part of the conditions of employment will qualify as one week's full-time service.

2.7c (i) This rule applies to a civil servant who was not otherwise excluded from the scheme by rule 1.4 and who rendered part-time service on or after 8 April 1976 and before 1 January 1995 which does not qualify under rule 2.7 or rule 2.7a.

(ii) Where a civil servant

- (a) has lodged a written claim in such form as the Minister may consider appropriate no later than 6 months after the end of the period of continuous employment which includes the period of part-time service to which this rule applies; and
- (b) has paid the contributions due under Part 7 of Section 4 of this Section II of the scheme

each week of that service which forms part of the conditions of employment and for which contributions have been paid will qualify as one week's full-time service.

2.8 (a) Each week of qualifying part-time service of 15 hours or more reckons as follows:

- (i) if given before 1 June 1972, at half the length of equivalent full-time unestablished service;
 - (ii) if given on or after 1 June 1972, and before 1 January 1990 at the length of equivalent full-time service multiplied by A/B where A is the number of part-time hours worked in that week and B is the number of full-time hours (excluding meal breaks except where such breaks are paid for part-time staff) provided that, in the case of a week qualifying under 2.7(ii) above, A shall be deemed to be 15.
- (b) Where a civil servant gives service to which rule 2.7a or 2.7b apply, all hours worked (including meal breaks where such breaks are paid for part-time staff), will reckon up to a limit of the full-time conditioned hours of the civil servant's grade. Reckonable service will be calculated by means of the formula $A/B \div 52.2$, where A is the total number of hours worked and B is the number of weekly full-time conditioned hours of the grade (excluding meal breaks, except where such breaks are paid for part-time staff).
- (c) Where a civil servant has given service to which rule 2.7c applies, such service will reckon in accordance with the formula in rule 2.8(b).

Broken service

- 2.9 Where there is a break between reckonable service and earlier service in the Civil Service, then in certain circumstances that earlier service may count as reckonable and qualifying. Where the earlier service ended on or after 1 June 1972, the rules for its treatment are set out under 're-employment' (see rules 3.25 to 3.36). Where the earlier service ended before 1 June 1972, the rules for its treatment are set out in Appendix 7.

Leave

- 2.10 Annual leave and maternity leave on full pay count as reckonable service. Special leave, injury leave and sick absence on full or half pay count as reckonable service, as does maternity leave on statutory maternity pay on or after 23 June 1994; subject to rule 2.10a unpaid absences, unpaid leave and leave at pension rate neither qualify nor reckon except that:
- (i) where a civil servant's annual entitlement to paid leave was less than 3 weeks, unpaid leave may reckon to the extent that the entitlement fell short of 3 weeks;

- (ii) unpaid special leave for training in one of the reserve forces may reckon to the extent authorised by the Minister;
- (iii) for industrial civil servants in post on 8 December 1967 unpaid special leave of up to 50 days a year granted for trade union and civic duties may reckon;
- (iv) unpaid special leave taken on or after 1 December 1980 for the purpose of voluntary public service may reckon to the extent authorised by the Minister;
- (v) unpaid absences taken by part-time staff will qualify to the extent provided under rules 2.7, 2.7a, 2.7b and 2.7c;
- (vi) unpaid maternity leave granted on or after 6 April 1988 will qualify as full-time service.

2.10a Periods of unpaid sick absence, unpaid leave and leave at pension rate taken on or after 1 April 1997 count as qualifying service.

2.10b Ordinary maternity leave, ordinary adoption leave or paternity leave whether paid or unpaid will count as reckonable service.

War service and national service

2.11 No period of service in the armed forces may reckon under this scheme if it also reckons for the purpose of naval, military or air force non-effective pay or if there is any break in subsequent service in the Civil Service other than such a break as is permitted in accordance with rule 2.9.

2.12 Subject to rule 2.11, any service in the armed forces during which a civil servant was eligible to receive balance of civil pay may reckon as if it were a continuation of his service in the Civil Service.

Rules 2.13 to 2.16 have been deleted.

2.17 An established or unestablished civil servant who was recalled on or after 15 July 1950 for certain service in the Reserve and Auxiliary Forces may reckon that service as if he had stayed in the Civil Service. A person who was successful in an examination for the Civil Service or who was nominated for an established post, but was prevented by recall to the Reserve and Auxiliary Forces from taking up that post until later, may reckon that service as established civil service. Reckoning under this rule will be subject to the conditions which were laid down in the Superannuation (Reserve and Auxiliary Forces) Rules 1952 (SI 1952/135).

2.17a Where a civil servant is called out or recalled for permanent service in the reserve forces or regular forces in pursuance of a call out order

made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996, or under an Order in Council made on 18 May 1982, that service will reckon under this scheme, unless it reckons under one of the armed forces pension schemes. In the case of a civil servant who, at the date of calling out, is serving a period of notice, any service which reckons under this scheme by virtue of this rule will cease to reckon on the day that the period of notice expires.

Other service outside the Civil Service

2.18 A civil servant with previous service in one of the bodies listed in the first column of Appendix 3 may reckon that service if:

- (i) he was transferred to the Civil Service on the date or within the dates shown in the second column; and
- (ii) he has satisfied the other conditions (where appropriate) which were set out in the enactment or statutory instrument shown in the third column.

His service will count as reckonable or qualifying service in accordance with the provisions which were set out in that enactment or statutory instrument.

2.19 A civil servant who before 1 June 1972 transferred into the Civil Service from an outside employment under one of the transfer rules listed in Appendix 4 may count his service in that employment as reckonable or qualifying service in accordance with the provisions which were set out in that rule, as amended or extended by the Principal Civil Service Pension Scheme (Transfer Scheme) 1972.

2.19a With the exception of those provided for in the Superannuation (Territorial and Auxiliary Forces Associations and Civil Service) Transfer Rules 1969 (SI 1969/34) this rule applies:

- (i) to those staff who as a consequence of the reorganisation of the Army Reserves provided for in the Reserve Forces Act 1966 were taken into the Civil Service together with their work between 1 April 1967 and 30 September 1967 having previously been employed by the Territorial and Auxiliary Forces Associations;
- (ii) to those staff who as a consequence of the reorganisation of the Army Reserves provided for in the Reserve Forces Act 1966 were first transferred to the Territorial Auxiliary and Volunteer Reserve Associations and subsequently taken into the Civil Service with their work between 1 April 1967 and 28 February 1973.

For such staff any previous service which was reckonable under the Territorial and Auxiliary Forces Associations Pension Fund or the gratuity scheme set out in the Territorial Army Civilian Staff Regulations will be reckonable as service in an unestablished capacity in the Civil Service.

- 2.19b Those staff who were employed by the Territorial, Auxiliary and Volunteer Reserve Association East Anglia on 31 March 1974, who on that date had service which was reckonable under the Territorial Army Volunteer Reserve Association gratuity scheme, and who on 1 April 1974 were taken into the Civil Service together with their work may count such reckonable service as service in an unestablished capacity in the Civil Service, provided that no gratuity was received from the Territorial Army Volunteer Reserve Association gratuity scheme in respect of such service or that any such gratuity has subsequently been paid over to the Ministry of Defence.
- 2.20 A civil servant joining the Civil Service on or after 1 June 1972 may transfer into the scheme his accrued pension benefits under, and in accordance with, the rules set out in section 6 or Appendix 11, whichever is applicable. Reckonable and qualifying service will therefore be credited in the scheme in accordance with those rules. Appendix 12 of this scheme shall continue to have effect for the purposes of paragraph 16 of Appendix 11.
- 2.21 A civil servant with previous service in a 'public office' may count that service as reckonable or qualifying. The rules for doing so are set out in statutory instruments. The power to make them is contained in sections 38 and 42(1) of the Superannuation Act 1965, and the rules themselves are in the Superannuation (Public Offices) Rules 1967 (SI 1967/364) as amended by the Superannuation (Public Offices) (Amendment) Rules 1982 (SI 1982/1207). The employments which qualify as public offices are specified in section 39 of the 1965 Act, as extended by the Superannuation (Designation of Public Offices) Orders 1965 and 1967 (SI 1965/1357 and SI 1967/666).

Service in the Civil Service under FSSU

- 2.22 Service in the Civil Service under the Federated Superannuation System for Universities does not reckon, but counts as qualifying service if it is followed immediately by service in the Civil Service which does reckon. The provision of Appendix 13 shall, however, have effect in relation to the reckoning of service of civil servants who are in service on 1 April 1975 and elect to relinquish their rights in respect of the policies and other assets held for them under FSSU.

Added years

- 2.23 This rule has been deleted.

- 2.24 The Minister has discretion to grant added years of reckonable service to a civil servant if there are special circumstances to justify this. The number of added years which may be granted will be subject to the limits set out in rule 2.3 (limit on length of reckonable service). Subject to those limits, the Minister may determine whether the added years are to be treated as accruing evenly over the period from the date of entry into the Civil Service until the pension age or over such other period as the Minister may specify.
- 2.25 A civil servant may increase his reckonable and qualifying service by buying added years at full cost to himself, subject to certain limits. The rules for buying added years are set out in section 7.

Prison Officers

- 2.26 'Service as a prison officer' means service as a civil servant serving in an institution to which the Prison Act 1952 or the Prisons (Scotland) Act 1952 applies, in one of the grades or pay bands listed in Appendix 5.
- 2.27 For prison officers with service as a prison officer who were in post on 30 September 1987, the pension age is 55 (but see rule 3.12); and after 20 years of actual service as a prison officer (including service that reckons under this scheme because of rule 2.17 or 2.17a and which preceded or interrupted service as a prison officer) further service reckons (subject to the maximum limits laid down in rules 2.3 and 3.31) at double its length, and will so reckon for the purposes of any payment under rule 3.2, or rule 3.32a or, subject to the provisions of rules 2.2 or 2A.5 of the Compensation Scheme, rules 2.1, 2A.4, 3.1 or 3A.4 of the Compensation Scheme. This is subject to rule 7.13.
- 2.28 Service as a mental health officer is treated as service as a prison officer, if the person concerned subsequently joined the Civil Service under the Superannuation (Transfer of Mental Health Officers) Order 1965 (SI 1965/1041), or under the corresponding transfer arrangement under section 6.
- 2.28a Where a prison officer joins the Civil Service on or before 30 September 1987 and a transfer value under section 6 has been received in respect of service by him as a member of the armed forces of the Crown, a policeman, a fireman, or a prison officer in Northern Ireland, which is reckonable under the Armed Forces Pension Scheme or pensionable under the Police Pensions Regulations or the Fireman's Pension Scheme or the Principal Civil Service Pension Scheme (Northern Ireland) as the case may be, such service may be treated as service as a prison officer and paragraphs 9 to 11 of Appendix 11 or rules 6.22, 6.23 and 6.27 as appropriate will not operate, if this would result in a larger pension under this scheme.

Service overseas

- 2.29 Service in certain places overseas reckons at one and a half times the length at which it would otherwise have reckoned, if given before 1 June 1972, or if given after that date but as part of a tour of duty which began (or for which a posting was accepted) before it. The places in question are listed in the first column of Appendix 6, and this rule applies to service in those places after the dates shown in the second column.
- 2.30 Rule 2.29 does not apply:
- (i) for the purposes of qualifying (as opposed to reckonable) service;
 - (ii) to any service which would otherwise have reckoned at more than one and a half times its actual length;
 - (iii) if the civil servant was resident in the country or area in question when he entered the Civil Service (unless the Minister expressly agrees otherwise);
 - (iv) this paragraph has been deleted;
 - (v) to absences or leave in the United Kingdom, or to absences or leave of more than one month in any period of 12 months spent outside the United Kingdom, whether or not in one of the places listed in Appendix 6.
- 2.31 For each completed year of actual service (established or unestablished) to which rule 2.29 applies, the pension age of the civil servant in question is reduced by three months, though not so as to reduce it below 55.

Casual service

- 2.32 Where a person employed on a casual appointment is appointed to a post as a civil servant, a proportion of the period of casual service immediately preceding the appointment as a civil servant will count as qualifying and reckonable service. The proportion of casual service that qualifies and reckons under this rule will be as determined by the Minister on the advice of the Scheme Actuary. This rule applies to persons employed on casual appointments or as civil servants on or after 20 July 1995 and before 31 July 2006, with casual service on or after 1 April 1993.

Pay restructuring

- 2.33 (i) This rule shall apply to a civil servant where the department or other body employing him:

- (a) proposes to agree (as part of a collective or other agreement on pay) that this rule shall apply in respect of an Increase; and
- (b) informs the Minister that it considers that the proposed agreement is capable of being validly implemented;

and the Minister agrees, after consulting persons appearing to him to represent persons likely to be affected by the proposed application of this rule, to the application of this rule. This rule shall not apply to any Increase with a Starting Date on or after 31 July 2006.

- (ii) Paragraphs (iii) and (iv) shall only apply for the purposes of:
 - (a) calculating any benefit (apart from any enhancement) for or in respect of the civil servant under any of rules 3.1, 3.35, 4.3, 4.21 and 4.41, and
 - (b) calculating any other benefit for or in respect of him under this scheme, to the extent that this involves a calculation on the same basis as applies under, or in relation to, any of those rules.
- (iii) In relation to the civil servant:
 - (a) his reckonable service (and any relevant period of that service) before the 'Starting Date' shall either be reduced by multiplying it by X/Y , where:
 - X is his pensionable earnings as at the date immediately before the Starting Date, and
 - Y is X plus the annual rate of the Increase,or be subject to such smaller reduction as the Minister may decide with the advice of the Scheme Actuary;
 - (b) rule 2.3 shall apply so that his reckonable service as reduced under paragraph (a) above and his reckonable service on and after the Starting Date shall not in aggregate exceed the limits prescribed by rule 2.3 (limit on length of reckonable service);
 - (c) for the purposes only of calculating any benefit under rule 4.41 'A' and 'B' in rule 4.43 shall each be the period of reckonable service stated in rule 4.50 in respect of that abbreviation, but reduced in each case in accordance with (a) above in respect of any part or the whole of that

period of reckonable service falling before the Starting Date.

- (iv) At any date (the 'Calculation Date') during the period of one year starting on the Starting Date the civil servant's pensionable earnings shall be the greater of:
 - (a) his pensionable earnings calculated without reference to (b) below, and
 - (b) his total pay and pensionable emoluments for the period starting on the Starting Date and ending on the Calculation Date multiplied by the proportion which one year bears to that period.

- (v) For all purposes of this scheme except those specified in paragraph (ii), any reference to the period of a civil servant's reckonable service or pensionable earnings shall be to his reckonable service or pensionable earnings calculated without reference to paragraphs (iii) and (iv). For the avoidance of doubt, circumstances in which accordingly paragraph (iii) shall not apply include (though not exclusively) the calculation of any of:
 - (a) his reckonable service for the purpose of determining the amount of any enhancement to that service;
 - (b) his reckonable service credited under Section 6;
 - (c) his reckonable service in respect of added years purchased under Section 7 or granted under rule 2.24;
 - (d) the length of his reckonable service referred to in the table in rule 11.7 of Appendix 16 or rule 1.7 of the Civil Service Injury Benefits Scheme, as the case may be; and
 - (e) any period of his qualifying service.

- (vi) In this rule:
 - (a) an 'Increase' is a specific part or the whole of a proposed increase in the civil servant's salary or wages; and
 - (b) the 'Starting Date' is the date of the start of the period of service in respect of which the Increase is payable.

Section 3: Retirement and death benefits

Ordinary retirement

Partial retirement

Retirement on medical grounds

Death benefits

Termination of pensionable service on resignation or option out of the scheme

Dismissal

Modification on account of national insurance benefits

Downgrading

Restructuring resulting in reduction in pensionable earnings

Re-employment

Staff on approved employment, etc

Guaranteed Minimum Pensions

General option to exchange part of pension for extra lump sum

Option to buy out actuarial reduction

Calculation of unreduced earned pension

Additional service pension and lump sum

Section 3: Retirement and death benefits

Ordinary retirement

3.1 Subject to the other provisions of these rules, a civil servant who retires or, if earlier, reaches the day before his 75th birthday on or after 6 April 2006, shall be paid the following benefits on or after reaching the pension age:

- (a) an annual pension of 1/80th of his pensionable earnings multiplied by the length of his reckonable service;
- (b) a lump sum of 3/80ths of his pensionable earnings multiplied by the length of his reckonable service.

For the limits on reckonable service see rule 2.3.

Where the civil servant is already entitled to receive a pension under rule 3.3b (partial retirement), the reckonable service used to calculate his full retirement pension will be reduced in accordance with rule 3.3b(viii)(c) or (ix)(c).

- 3.1a This rule applies to a civil servant (including, as appropriate, a person who has opted out of the scheme) who, on or after 1 February 1996,
- (i) retires at, or after, the pension age or, if earlier reaches the day before his 75th birthday after 5 April 2006 with benefits under rule 3.1, or receives early payment of such benefits in the form of both pension and lump sum under rule 3.15; or
 - (ii) receives benefits at the pension age under rules 3.11 or 3.24a(ii), or earlier under rule 3.18c, or receives early payment of such benefits in the form of both pension and lump sum under rule 3.15; or
 - (iii) receives early payment of actuarially reduced benefits under rules 3.10a, 3.10b, or 3.10c; or
 - (iv) retires early with benefits awarded under rules 2.2, 2.9, 3.1, 3.4 or 4.1 or by application of rule 7.5 of the Compensation Scheme; or
 - (v) is entitled to receive payment of benefits as a result of exercising the partial retirement option under rule 3.3b.

In such cases, the civil servant may, before his or her benefits are due to come into payment, and provided that he or she has not made an election under rule 5.8(b) of the Compensation Scheme, elect to surrender the whole, or part, of any superannuation lump sum forming part of those benefits, or any contributed lump sum payable to the civil

servant under section 14 (contributed pension and lump sum) so as to receive, instead, the equivalent commutation value of that superannuation lump sum and/or contributed lump sum in the form of an increase,

- (a) if the surrender relates to contributed lump sum payable under section 14, in either:
 - (i) his or her contributed pension from the date that such pension comes into payment; or
 - (ii) his or her contributed pension as in (a)(i) above and in any dependant's contributed pension, as appropriate, which may become payable under Rule 14.21, on the death of the civil servant to the person who is the civil servant's spouse or civil partner at the time the increase in the civil servant's own pension comes into effect, or
- (b) otherwise, in either:
 - (i) his or her annual pension from the date that such a pension comes into payment; or
 - (ii) his or her annual pension as in (a) above and in any widow's, widower's or surviving civil partner's pension, as appropriate, which may become payable under section 4 on the death of the civil servant to the person who is the civil servant's spouse or civil partner at the time the increase in the civil servant's own pension comes into effect.

An election made under this rule will be irrevocable from the date that the benefits in (i)-(v) above are due to come into payment. For the purposes of determining any increases under this rule, the appropriate tables drawn up by the Scheme Actuary shall be used. Any amount of lump sum elected to be surrendered shall be an amount determined in multiples of £100. Where an election is made under this rule, the increased element of the civil servant's pension, or any increase in the widow's, widower's or surviving civil partner's pension resulting from the operation of this rule shall be ignored, as appropriate for the purposes of abatement under rule 3.26 or a pension under parts 3 or 5 of section 4.

3.1b In the case of a civil servant whose continuous service includes service in one or more designated appointments, the benefits referred to in rule 3.1 above will be calculated separately in respect of each of the following periods of service:

- (i) any period of service before a designated appointment;

- (ii) any period of service under a designated appointment; and
- (iii) any period of service after a designated appointment,

and subject to rule 3.1c, the civil servant will receive the aggregate of the benefits so calculated. Without prejudice to the requirements of the social security legislation the benefits calculated in respect of each period shall be treated as though they comprised a separate pension for that period and references to 'pension', 'pensionable earnings' and 'reckonable service' shall be construed accordingly where it is necessary to do so to give effect to the calculation of benefits under this rule.

- 3.1c (i) A civil servant who continues to render service after the designated appointment may have his reckonable service rendered before the designated appointment counted with reckonable service rendered after the designated appointment toward a single pension award based on pensionable earnings at the later period of service.
- (ii) Where, in the case of a civil servant who continues to render reckonable service after the designated appointment, the pensionable earnings relating to that reckonable service exceeds the pensionable earnings on the last day of the designated appointment (increased by the proportion by which a pension of that amount beginning on the following day would have been increased under the Pensions (Increase) Act 1971 as amended) the civil servant may be paid benefits calculated under rule 3.1, if those benefits would be greater than the aggregate of benefits calculated under rule 3.1b or rule 3.1c(i).
- 3.1d A designated appointment is a period appointment made before 1 November 2007
- (i) in which the civil servant is paid at a rate higher than the range of pay or overall band maximum, or band maximum for the grade of the post, or
 - (ii) to which a civil servant is appointed and which is more than one grade (or where his grade is 7 or 5, more than 2 grades) above his grade immediately before the appointment.
- 3.2 If a civil servant serving on or after the pension age has completed 45 years' reckonable service, a payment may be made of 3/80ths of pensionable earnings for each year (including fractions of a year) of after the pension age excluding, if the civil servant's 75th birthday is after 5 April 2006, any service on and after his 75th birthday. This will be payable when he retires or, if earlier, on the day before his 75th birthday if the day before his 75th birthday is after 5 April 2006, and will be in addition to his pension and lump sum under rule 3.1.

3.3 This rule has been deleted.

3.3a (i) Where a person's relevant entitlements do not exceed the small pensions commutation maximum and the commutation requirements that apply are met, the scheme administrator may pay the person entitled to any of the following pensions a lump sum of such an amount as the Scheme Actuary advises represents the capital value of the pension if–

- (a) that person consents, and
- (b) in a case where that person is a civil servant and the pension is one which may not be less than his guaranteed minimum, he has reached state pension age.

(ii) Those pensions are–

- (a) a pension to which a civil servant is entitled under section 3,
- (b) a pension payable to any person under section 4,
- (c) a pension payable to a pension credit member under section 12, or
- (d) a pension payable to any person under section 14.

(iii) If–

- (a) a civil servant is entitled to more than one pension in respect of the employment by virtue of which he is eligible for membership of this Section of the scheme, or
- (b) a person is entitled to more than one pension in respect of the same civil servant and the same employment of the civil servant, or
- (c) a pension credit member is entitled–
 - (i) to more than one pension under rule 12.2, or
 - (ii) to one or more pensions within sub-paragraph (a) in addition to one or more pensions under rule 12.2,

those pensions may only be commuted under this rule if they, together with the pension equivalent of any lump sum payable, do not in aggregate exceed the amount that is permitted to be commuted under all the commutation requirements that apply in the circumstances in question.

- (iv) The payment of a lump sum under this rule in respect of a pension discharges all liabilities under these rules in respect of that pension.
- (v) This paragraph has been deleted.
- (vi) This paragraph has been deleted.
- (vii) In this rule—

“the small pensions commutation maximum” means the amount that is permitted to be commuted, having regard to all the commutation requirements that apply in the circumstances in question, and

“the commutation requirements” means requirements permitting the commutation of small pensions that are imposed—

- (a) by regulation 20 or 60 of the Occupational Pension Schemes (contracting-out) Regulations 1996,
- (b) by paragraph 7 of Schedule 29 to the Finance Act 2004 or, in relation to a pension payable under section 4, by paragraph 20 of schedule 29 to the Finance Act 2004, or
- (c) by regulation 3(2)(b) of the Pension Sharing (Pension Credit Benefit) Regulations 2000.

Partial retirement

- 3.3b (i) This rule applies if—
- (a) a civil servant has not retired from an employment that qualifies the civil servant to belong to this scheme,
 - (b) if he had so retired the civil servant would be entitled to a pension for life and a lump sum by virtue of—
 - (1) rule 3.1 (normal retirement), provided that he has not reached the day before his 75th birthday, or
 - (2) rule 3.10a (early payment of pension and lump sum with actuarial reduction), if he had opted under that rule to receive immediate payment of a pension and lump sum after actuarial reduction,
 - (c) the terms on which the civil servant holds the employment change on or after 1st March 2008,

- (d) as a result the amount of the civil servant's salary is reduced to 80% or less of its amount before the change, and
- (e) the civil servant opts for this rule to apply.

This is subject to paragraph (iii).

- (ii) This rule also applies if—
 - (a) a civil servant who reached pension age before 1st March 2008 has not retired from an employment that qualifies the civil servant to belong to this scheme,
 - (b) the civil servant has not reached the day before his 75th birthday,
 - (c) on or after the date on which he reached pension age but before 1st March 2008, the civil servant's salary has reduced as a result of a change to the terms on which he holds the employment, each such reduction being "an earnings reduction",
 - (d) either—
 - (1) if the civil servant has only had one earnings reduction, the amount of the civil servant's salary was reduced to 80% or less of its amount before the earnings reduction, or
 - (2) if the civil servant has had more than one earnings reduction, the cumulative change percentage (see paragraph (iv)) is 80% or less, and
 - (e) the civil servant opts before 1st June 2008 for this rule to apply.

This is subject to paragraph (iii).

- (iii) This rule does not apply to a prison officer who has a pension age of 55 under rule 2.27.
- (iv) The cumulative change percentage is found by—
 - (a) expressing the amount of the civil servant's salary immediately after each earnings reduction as a percentage of the civil servant's salary immediately before that earnings reduction to obtain "the change percentage" for each earnings reduction, and

- (b) multiplying the change percentages.
- (v) The option under this rule—
 - (a) may only be exercised once,
 - (b) may only be exercised by notice in writing in such form as the Minister requires, and
 - (c) except in the case of a civil servant to whom paragraph (ii) applies, may only be exercised in the period of three months beginning with the day on which the reduction in salary by virtue of which it is exercisable takes effect.
- (vi) A civil servant who exercises the option—
 - (a) is entitled to a pension payable for life and a lump sum under this rule with effect on and from the day after the relevant last day, and
 - (b) will be treated both as a civil servant in service and a civil servant whose pension has come into payment for the purposes of this scheme.
- (vii) The option must specify—
 - (a) whether the civil servant requires payment of part or the whole (calculated on the relevant last day) of the civil servant's pension, and
 - (b) if only part of the pension, the proportion required ("the partial retirement proportion").
- (viii) If the civil servant exercises the option in respect of the whole of the civil servant's pension—
 - (a) the annual amount of pension to which the civil servant is entitled is, subject to paragraph (x), determined by—
 - (1) calculating the annual amount of pension that would be payable to the civil servant under rule 3.1 (ordinary retirement) using the civil servant's pensionable earnings as if his last day of reckonable service was the relevant last day and using his reckonable service up to and including the relevant last day,
 - (2) adding the annual amount of the civil servant's full retirement contributed pension specified in the civil servant's pension account under rule 14.13A, and

- (3) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a (immediate payment of preserved pension and lump sum after actuarial reduction), and
 - (b) the amount of lump sum to which the civil servant is entitled is determined by—
 - (1) taking the unreduced amount of the civil servant's annual pension calculated in accordance with paragraphs (viii)(a)(1) and (2) of this rule before applying any reduction under rules 3.19 to 3.23a (modification on account of national insurance benefits) and multiplying it by three, and
 - (2) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a, and
 - (c) the civil servant's reckonable service accrued for the period up to and including the relevant last day is adjusted, with effect from the day after the relevant last day, to zero.
- (ix) If the civil servant exercises the option in respect of part of the civil servant's pension—
- (a) the annual amount of pension to which the civil servant is entitled is, subject to paragraph (x), determined by—
 - (1) calculating the partial retirement proportion of the civil servant's reckonable service up to and including the relevant last day, rounded up or down to the nearest whole day ("the partial reckonable service"),
 - (2) calculating the annual amount of pension that would be payable to the civil servant under rule 3.1 using the civil servant's pensionable earnings as if his last day of reckonable service was the relevant last day and using his partial reckonable service instead of his reckonable service, and
 - (3) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a,
 - (b) the amount of lump sum to which the civil servant is entitled is, subject to paragraph (xi), determined by—

- (1) taking the unreduced amount of the civil servant's annual pension calculated in accordance with paragraphs (ix)(a)(1) and (2) of this rule before applying any reduction under rules 3.19 to 3.23a (modification on account of national insurance benefits) and multiplying it by three, and
 - (2) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a, and
- (c) the civil servant's reckonable service is adjusted, with effect from the day after the relevant last day, by subtracting the civil servant's partial reckonable service from his total reckonable service up to and including the relevant last day, to determine the civil servant's "remaining reckonable service". The civil servant's remaining reckonable service, together with any reckonable service accrued after the relevant last day, will be used to calculate the benefits due to the civil servant on full retirement.
- (x) If the civil servant has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to benefits under the 1972 Section, the partial retirement proportion must be at least enough to ensure that the weekly rate of the pension payable to the civil servant under this rule (after any commutation under rule 3.50 and after applying any actuarial reduction) is not less than the rate of the guaranteed minimum pension payable from state pension age (regardless of whether or not the civil servant has reached pension age).
- (xi) Where a civil servant exercises the option in respect of part of his pension, the partial retirement proportion must be enough to ensure that the lump sum payable to him under this rule is no less than any deduction that will apply to that lump sum under rule 4.17(i) or rule 4.23b(i).
- (xii) Rules 3.24 to 3.24d (downgrading) cease to apply to a civil servant when he exercises the option under this rule.
- (xiii) Special terms apply if a civil servant who exercises the option under this rule is subsequently retired on medical grounds (see rule 3.4(i)) or dies before full retirement (see rules 3.8(vii), 3.9(ba), 4.6(iv), 4.21c(iv) and 4.30(iii)).
- (xiv) In this rule—

“the relevant last day” means the day before the date on which the civil servant’s salary is reduced or, if later, 29th February 2008”, and

“salary” means the annual rate of the civil servant’s salary or wages and pensionable emoluments, other than any fluctuating emoluments designated by the Minister as pensionable pursuant to paragraph 2(ix) of Appendix 1.

Retirement on medical grounds

- 3.4 (i) Subject to rules 3.6, 3.7 and 3.24d, a civil servant (other than a person on a period appointment) who is retired on medical grounds and who would qualify for a pension under rule 3.1 or a preserved pension under rules 3.11 or 3.24a will be paid an ill health pension and lump sum. The pension and lump sum paid under this rule are calculated as under rule 3.1 but in the following cases enhancement may apply, where:
- (a) the person concerned would qualify for a pension under rule 3.1; or
 - (b) the person would qualify by virtue of rule 3.11 and has 5 or more years’ qualifying service; or
 - (c) the person is a woman qualifying under rule 3.11 and is retired on medical grounds on or after 6 April 1978 and after the end of the tax year preceding that in which she attains the age of 60.

Enhancement does not apply to a civil servant who becomes entitled to receive a pension under rule 3.3b (partial retirement) on or before the day before he is retired on medical grounds.

Where enhancement applies, the person’s reckonable service is enhanced as follows:

- (i) if it is less than ten years, it will be enhanced to double its length;
- (ii) if it is ten years or more, it will be enhanced in whichever of the following ways gives the better result:
 - (a) to 20 years
 - (b) by $6\frac{2}{3}$ years.
- (iii) For the purposes of (i) and (ii) above, in the case of a civil servant whose benefits fall to be calculated under rule 3.1b but who is not serving in a designated appointment

at the time of retirement on medical grounds, the whole of his reckonable service shall be taken into account and enhancement shall apply to the benefits related to his last period of service.

However, enhanced reckonable service under (i) or (ii)(a) may not exceed what would have been his reckonable service if he had stayed in service in a full-time capacity until five years after the pension age; and enhanced reckonable service under (ii)(b) may not exceed what would have been his reckonable service if he had stayed in service in a full-time capacity until the pension age. For the purpose of calculating the limits on enhancements of reckonable service under this rule,

- (1) added years shall be brought to account as reckonable service in accordance with rule 7.11;
- (2) this sub-paragraph has been deleted;
- (3) in the case of a prison officer who retires on or after 1 June 1972 to whom rule 2.27 applies, no account shall be taken of the doubling of further reckonable service provided for in that rule but total benefits paid shall not amount to less than those which would otherwise have been paid under rule 3.12.

Except as provided by rule 3.4(ii), a person on a period appointment will not be dealt with under this rule but will be treated as if he had resigned.

- (ii) Subject to rules 3.6 and 3.7 a civil servant serving on a period appointment who is retired on medical grounds on or after 1 February 1991 will be paid an ill health pension and lump sum as follows:
 - (a) if he took up a designated appointment after a period of service as a civil servant, he will be awarded benefits calculated in accordance with rule 3.1b with reckonable service enhanced as if he had continued in service to the end of the designated appointment or (where he is retired on or before 9 July 2002) by 5 years whichever is the lesser period;
 - (b) in all other cases, a civil servant serving on a period appointment will be awarded an ill health pension and lump sum calculated as under rule 3.1 with his reckonable service under the period appointment enhanced as if he had continued in service to the end of the appointment or (where he is retired on or before 9 July 2002) by 5 years whichever is the lesser period.

- 3.4a This rule has been deleted.
- 3.4b Where a civil servant who is retired on medical grounds with benefits under rules 3.4(i) or 3.4(ii), or a person whose preserved benefits are brought into immediate payment under the provisions of rule 3.14, has a life expectancy of less than 12 months as assessed by the Scheme Medical Adviser, he or she may elect, before the aforementioned benefits are due to come into payment, to commute his or her ill health pension into a lump sum payment. This is subject to the lump sum being a serious ill-health lump sum for the purposes of Part 4 of the Finance Act 2004 (see paragraph 4 of Schedule 29 to that Act). The lump sum payment shall be an amount equal to five times the annual rate of the ill health pension, less an amount equal to the ill health lump sum. The ill health lump sum and the lump sum resulting from the commutation will be paid immediately. An election made under this rule shall not affect the value of any benefits payable under Parts 1 or 2 of section 4. For the purposes of determining benefits under rules 4.7a, 4.8(iv), 4.21e, 4.21f(iv), 4.30, 4.31, 4.54 and rule 11.7 of Appendix 16 or rule 1.7 of the Civil Service Injury Benefits Scheme, as the case may be, the pre commutation value of the ill health pension shall be used.
- 3.4c If a civil servant to whom rule 3.4b applies makes an election to commute his ill health pension into a lump sum payment under rule 3.4b, he may also elect to commute his contributed pension payable under section 14 into a lump sum payment, subject to and on the same terms as set out in rule 3.4b.
- 3.5 This rule has been deleted.
- 3.6 (i) In this rule –
- “contribution rebate service” means the reckonable service in respect of which a restricted civil servant was entitled to a rebate under rule 3.6(iii) of the old rules;
- “former excluded civil servant” means a civil servant who on 31 December 2006 was an excluded civil servant for the purposes of rule 3.6 of the old rules, being a person who did not meet the required health standard;
- “old rules” means these rules as they were in force on 31 December 2006;
- “restricted civil servant” means a former excluded civil servant who has not made an election under paragraph (ii).
- (ii) A former excluded civil servant may elect in such form and by such time as the Minister requires to be treated as if he had never been an excluded civil servant for the purposes of rule 3.6 of the old rules.

- (iii) A former excluded civil servant who has made an election under paragraph (ii) must make the contributions to this scheme that he would have been required to pay had he not been entitled to a rebate under rule 3.6(iii) of the old rules. The contributions must be paid in accordance with the terms set out in the notice of election.
 - (iv) If a restricted civil servant is retired on medical grounds before the pension age, for the purposes of rule 3.4 the reckonable service, after any enhancement, used for calculating his pension and lump sum is reduced by his contribution rebate service.
 - (v) A restricted civil servant to whom paragraph (iv) applies will be awarded a preserved pension and lump sum. These will be brought into payment when the civil servant reaches the pension age, and will be calculated in the way described in rule 3.1 but by reference to his contribution rebate service instead of all of his reckonable service.
- 3.7 (i) This rule applies where in any case of retirement on medical grounds a civil servant has:
- (a) made a false declaration about his health; or
 - (b) deliberately suppressed a material fact.
- (ii) In the circumstances set out in sub-paragraphs (i)(a) or (b), the Minister may:
- (a) cease paying the pension;
 - (b) withhold the whole or part of the pension; or
 - (c) recover any payment made.

Death benefits

- 3.8 (i) Subject to paragraph (vii), if a civil servant dies in service, a death benefit may be paid to one person nominated by him to receive it or, in the absence of a valid nomination, to his personal representatives.
- (ii) A nomination shall not be valid at the time of the nominator's death;
- (a) if the person nominated was the nominator's husband or wife at the time the nomination was made but the marriage has come to an end; or

- (b) if the Minister is of the opinion that payment of the death benefit to the person nominated is not reasonably practicable in all the circumstances, or is prevented by the operation of the common law rule of forfeiture; or
 - (c) if the person nominated has died; or
 - (d) if the nomination was not by notice in writing, in such form as the Minister may from time to time require.
- (iii) A nomination may be revoked by a subsequent notice in writing to his department in such form as the Minister may from time to time require.
- (iv) Subject to (vi) where death occurs before 1 July 1987, the death benefit will be the greater of:
 - (a) his pensionable earnings; and
 - (b) the lump sum that would have been paid under rule 3.4 if he had been retired on medical grounds on the date of his death.
- (v) Subject to (vi), where death occurs on or after 1 July 1987 the death benefit will be the greater of:
 - (a) two years' pensionable earnings; and
 - (b) the lump sum that would have been paid under rule 3.4 if the civil servant had been retired on medical grounds on the date of his death.
- (vi) Where there is part-time service in the last three years of reckonable service, the 'pensionable earnings' in (iv)(a) and (v)(a) above will be calculated by reference to the actual pay and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure, rather than by reference to the full-time rate of pay. The actual pay and pensionable emoluments will not include any amount of pay which would be disregarded under rule 1.6b(i), if pensionable earnings were being calculated by reference to the full-time rate of pay.

In the case of a civil servant whose benefits have been calculated under rule 3.1b the 'pensionable earnings' in (v)(a) above will be the pensionable earnings relating to the last period of service.

- (vii) Where a civil servant is entitled to receive a pension under rule 3.3b (partial retirement) on the day before his death rule 3.9(ba) applies instead of this rule.
- 3.9 (a) Where a civil servant is awarded a pension under this scheme in respect of service ending before 1 July 1987 and subsequently dies after the pension has come into payment, the following sums will be calculated:
- (i) the death benefit that would have been payable under rule 3.8 if he had died on his last day of service, reduced in the case of a civil servant who has been awarded a preserved pension and a lump sum, to a sum bearing the same proportion to the full death benefit so calculated as his actual reckonable service bears to what would have been his reckonable service if he had stayed in service in a full-time capacity until the pension age;
 - (ii) the lump sum and pension already paid to him.

If the sum in (ii) is less than the sum in (i) a supplementary death benefit equal to the difference between these two amounts may be paid to the person nominated by him for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his personal representatives.

- (b) Where a civil servant retires on or after 1 July 1987 and dies after a pension or, if it came into payment before 6 April 2006, an annual compensation payment has come into payment, and paragraph (ba) does not apply the following sums will be calculated:
- (i) five times the annual rate of pension or annual compensation payment in payment to him at the date of death (including any contributed pension payable under section 14 and any increase under the Pensions (Increase) Act 1971, as amended but excluding any additional pension resulting from an election under rule 3.1a);
 - (ii) the total of lump sums and pension or annual compensation payment already paid to him including any contributed lump sum and pension paid under section 14.

If the sum in (ii) is less than the sum in (i), a supplementary death benefit equal to the difference between these two amounts may be paid to the person nominated by him for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his personal representatives. This is subject to rules 3.9b and 3.9c.

- (ba) Where a civil servant partially retires under rule 3.3b and dies after becoming entitled to a pension under rule 3.3b but before full retirement, a supplementary death benefit may be paid to the person nominated by him under rule 3.8 for a death benefit, or (in the absence of a valid nomination) to his personal representatives, which will be the greater of:
- (i) an amount obtained by calculating:
 - (1) five times the annual rate of pension in payment to him at the date of death (including any contributed pension payable under section 14 and any increase under the Pensions (Increase) Act 1971, as amended but excluding any additional pension resulting from an election under rule 3.1a), plus
 - (2) five times the annual rate of pension that would have come into payment to him if he had taken full retirement at the date of death (disregarding any early payment reduction and including any contributed pension payable under section 14), less
 - (3) the total of any lump sums and pension already paid to him including any lump sum and pension paid under section 14; and
 - (ii) an amount obtained by calculating:
 - (1) the benefit that would have been paid in respect of the civil servant if rule 3.8(v) applied at the date of his death, less
 - (2) any lump sum already paid to him on partial retirement.

This is subject to rules 3.9b and 3.9c.

- (c) A lump sum that is payable under paragraph (b) of this rule shall for the purposes of the Finance Act 2004 be treated as a defined benefit lump sum death benefit, unless paragraph (d) applies.
- (d) A lump sum that is payable under paragraph (b) of this rule shall for the purposes of the Finance Act 2004 be treated as a pension protection lump sum death benefit if –
 - (i) the civil servant has specified in writing to the scheme administrator that any such lump sum is to be treated as a pension protection lump sum death benefit; or

- (ii) paragraph 36 of schedule 36 to the Finance Act 2004 applies to the civil servant in relation to this rule (where he has an actual right to a pension on 5 April 2006).

3.9a In any case whereby an order made under:

- (i) section 23 of the Matrimonial Causes Act 1973 by virtue of section 25C of that Act; or
- (ii) section 8(2) of the Family Law (Scotland) Act 1985 by virtue of section 12A(3) of that Act; or
- (iii) article 25 of the Matrimonial Causes (Northern Ireland) Order 1978 by virtue of article 27C of that order,

a court has required the Minister to pay part of any lump sum payable in respect of a civil servant's death to his former spouse, any balance of death benefit payable under rule 3.8 or rule 3.9 may be paid to the person nominated by the civil servant for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his personal representatives.

3.9b (a) This rule applies in the case of a civil servant –

- (i) whose pension came into payment on or after 6 April 2006;
- (ii) who reached the age of 75 or over at the date of his death; and
- (iii) in respect of whom, but for this rule, a lump sum benefit would have been paid under paragraph (b) of rule 3.9.

(b) When this rule applies no lump sum benefit shall be paid under paragraph (b) of rule 3.9 and a pension may be paid instead.

(c) The pension payable will be equal to the pension that would have been payable after the date of civil servant's actual death had he been alive until the end of the pension protection period.

(d) The pension will be payable for the pension protection period.

(e) The pension protection period, expressed in years and part years, is calculated by dividing the lump sum benefit that, but for this rule, would have been payable under paragraph (b) of rule 3.9 by the annual pension payable under this rule.

3.9c This rule applies if the person who is the scheme administrator for the purposes of section 206 of the Finance Act 2004 ("the administrator") is liable for tax under that section in respect of a pension protection lump

sum death benefit. The administrator may deduct from the lump sum paid under rule 3.9 the tax payable in respect of it.

Termination of pensionable service on resignation or option out of the scheme

3.10 A civil servant

- (i) who resigns on or before 31 December 1985 may be eligible for the payment of a transfer value to his new employer, subject to the provisions set out in Appendix 11;
- (ii) who resigns on or after 1 January 1986 or who opts out of the scheme may be eligible for the payment of a transfer value in respect of his accrued pension benefits under, and in accordance with, the provisions set out in section 6.

3.10a (i) Where a civil servant aged 50 or over, or if rule 3.10aa applies aged 55 or over, ceases to be a civil servant and is eligible for a preserved pension and lump sum under rule 3.11, he may opt for that rule not to apply and instead receive immediate payment of the preserved pension and lump sum after actuarial reduction.

- (ii) A civil servant to whom rule 3.24a(ii) applies who ceases to be a civil servant, and if rule 3.10aa applies is aged 55 or over, may opt to receive immediate payment, after actuarial reduction, of the preserved pension and lump sum in respect of service before the move to the lower grade.

These options are not available unless the Minister is satisfied that the actuarially reduced rate of pension will not be less than the rate of the guaranteed minimum pension payable from state pension age. Subject to rule 3.10b, the reduction in the individual's personal benefits will be determined by reference to factors provided by the Scheme Actuary. Rule 3.19 and 3.22 will apply to an actuarially reduced pension. Payment of benefits under this rule will not be taken to affect the pension age of civil servants as defined in rule 1.11.

3.10aa This rule applies to a person who became a civil servant for the purposes of the 1972 Section after 5 April 2006, unless

- (i) he had an actual or prospective right to a benefit under the scheme on 5 April 2006 that gives him in relation to the scheme a protected pension age of 50 under paragraphs 21 and 22 of Schedule 36 to the Finance Act 2004 ,
- (ii) as a result of a transfer that is a block transfer for the purposes of paragraph 22(6) of Schedule 36 to the Finance Act 2004 he

has in relation to the scheme a protected pension age of 50 or less under paragraphs 21 to 23 of that Schedule or,

- (iii) the following apply to him:
 - (a) immediately before becoming a member of this scheme he belonged to a scheme that was, in the Minister's opinion, analogous to this scheme ("the by-analogy scheme"),
 - (b) he was a member of the by-analogy scheme before 6th April 2006, and
 - (c) his pension will become payable before 6th April 2010 if he exercises the option under rule 3.10a.

3.10b Where a civil servant has a reduced pension age by virtue of rule 2.31 then, for the purpose of calculating the actuarial reduction of benefits that rule shall be ignored but the age of the civil servant on retirement shall be increased by the same period in years and days as the pension age of the civil servant in question has been reduced under rule 2.31, and the factors provided by the Scheme Actuary applied accordingly. Where a civil servant under this rule is below age 55 at the date of retirement, the Scheme Actuary will provide individually determined factors.

3.10c Where a civil servant over the age of 50, or if rule 3.10aa applies, 55, has been awarded benefits under rules 3.11 or 3.24(a)(ii) or, where the civil servant was under that age at the time of the award under rule 3.11 and has since attained that age, he may opt, at any time before the preserved benefits are otherwise brought into payment, to be treated in accordance with rule 3.10a and for the preserved pension and lump sum to be paid immediately after actuarial reduction. For the purpose of determining the appropriate factors, and subject to rule 3.10b, the civil servant's age on retirement shall be that on the day preceding the date from which the benefits under rule 3.10a are to be paid.

3.10d This rule has been deleted.

3.11 A civil servant who resigns or opts out of the scheme and who

- (i) has two or more years' qualifying service; or
- (ii) is a woman civil servant who resigns on or after 6 April 1978 and who leaves the Civil Service after the end of the tax year preceding that in which she attains the age of 60 (notwithstanding that she has not completed 2 years' qualifying service); or

- (iii) was formerly entitled to rights under a personal pension scheme in respect of which a transfer payment has been made to this scheme

and who does not opt to transfer the whole or, under rule 6.2(iv), part of his accrued pension benefits out of this scheme, will be awarded a preserved pension and lump sum in respect of such part of his accrued pension benefits as is not transferred. Subject to rule 3.12, these will be brought into payment when the civil servant reaches the pension age, and will be calculated in the way described in rule 3.1.

3.12 The preserved pension and lump sum payable under rule 3.11 to a prison officer to whom rule 2.27 applies, excluding such a prison officer who is retired early under rules 2.2 or 3.1 of the Compensation Scheme, or has been retired early under former rules 10.4 or 10.10, or former section 10 rules 10.5 or 10.10, will be brought into payment at age 60 and will be calculated on the basis of 'uniform accrual'. That is, the preserved pension will be equal to $1/80$ th of his pensionable earnings multiplied by his reckonable service which for the purposes of this rule and for calculating contributions under section 4 will be taken to be A/B times C , where

- A is his reckonable service (but not exceeding 30 years), excluding any double reckoning under rule 2.27;
- B is what would have been his reckonable service (but not exceeding 30 years) if he had stayed in service until age 55, excluding any double reckoning under rule 2.27;
- C is what would have been his reckonable service (including any double reckoning under rule 2.27) if he had stayed in service as a prison officer until age 55.

The preserved lump sum will be equal to $3/80$ ths of his pensionable earnings multiplied by A/B times C .

In this rule 'reckonable service' refers only to service as a prison officer (including reckonable war-time service which preceded or interrupted service as a prison officer, and service which is treated under rules 2.28 and 2.28a as service as a prison officer); any other reckonable service which is not service as a prison officer is taken into account, at its normal length, after the calculation of 'uniform accrual' has been completed.

For the purposes of B and C of this rule, it shall be assumed that a prison officer would have continued in service which reckoned on the same basis (whether as full-time service or part-time service) as applied to his service immediately before he came within rule 3.11.

3.13 This rule has been deleted.

- 3.14 (i) Subject to paragraphs (ii) to (vi), where a person:
- (a) has been awarded a preserved pension and lump sum,
 - (b) has left the service, and
 - (c) falls ill before attaining the age of 60
- the pension and lump sum may be brought into immediate payment if it is established that the illness would have led to his retirement on medical grounds had he remained in the Civil Service.
- (ii) Where the person was a restricted civil servant, (i) applies with the modifications in (iii) and (iv).
- (iii) There may be substituted for the preserved pension and lump sum,
- (a) a pension and lump sum calculated by reference to his reckonable service less his contribution rebate service; and
 - (b) a pension and lump sum calculated by reference to his contribution rebate service.
- (iv) (a) The pension in sub-paragraph (iii)(a) will be brought into immediate payment; and
- (b) the pension in sub-paragraph (iii)(b) will be brought into payment when the person reaches the age of 60.
- (v) In this rule, “contribution rebate service” and “restricted civil servant” have the same meanings as they have in rule 3.6.
- (vi) This rule does not apply to a preserved pension awarded under rule 3.6(v).

3.14a Where a person to whom rule 3.14 applies left with compensation payments or benefits under the Compensation Scheme, then, having regard to the compensation payments and benefits received and having regard to guidelines at any time agreed by the Minister with representatives of persons who are likely to be affected, it may be determined that

- (i) any amount brought into early payment shall be reduced to such extent as is considered appropriate
- (ii) any amount shall only come into immediate payment from a specified date

- (iii) any compensation in payment under the Compensation Scheme shall be withdrawn provided the amounts brought into immediate payment are of overall benefit to the applicant after such withdrawal.

However:

- (a) no such reduction or postponement shall be made in respect of a person with a life expectancy of less than 12 months as assessed by the Scheme Medical Adviser and
- (b) this rule applies in respect of applications made or renewed on or after 22 August 1996, regardless of when the circumstances giving rise to the application first arose.

3.14b Subject to rule 3.14, where a person:

- (i) has been awarded a preserved pension and lump sum,
- (ii) falls ill before attaining the age of 60, and
- (iii) having opted out of the scheme while remaining in the Civil Service, is retired on medical grounds because of his illness

- the pension and lump sum may be brought into immediate payment.

3.14c This rule has been deleted.

3.14d Before any pension and any lump sum become payable under rule 3.14 or rule 3.14b a person with a life expectancy of less than 12 months as assessed by the Scheme Medical Adviser may make an election under rule 3.4b.

3.15 In the case of a person to whom this rule applies, the Minister may bring a preserved pension and a preserved lump sum into payment if:

- (a) there are personal circumstances which compel him to give up employment or (as the case may be) prevent him from seeking employment, and
- (b) he is aged 50 or over, or if rule 3.10aa applies, aged 55 or over.

Where the preserved pension and lump sum are to be brought into payment under this rule, the person may, before those benefits come into payment, make an election under rule 3.1a. This rule applies to a civil servant, or a former civil servant, or a person who, while remaining in the Civil Service has opted out of the scheme.

3.16 If a person who has been awarded a preserved pension and lump sum dies before they come into payment, a death benefit equal to the

preserved lump sum, together with three times the provisional amount of the civil servant's deferred contributed pension specified in his pension account under rule 14.12 (if applicable), may be paid to the person nominated by him or her for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his or her personal representatives.

3.16a In any case whereby an order made under:

- (i) section 23 of the Matrimonial Causes Act 1973 by virtue of section 25C of that Act; or
- (ii) section 8(2) of the Family Law (Scotland) Act 1985 by virtue of section 12A(3) of that Act; or
- (iii) article 25 of the Matrimonial Causes (Northern Ireland) Order 1978 by virtue of article 27C of that order,

a court has required the Minister to pay part of any lump sum payable in respect of a civil servant's death to his former spouse, any balance of death benefit payable under rule 3.16 may be paid to the person nominated by the civil servant for a death benefit under rule 3.8 or (in the absence of a valid nomination) to his personal representatives.

3.17 This rule has been deleted.

3.18 This rule has been deleted.

Dismissal

3.18a A civil servant who is dismissed will be awarded the same superannuation benefits (if any) to come into payment at the pension age as if he had resigned voluntarily. But this is subject to the Minister's power to withhold benefits under rule 8.2.

Modification on account of national insurance benefits

3.19 Subject to rules 3.20, 3.21 and 3.21a, a pension payable under section 3 will be reduced in respect of flat-rate national insurance pensions or basic social security pension. The reduction will apply from state pension age. The amount of the reduction will be £1.70 a year for each year of reckonable service, and so in proportion for any period of less than a year; except that the total reduction may not exceed £67.75 a year.

3.20 The reduction will apply to all years of reckonable service (including any enhancement of reckonable service under these rules) except for:

- (i) reckonable service (including any such enhancement) on or after 1 April 1980;

- (ii) periods of reckonable service outside the United Kingdom during which the civil servant is not required to pay contributions under the National Insurance Acts or under any scheme which is the subject of a reciprocal agreement under section 105 of the National Insurance Act 1965;
- (iii) service in an outside employment which is treated as 'unmodified' reckonable service in the Civil Service under a transfer arrangement (see paragraph 14 of Appendix 11);
- (iv) added years of reckonable service bought under section 7.

3.21 The reduction will apply to all civil servants except:

- (i) those whose reckonable service commenced on or after 1 April 1980;
- (ii) those with service in the Civil Service before 1 March 1948 which reckons in full or in part towards their pension;
- (iii) those who were recruited to the Civil Service on or after 1 March 1948 by a reconstruction competition, or by a competition through which anyone became an established civil servant on or before 1 March 1948;
- (iv) any other civil servant whom the Minister may determine, in accordance with the rules which were set out in the National Insurance (Modification of the Superannuation Acts) Regulations 1948 (SI 1948/498), to be exempt from the reduction.

3.21a Where a civil servant whose pension is required to be reduced under rule 3.19 opts to take a partial retirement pension under rule 3.3b—

- (i) if he has reached state pension age on the day before the day on which he becomes entitled to a pension under rule 3.3b, rule 3.19 will apply to the pension payable to him under rule 3.3b (subject to rule 3.20), and
- (ii) otherwise, rule 3.19 will apply to the pension payable to him on later full retirement (subject to rule 3.20).

When rule 3.19 is applied, the reduction will apply in respect of every year of the civil servant's reckonable service that is required to be reduced, regardless of the amount of reckonable service actually used to calculate the civil servant's pension under rule 3.3b or on later full retirement (as applicable).

3.22 Subject to rule 3.23, a pension under section 3 will also be reduced to take account of graduated national insurance pensions. The reduction will apply from state pension age. A civil servant who is not contracted

out of the Graduated Pension Scheme for any part of his reckonable service will have his pension reduced by the amount of pension earned by graduated contributions payable under the National Insurance Act 1965, that is by contributions of:

- (i) 4¼% of earnings between £9 and £15 a week, from 3 April 1961 to 31 May 1963;
- (ii) 4¼% of earnings between £9 and £18 a week, from 1 June 1963 to 5 April 1975;

except that there will be no reduction if the graduated pension earned by these contributions is £5.20 a year or less. (A pension under section 3 may also be reduced by the amount of equivalent pension benefit purchased by any superannuation scheme, if the person in question subsequently joined the Civil Service with a transfer value from that scheme which had been reduced on account of the equivalent pension benefit - see paragraph 14 of Appendix 11.)

3.23 There will be no reduction for graduated pension earned by contributions paid during service contracted out of the Graduated Pension Scheme, or in respect of graduated contributions which are in addition to those payable under the National Insurance Act of 1965.

3.23za Where a civil servant whose pension is required to be reduced under rule 3.22 opts to take a partial retirement pension under rule 3.3b—

- (i) if he has reached state pension age on the day before the day on which he becomes entitled to a pension under rule 3.3b, rule 3.22 will apply to the pension payable to him under rule 3.3b (subject to rule 3.23), and
- (ii) otherwise, rule 3.22 will apply to the pension payable to him on later full retirement (subject to rule 3.23).

When rule 3.22 is applied, the reduction will apply in respect of all of the civil servant's reckonable service that is required to be reduced, regardless of the amount of reckonable service actually used to calculate the civil servant's pension under rule 3.3b or on later full retirement (as applicable).

3.23a Rules 3.19 to 3.23 will apply to superannuation allowances deemed by paragraph 1(1) of Schedule 7 to the Superannuation Act 1972 to have been granted under the Principal Civil Service Pension Scheme, in the same way as to pensions under section 3 of this scheme.

Downgrading

3.24 (i) If a civil servant moves from a higher to a lower substantive grade before the pension age he may, when he retires and if this

produces a larger total pension than would otherwise be the case, be deemed to have resigned at the time he changed grades and to have been immediately re-employed as a civil servant in circumstances in which he validly opted to be treated in accordance with rules 3.35(ii) or 3.35d as appropriate. Subject to total reckonable service not exceeding the limitations in rule 2.3, a pension will be awarded in respect of the service after the change of grade, irrespective of the length of such service, with reckonable service before the change of grade being counted as qualifying service for this purpose. In the application of this rule on or after 17 February 1992, in determining whether the rule would give rise to a larger total pension, account will be taken of any increases that would be due on the earlier pension under the Pensions (Increase) Act 1971 as amended.

- (ii) A civil servant who has continued in service after the pension age without retiring and who subsequently moves from a higher to a lower substantive grade may, when he retires and if this produces a larger total pension than would otherwise be the case, be deemed to have retired at the time he changed grades and to have been immediately re-employed as a civil servant.
- (iii) A movement from a higher to a lower substantive grade during re-employed service after the pension age may, on subsequent retirement and if this produces a larger total pension than would otherwise be the case, be deemed to have been a retirement for the purposes of an award under rule 3.31.
- (iv) References to “grade” in this rule and rules 3.24a to 3.24g shall include “pay band”.

3.24a Where on or after 17 February 1992, a civil servant aged 50 or over with five or more year’s qualifying service moves from service in a higher grade to service in a lower substantive grade before the pension age, the employing department may determine that rule 3.24(i) should not apply and that instead:

- (i) This paragraph has been deleted.
- (ii) he will be awarded a preserved pension equal to the amount of the preserved pension and lump sum which would have been awarded under rule 3.11 if he had resigned on the day before he moved to the lower grade. Subject to rules 3.24c and 3.24d, if the employing department considers it appropriate his reckonable service before the move to the lower grade may be enhanced up to the maximum allowable under rule 2.2 of the Compensation Scheme.
- (iii) Subject to rule 2.3, his service after the move to the lower grade will reckon towards a second pension award irrespective of the

length of such service, with reckonable service before the move to the lower grade being counted as qualifying service for this purpose, but with reckonable service after the move to the lower grade reduced by the amount (if any) by which his reckonable service had been enhanced under (ii) above.

- 3.24b Where a civil servant, to whom rule 3.24a(ii) applies, dies during the period of service in the lower grade or designation, death benefit payable under rule 3.8 will be reduced by the amount of the death benefit payable under rule 3.16 in respect of any service before the move to the lower grade or designation.
- 3.24c If the employing department has considered it appropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii), and that civil servant opts out of the scheme or resigns from the lower grade post before the pension age (other than in the circumstances described in rule 3.24d), when his length of service in the lower grade is less than the amount of any enhancement of reckonable service under rule 3.24a(ii), the amount of that enhancement will be reduced to the length of his service in the lower grade.
- 3.24d A civil servant to whom rule 3.24a(ii) applies who retires from the lower grade on medical grounds under rule 3.4, will be treated in one of the following ways:
- (i) where the employing department has considered it inappropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii), in calculating the pension to be awarded in respect of his service after the move to the lower grade, he will be treated as qualifying for enhancement under rule 3.4 and the total of his reckonable service before and after the move to the lower grade shall be used for the purpose of calculating the amount of any enhancement to reckonable service after the move to the lower grade under either of those rules;
 - (ii) where the employing department has considered it appropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii), the civil servant's pension and lump sum will be calculated for the purposes of rule 3.4 according to whichever of the calculations in sub paragraphs (a) and (b) below produces a larger total pension. In determining which calculation would give rise to a larger total pension, account will be taken of any increases that would be due on the earlier pension under the Pensions (Increase) Act 1971 as amended:
 - (a) the total of:
 - the pension awarded under rule 3.24a(ii) (including any enhancement of reckonable service under that rule) and

- a pension calculated under rule 3.1 by reference to reckonable service, if any, after the move to the lower grade (reduced in accordance with rule 3.24a(iii)), and excluding any enhancement of reckonable service under rule 3.4; or
- (b) the total of:
- the pension awarded under rule 3.24a(ii) (excluding any enhancement of reckonable service under that rule) and
 - a pension calculated under rule 3.1 by reference to reckonable service after the move to the lower grade (without any reduction under rule 3.24a(iii)), and including any enhancement of reckonable service under rule 3.4. That enhancement is to be calculated by reference to the total of his reckonable service before and after the move to the lower grade (and for the purposes of this rule, the civil servant will be treated as qualifying for enhancement under rule 3.4).

Restructuring resulting in reduction in pensionable earnings

- 3.24e (i) Where the pensionable earnings of a civil servant are reduced as a result of restructuring, the Minister may direct that this rule applies.
- (ii) Where this rule applies, and if it produces a larger total amount payable by way of pension and lump sum than that which would otherwise be awarded under rule 3.1, rule 3.1 applies with the following modifications.
- (iii) The civil servant will be awarded—
- (a) a first pension and lump sum calculated under rule 3.1 but by reference to—
 - (1) the civil servant's pensionable earnings determined as if he had resigned on the day before the day on which the reduction in earnings took effect; and
 - (2) the length of his reckonable service up to and including that date; and
 - (b) a second pension and lump sum calculated under rule 3.1 but by reference to the length of his reckonable service on and after the day on which the reduction in

earnings took effect, disregarding any service in excess of the limit in rule 2.3.

- (iv) In determining whether the calculations under paragraph (iii) would produce a larger total amount payable by way of pension and lump sum, account will be taken of any increases due on the first pension under the Pensions (Increase) Act 1971.

Re-employment

3.25 Rules 3.26 to 3.36 describe the treatment on re-employment of civil servants whose earlier period of service ended on or after 1 June 1972. Rule 3.26 also applies to a civil servant who exercises the option under rule 3.3b (partial retirement), as if the civil servant was re-employed on the day on which he becomes entitled to receive a pension under rule 3.3b. For this purpose, references to the “earlier period of service” or the “earlier service” refer to service up to and including the “relevant last day” as defined in rule 3.3b(xiv). Appendix 7 describes the treatment of those whose earlier period of service ended before 1 June 1972.

3.25a In respect of a re-employed civil servant whose earlier service ends before 1 April 2007 and who has not exercised an option in accordance with rule 3.25b(ii), references in rules 3.25d to 3.27 to –

- (i) “salary” mean the annual rate of salary or wages, excluding pensionable and other additional emoluments, and
- (ii) “old salary” mean salary, as defined in paragraph (i), as at the last day of his earlier service.

3.25b Rule 3.25c applies to a person –

- (i) whose earlier service ends after 31 March 2007, or
- (ii) (a) whose earlier service ends before 1 April 2007 and (b) who has opted by notice in writing in such form and at such time as the Minister requires for rule 3.25c to apply to him.

3.25c In respect of a re-employed civil servant to whom this rule applies, references in rules 3.25d to 3.27 to –

- (i) “salary” mean, except in the term “old salary”, the annual rate of his salary or wages and pensionable emoluments, other than any fluctuating emoluments designated by the Minister as pensionable pursuant to paragraph 2(ix) of Appendix 1, and
- (ii) “old salary” mean his pensionable earnings as at the last day of his earlier service as calculated for the purposes of rule 3.8

(lump sum on death in service), but without applying rule 1.6b (permitted maximum).

3.25d For the purposes of rule 3.26 a relevant event in respect of a re-employed civil servant is –

- (i) a change to the weighting of his Civil Service post,
- (ii) a change to the number of his working hours,
- (iii) a change to his salary as a result of being on, or returning, from sick leave, or
- (iv) in the case of a civil servant to whom rule 3.25c applies, his starting, or ceasing, to receive pensionable emoluments other than any fluctuating emoluments designated by the Minister as pensionable pursuant to paragraph 2(ix) of Appendix 1.”.

3.26 If a person receiving a pension under rule 3.1 or a preserved pension under rules 3.11 or 3.24a(ii) or a person entitled to receive a partial retirement pension under rule 3.3b is re-employed in the Civil Service before his 75th birthday at a salary equal to, or higher than, his old salary, the whole of the pension will be suspended. If he is re-employed at a salary lower than his old salary, the pension in payment to him (including any increase under the Pensions (Increase) Act 1971 as amended) will be reduced to the amount by which his old salary exceeds his salary on his first day of re-employment. While he is re-employed, the pension in payment will attract pensions increase but will not be otherwise adjusted unless a relevant event specified in rule 3.25d occurs. In any of those events, the amount of abatement will be increased (or decreased) by the amount of increase (or decrease) in his annual rate of salary resulting from the change; except that

- (i) if the change results in an increase in salary, and before the change the whole of his pension was in payment; or
- (ii) if the change results in a decrease in salary, and before the change the whole of his pension was suspended; or
- (iii) if the change results in a return to a post in the Civil Service of equivalent weighting to the post held immediately before retirement,

he will be treated for the purposes of this rule as having been newly re-employed on the date of the change.

In applying this rule, no account shall be taken of any increases in pension resulting from an election made under rule 3.1a, or rule 5.8(b) of the Compensation Scheme or of any decreases in pension resulting

from the exercise of the option under rule 3.50. This rule does not apply to a re-employed pensioner who has reached his 75th birthday.

- 3.26a The Minister may, to such extent as he sees fit in a particular case or particular cases, decide that the pension shall not be suspended or reduced in accordance with the provisions of rule 3.26 if he considers there are special circumstances justifying exceptional treatment. This discretion may only be exercised in respect of a reduction or suspension falling due on or after 1 February 2001.
- 3.27 Where the earlier service ended before the pension age or where there has been a break between the earlier service and the date of re-employment, then for the purpose of calculations under rule 3.26 the old salary will be increased by the proportion by which a pension of that amount beginning on the following day would have been increased, by the date of re-employment, under the Pensions (Increase) Act 1971 as read with section 59 of the Social Security Pensions Act 1975. Where there was more than one period of earlier service which ended before the pension age giving rise to more than one preserved pension, abatement of pension under rule 3.26 will be related to whichever is the greatest old salary (plus pensions increase as calculated above). Where the first retirement took place on or after the pension age, rule 3.26 will be applied by reference to the old salary relating to the first retirement. The old salary used for the first application of rule 3.26 (updated by pensions increase) will continue to be used for the calculation of abatement on any subsequent re-employment.
- 3.28 Subject to the application of rules 3.35 and 3.35d if a person who has been awarded a preserved pension under rules 3.11 or 3.24a(ii) is re-employed in the Civil Service before the pension comes into payment, rule 3.26 will apply from the date it comes into payment as if he had been newly re-employed on that date.
- 3.29 If a person receiving an ill health pension under rule 3.4 is re-employed in the Civil Service, that pension will be reduced for the period of the re-employment to exclude the element of enhancement under rule 3.4, and rule 3.26 will apply to the reduced pension.
- 3.30 Rules 3.26 to 3.29 will apply whether or not this scheme applies to the civil servant during re-employment, unless he is re-employed after a break for a short period or periods totalling less than 15 days in any 91-day period. If he is re-employed on a fee-paid basis, 'salary' in rule 3.26 will be taken to include fees, expressed at an annual rate.
- 3.31 Subject to rule 3.32 and the limit on reckonable service under rule 2.3 and provided that this rule does not apply to a person who is entitled to receive a pension under rule 3.3b (partial retirement), a person who has been awarded a pension under this section, and who is re-employed as a civil servant after the pension age will:

- (a) if his final retirement occurs before 6 April 2006, on final retirement receive a revised pension based on reckonable service in the earlier period of employment (excluding any enhancement under rule 3.4) together with reckonable service (up to a maximum of five years) after re-employment; or
- (b) if his final retirement occurs on or after 6 April 2006, on final retirement receive an additional pension calculated so that when it is added to his existing pension the resulting aggregate pension is based on reckonable service in the earlier period of employment (excluding any enhancement under rule 3.4) together with reckonable service after re-employment.

The revised or aggregate pension will be calculated on the greater of:

- (i) pensionable earnings at his earlier retirement;
- (ii) pensionable earnings at his final retirement. (In calculating this, only service during re-employment will be taken into account if there was a break of at least one working day between the earlier service and the date of re-employment, and if the civil servant is re-employed for at least a year. If he is re-employed after a break for less than a year, pensionable earnings at final retirement will be taken to be his pay and pensionable emoluments in the last 365 days of reckonable service.)

In the case of a civil servant who has been awarded a pension under rule 3.1b, pensionable earnings in (i) shall be the pensionable earnings in respect of the last period of service which is not a designated appointment.

In addition, he will be paid the difference between the lump sum associated with the revised or aggregate pension and the lump sum already paid to him.

3.32 Rule 3.31 will not apply if:

- (i) the aggregate pension calculated under that rule is less than his existing pension;
- (ii) at earlier retirement he was not a civil servant; or
- (iii) he is re-employed on a designated appointment and the pensionable earnings at his final retirement is higher than the pensionable earnings at his earlier retirement (increased by the proportion by which a pension of that amount beginning on the following day would have been increased under the Pensions (Increase) Act 1971).

Instead the person concerned will qualify for an additional award based on service during any period of re-employment and his pensionable earnings at the end of it.

- 3.32a Where a person to whom rule 3.31 or 3.32 applies has reached the maximum of 45 years' reckonable service during re-employment after the pension age, any further service may count towards a payment calculated as in rule 3.2. This is subject to the following with regard to service before 1st March 2008. Where a person to whom rule 3.31 or 3.32 applies has completed 5 years' reckonable service before 1st March 2008 during re-employment after the pension age, any further service before 1st March 2008 may count towards a payment calculated as in rule 3.2.
- 3.33 Where a person to whom rule 3.31 applies is re-employed more than once after the pension age, the limit of 5 years on the amount of further service which reckons will apply to his total service during re-employment; and the reference in rule 3.31(i) to his earlier retirement will be taken as a reference to the officer's first retirement.
- 3.34 This rule has been deleted.
- 3.35 This rule applies to a person who has been awarded a preserved pension under rule 3.11 and is re-employed as a civil servant before pension age. This rule is subject to rules 3.35a and 3.35d. A person may opt at the time specified in rule 3.35f, to be treated in one of two ways:
- (i) his preserved pension and lump sum are cancelled from the date of re-employment, and he counts his previous reckonable service with his service during re-employment for a single pension award based on pensionable earnings at final retirement. If the preserved pension and lump sum have already been brought into payment under rule 3.14 or 3.15, the lump sum will be deducted from the lump sum payable at final retirement;
 - (ii) his preserved pension and lump sum are retained, and his service during re-employment reckons towards a second pension with rule 3.28 applying to the preserved pension when it comes into payment (except that he will be treated as if his re-employment had begun at the pension age, and so will be given a revised award under rule 3.31 if it applies to him with his service during re-employment before the pension age ignored, if this gives a better result). Rules 2.3 and 3.2 apply to his total reckonable service in both periods of employment;

except that:

- (a) where the civil servant leaves the Civil Service on or after 6 April 1975 and is re-employed as a civil servant after a break not exceeding 31 days;
- (b) where the civil servant leaves the Civil Service on or after 6 April 1978 and is re-employed as a civil servant after a break not exceeding 6 months;
- (c) where a woman civil servant who leaves the Civil Service has a right to return to the Civil Service under section 71 or section 73 of the Employment Rights Act 1996 (ordinary and additional maternity leave), and does in fact return pursuant to that right within the period prescribed;

the option in paragraph (ii) is not available and such a person must be treated in accordance with paragraph (i).

If a person who has the option between paragraph (i) and paragraph (ii) referred to above dies before exercising that option, it will be deemed to have been exercised in whichever way produces (or would produce) a larger widow's or widower's pension under section 4. If he is re-employed a second time he may not reverse his original option, but he will (subject to paragraphs (a), (b) and (c) above) have a further option as to whether or not to link his current service with the preceding period of reckonable service. If a person who had the option between paragraph (i) and paragraph (ii) did not exercise it within the time available under rule 3.35f and he is still alive immediately after that time, he shall be deemed to have opted to be treated in accordance with paragraph (ii).

3.35a Where a person has:

- (a) opted out of the scheme, thereby obtaining a preserved award of benefit under rule 3.11, and
- (b) subsequently rejoins the scheme, either as a result of an election under rule 1.4(d) or in consequence of re-employment,

he does not have the option otherwise available under rule 3.35(i) to aggregate the reckonable service in which the preserved award was based. The option in respect of the reckonable service on which the preserved award was based remains unavailable to him even if, following the termination of that period of employment, he again enters the Civil Service for another period of employment.

3.35b Subject to rule 3.35e, if a person in receipt of an actuarially reduced pension under rule 3.10a is re-employed as a civil servant, the pension will be retained although subject to abatement under rule 3.26 in the same way as a pension under rule 3.1 would be abated. When the period of re-employment ends, a separate award will be authorised

based on service during re-employment and pensionable earnings at the end of re-employment except that where the civil servant (other than a civil servant whose benefits fall to be calculated under rule 3.1b) is re-employed before 6 April 2006 as a civil servant after a break not exceeding 6 months, the actuarially reduced award will be cancelled and the previous reckonable service will be counted with his service during re-employment for a single award based on pensionable earnings at the end of the period of re-employment. On final retirement, the lump sum under rule 3.10a before actuarial reduction or, as the case may be, any lump sum remaining after commutation under rule 3.1a, will be deducted from the lump sum payable at final retirement. Rule 3.31 will not apply to a person re-employed in these circumstances.

- 3.35c (i) Where a civil servant who has been awarded a preserved pension is re-employed as a civil servant before the pension age on a designated appointment, or where he has been awarded a preserved pension in respect only of a designated appointment and is re-employed as a civil servant before the pension age, he will not have the option in rule 3.35 but will be treated under rule 3.35(ii).
- (ii) Where a civil servant whose preserved pension has been calculated under rule 3.1b is re-employed as a civil servant before the pension age and he opts to be treated under rule 3.35(i), he will be treated in the following way:
- he may exercise that option only in relation to service rendered other than in a designated appointment and
 - his preserved pension and lump sum in respect of any designated appointment will fall to be paid at the same time as his re-calculated pension.
- (iii) Where under (i) or (ii) above the pensionable earnings relating to re-employed service (not being a designated appointment) at the time of the option under rule 3.35 exceeds the pensionable earnings on the last day of the last designated appointment in respect of which a preserved pension has been awarded (increased by the proportion by which a pension of that amount beginning on the following day would have been increased under the Pensions (Increase) Act 1971 as amended), the civil servant may exercise the option in rule 3.35(i) in relation to the whole of his pension benefits.
- (iv) Where a civil servant has opted to be treated under rule 3.35(i) and subsequently takes up a designated appointment, that option will apply only in relation to service rendered other than in a designated appointment.

- (v) In the case of the exceptions referred to in paragraphs (b) and (c) of rule 3.35 the employment of a civil servant who falls to be treated under this rule will not be treated as having ceased to be contracted out employment and his benefits will be calculated under rule 3.1b.

3.35d A person whose reckonable service has been enhanced under rule 3.10d, who has been awarded a preserved pension under rule 3.11 and is re-employed as a civil servant before pension age may opt at the time specified in rule 3.35f, to be treated in one of two ways:

- (i) his preserved pension and lump sum are cancelled from the date of re employment, and he counts his previous reckonable service (excluding the enhancement under rule 3.10d) with his service during re employment for a single pension award based on pensionable earnings at final retirement, with this service enhanced by the smaller of:
 - (a) the original enhancement under rule 3.10d, or
 - (b) the actual period between the date of resignation and the date of re employment.

If the preserved pension and lump sum have already been brought into payment under rule 3.14 or 3.15, the lump sum will be deducted from the lump sum payable at final retirement;

- (ii) his preserved pension and lump sum are retained, and his service during re employment reckons towards a second pension. In the application of this sub paragraph, if the enhancement of reckonable service under rule 3.10d exceeds the period between the date of resignation and the date of re employment, his reckonable (but not his qualifying) service in the second period of employment will be reduced by the amount of the excess. Rule 3.28 will apply to the preserved pension when it comes into payment (except that he will be treated as if his re employment had begun at the pension age, and so will be given a revised award under rule 3.31 with his service during re employment before the pension age ignored, if this gives a better result). Rules 2.3 and 3.2 apply to his total reckonable service in both periods of employment;

except that:

- (a) where the civil servant leaves the Civil Service and is re employed as a civil servant after a break not exceeding 6 months, or
- (b) where a woman civil servant who leaves the Civil Service has a right to return to the Civil Service under section 71 or section 73

of the Employment Rights Act 1996 (ordinary and additional maternity leave), and does in fact return pursuant to that right within the period prescribed;

the option in paragraph (ii) is not available and such a person must be treated in accordance with paragraph (i).

If a person who has the option between paragraph (i) and paragraph (ii) referred to above dies before exercising that option, it will be deemed to have been exercised in whichever way produces (or would produce) a larger widow's or widower's pension under section 4. If he is re employed a second time he may not reverse his original option, but he will (subject to paragraphs (a) and (b) above) have a further option as to whether or not to link his current service with the preceding period of reckonable service. If a person who had the option between paragraph (i) and paragraph (ii) did not exercise it within the time available under rule 3.35f and he is still alive immediately after that time, he shall be deemed to have opted to be treated in accordance with paragraph (ii).

3.35e Where a person's reckonable service has been enhanced by virtue of rule 3.10d and that person is in receipt of an actuarially reduced pension under rule 3.10a and is re employed as a civil servant, the pension will be retained although subject to abatement under rule 3.26 in the same way as a pension under rule 3.1 would be abated. When the period of re employment ends, a separate award will be authorised based on service during re employment and pensionable earnings at the end of re employment except that where the civil servant is re employed before 31 July 2006 as a civil servant after a break not exceeding 6 months, the actuarially reduced award will be cancelled and the previous reckonable service will be counted with his service during re employment for a single award based on pensionable earnings at the end of the period of re employment. In the application of this rule, if the enhancement of reckonable service under rule 3.10d exceeds the period between the date of his resignation and the date of re employment, his reckonable (but not his qualifying) service in respect of his service during re employment will be reduced by the amount of the excess. On final retirement, the lump sum under rule 3.10a before actuarial reduction will be deducted from the lump sum payable at final retirement. Rule 3.31 will not apply to a person re employed in these circumstances.

3.35f The time when a person may exercise an option under rule 3.35 or rule 3.35d is, if the pension is in payment before his re-employment starts, immediately on re-employment. If the pension is not in payment before his re-employment starts the time when a person may exercise an option is:

- (a) if the person is re-employed before 12 November 2005 and has not opted to take a partial retirement pension under rule 3.3b, either:
 - (i) when the pension is due to come into payment or at the end of his re-employment, whichever is earlier; or
 - (ii) anytime before 25 February 2006, provided the pension has not come into payment and his re-employment has not ended;
- (b) if the person is re-employed after 11 November 2005, during the first year of his re-employment; and
- (c) if the person is re-employed before 12 November 2005 and has opted to take a partial retirement pension under rule 3.3b, on or before the date on which he becomes entitled to his pension under rule 3.3b.

3.36 Subject to (iii) below, where a re-employed civil servant dies during the period of re-employment, then:

- (i) the death benefit payable under rule 3.8, will be reduced by the amount of any lump sum already paid. Additionally, where the civil servant had opted, or had been deemed to opt, for rule 3.35 (ii), 3.35d (ii) or rule 6.4(b) of the Compensation Scheme (or former rule 10.24(ii) as set out at Appendix 1 of the Compensation Scheme or former rule 10.26(ii) as set out at Appendix 2 of the Compensation Scheme) to apply, the death benefit due under this rule will be reduced by the amount of any death benefit payable under rule 3.16.
- (ii) If the civil servant would have qualified for a revised award under rule 3.31 had he instead retired on his date of death, the death benefit payable will be the greater of the following amounts:
 - (a) a sum equal to the additional lump sum which would have been payable under rule 3.31 (including any increase under the Pensions (Increase) Act 1971, as amended) had the officer been treated as having retired on his date of death; or
 - (b) two years' pensionable earnings calculated in accordance with rule 3.8(v) and (vi) reduced by the amount of any lump sum already paid.
- (iii) Where the period of re-employment follows payment of actuarially reduced benefits under rule 3.10a or 3.10c, then notwithstanding the above and irrespective of the date of death,

the death benefit payable will be reduced by the lump sum payable before actuarial reduction and not the amount actually paid under rule 3.10a or 3.10c as appropriate. The same applies where he would have the option but for the operation of rule 3.35a.

Rules 3.37 to 3.44 have been deleted.

Staff on approved employment, etc

3.45 A person who left the civil service before 1 June 1972 on approved employment terms under section 40 of the Superannuation Act 1965 will remain subject to the terms of that section - except that when he reaches the pension age he shall be deemed for the purposes of that section to have retired from approved employment under the conditions required by that section for the award of a superannuation benefit, provided that he was in approved employment on 31 May 1972. If he returns to the civil service before age 50 his previous service will reckon with his current service. If he returns after age 50 a preserved benefit by analogy with section 7 of the Superannuation Act 1965 may be awarded in respect of his previous service and rule 3.35 will apply.

Rules 3.46 to 3.48 have been deleted.

Guaranteed Minimum Pensions

- 3.49 Notwithstanding anything to the contrary in this scheme, if any employment of persons to whom this scheme applies becomes contracted out employment by reference to this scheme and if a civil servant has a guaranteed minimum:
- (i) he will, subject to this rule, be paid for life a pension upon his attaining the state pension age unless:
 - (a) the civil servant's accrued rights thereto are transferred from this scheme in accordance with regulations made under section 20(1) of the Pension Schemes Act 1993, or have been extinguished by payment of the appropriate state scheme premium under that Act,
 - (b) his pension is forfeited under rule 8.2(i)(a) or as a result of a conviction for treason,
 - (c) he continues to be employed as a civil servant after the pension age without having been awarded a pension under rule 3.1;
 - (ii) the weekly rate of such pension will be not less than the guaranteed minimum.

A pension paid to a civil servant under this rule will be limited to the amount by which his guaranteed minimum exceeds the aggregate pension (including any increase under the Pensions (Increase) Act 1971 as amended) paid to him as a civil servant under the other provisions of this scheme. If a civil servant to whom this rule applies is employed in the civil service after the age of 65 in the case of a man or 60 in the case of a woman his consent will be required for any postponement of his guaranteed minimum pension by virtue of employment to which the scheme does not relate and any postponement of his guaranteed minimum pension after the expiration of 5 years from the date on which he attains the age of 65 in the case of a man or 60 in the case of a woman. When the commencement of his guaranteed minimum pension is postponed for any period the civil servant's guaranteed minimum will be increased to the extent (if any) specified in section 15 of the Pension Schemes Act 1993. This rule is subject to rule 3.3a and rule 3.4b.

General option to exchange part of pension for extra lump sum

- 3.50 (i) A civil servant who is in pensionable service after 30 September 2007 may opt to exchange part of a pension to which the civil servant would otherwise be entitled under this section or section 14 (contributed pension and lump sum) for an extra lump sum.
- (ii) If a civil servant so opts, for every £1 by which the civil servant's annual pension is reduced, the civil servant is to be paid an extra lump sum of £12.
- (iii) A civil servant may not exchange pension for lump sum under this rule to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of the Finance Act 2004 (see section 241 of that Act).
- (iv) If a civil servant has a guaranteed minimum in relation to the pension, paragraph (i) only applies to so much of the pension, after any allocation under section 5, as exceeds the guaranteed minimum, multiplied by such factor as is indicated for a person of the civil servant's description in tables provided by the Scheme Actuary.
- (v) The option under this rule may only be exercised by giving notice in writing to the scheme administrator in such form as the Minister requires before the time when the first payment in respect of the pension is made.

Option to buy out actuarial reduction

- 3.51 (i) A civil servant who opts for immediate payment of a preserved pension and lump sum under rule 3.10a or 3.10c may buy out the actuarial reduction that would otherwise apply to the civil

servant's pension and lump sum under those rules and a civil servant who is entitled to a pension under rule 3.3b may buy out the actuarial reduction that would otherwise apply to the civil servant's pension and lump sum or to the civil servant's contributed pension and lump sum under rule 3.3b.

- (ii) A civil servant exercises the option under this rule by giving notice in writing to the scheme administrator in such form as the Minister requires.
- (iii) The cost of buying out the actuarial reduction is set out in tables prepared by the Minister, after consulting the Scheme Actuary.
- (iv) The civil servant must meet the cost of buying out the actuarial reduction by—
 - (a) paying a special contribution to the scheme;
 - (b) opting for the whole or part of any lump sum payable to the civil servant under the Civil Service Compensation Scheme to be paid by the civil servant's employer to the scheme by way of special contribution; or
 - (c) such combination of the options described in paragraphs (a) and (b) as the member decides.
- (v) Where a civil servant exercises the option under this rule, the amounts of the civil servant's pension and lump sum in respect of which the civil servant has bought out the actuarial reduction are calculated under rule 3.3b, 3.10a or 3.10c (as applicable) as if the reference to applying an actuarial reduction to that pension and lump sum were omitted.

3.52 Calculation of unreduced earned pension

- (1) If the member is entitled to immediate payment of an unreduced earned pension, the earned pension and lump sum are calculated in the same way as the preserved pension and lump sum to which the civil servant would be entitled under rule 3.11 on ceasing to be a civil servant, except that those benefits must be calculated by reference to the civil servant's current reckonable service, rather than the civil servant's reckonable service.
- (2) In this rule "current reckonable service" has the same meaning as "reckonable service", except that it shall include any period of service that the Minister has determined shall count as part of the member's reckonable service under rule 12.1.4(3) of the Civil Service Compensation Scheme and shall not otherwise include—

- (a) any reckonable service which is attributable to service prior to the current period of continuous service in the Civil Service;
- (b) any period of resettlement leave;
- (c) any reckonable service which results from a credit of reckonable service in accordance with the transfer provisions of section 6; and
- (d) any reckonable service which results from a purchase of added years under section 7 or from a grant of added years under rule 2.24.

3.53 Additional service pension and lump sum

- (i) This rule applies where—
 - (a) a civil servant is entitled to immediate payment of an unreduced earned pension; and
 - (b) the civil servant's reckonable service is greater than the civil servant's current reckonable service.
- (ii) If this rule applies, the civil servant—
 - (a) is entitled to an additional service preserved pension and lump sum, payable at pension age under rule 3.11; and
 - (b) may opt to take the additional service preserved pension and lump sum early, with actuarial reduction, under rule 3.10a(i) or rule 3.10c, and may exercise the option under rule 3.51 to buy out the actuarial reduction that would otherwise apply.

This is subject to paragraph (iii).

- (iii) If this rule applies and the civil servant—
 - (a) is a civil servant to whom an exclusion in rule 3.10aa (i)-(iii) applies; and
 - (b) has not yet reached 55 years of age

the civil servant is entitled to an additional service preserved pension and lump sum, which must be taken at the same time as the civil servant's earned pension, with actuarial reduction under rule 3.10a(i) or rule 3.10c, or having exercised the option under rule 3.51 to buy out the actuarial reduction that would otherwise apply.

- (iv) An additional service preserved pension and lump sum is calculated in the same way as the preserved pension and lump sum to which the

civil servant would be entitled under rule 3.11 on ceasing to be a civil servant, except that those benefits must be calculated by reference to the amount of the civil servant's reckonable service in excess of the civil servant's current reckonable service.

- (v) In this rule "current reckonable service" has the same meaning as in rule 3.52."

Section 4: Widows' and dependants' benefits

Part 1: Widows' Pensions

Benefits

Contributions

Widows' guaranteed minimum pensions

Part 2: Widowers' Pensions

Benefits

Widowers' guaranteed minimum pensions

Contributions

Part 3: Children's Pensions

Benefits

Part 4: Invalidity Pensions

Benefits

Contributions

Part 5: Pensions for adult dependants

Part 6: Provisions applying to Parts 1-5

Contributions

Deductions from lump sums

Transfers

Re-employment

Miscellaneous

Part 7: Contributions for part-time service formerly not pensionable

Part 8: Civil Partnership

Section 4: Widows' and dependants' benefits

Part 1: Widows' Pensions

- 4.1 This part of section 4 applies to all male pensionable civil servants in service on or after 1 June 1972 including for the purposes of rule 4.6(ii) a person who became male after he left service.
- 4.1a If the civil servant is a pension debit member within the meaning of Section 12, this section must be read subject to PCSPS rule 12.13.
- 4.1b If the civil servant has reckonable service for which he has paid contributions under Part 7 of this Section, Part 1 of this Section is to be read subject to Part 7 and references to the length of his reckonable service and to the amounts of contributions due are to be adjusted accordingly.
- 4.2 In rules 4.3 to 4.19a 'civil servant' means a civil servant to whom this part of section 4 applies.

Benefits

- 4.3 If a civil servant
- (i) dies in service on or before 5 April 1988 with five or more years' qualifying service; or
 - (ii) dies in service on or after 6 April 1988 with 2 or more years' qualifying service; or
 - (iii) dies in service on or after 6 April 1978 and on or after reaching the pension age; or
 - (iv) dies after retiring with a pension under rule 3.1, an ill health pension under rule 3.4, a preserved pension under rules 3.11 or 3.24a(ii) or an actuarially reduced pension under rule 3.10a; or
 - (v) dies in service and was formerly entitled to rights under a personal pension scheme in respect of which a transfer payment has been made to this scheme; or
 - (vi) dies in service when entitled to a partial retirement pension under rule 3.3b, dies after leaving service when entitled to a partial retirement pension under rule 3.3b and a preserved pension under rule 3.11, or dies after retiring with a partial retirement pension under rule 3.3b and a full retirement pension under rule 3.1, rule 3.4 or rule 3.10a,

a widow's pension will be paid if he leaves an eligible widow.

- 4.4 (i) In the case of a civil servant who retires before 6 April 1978, an eligible widow is a woman to whom he was married at the time of his death, and who was not living with a man as his wife; if he dies while no longer a civil servant, she must also have been married to him at some time while he was a civil servant.
- (ii) In the case of a civil servant who retires or is due to retire on or after 6 April 1978, an eligible widow is a woman to whom he was married at the time of his death, whether or not the marriage took place while he was a civil servant.
- 4.5 A widow's pension under rule 4.3 will be paid from the day after the date of the civil servant's death until the date of his widow's death, except that:
- (i) where the civil servant retired or died in service before 6 April 1978 and his widow remarries or was living or begins to live with a man as his wife, the pension will not be payable thereafter;
- (ii) where the person ceased to be a civil servant or died in service on or after 6 April 1978;
- (a) if his widow, before attaining the age of 60, remarries or was living or begins to live with a man as his wife or, if the person died on or after 5 December 2005, his widow forms a civil partnership or was living or begins to live with a woman as her civil partner, the pension will thereafter only be payable in respect of a period required by section 17(5) of the Pension Schemes Act 1993;
- (b) if his widow, on or after attaining the age of 60, remarries or was living or begins to live with a man as his wife or, if the person died on or after 5 December 2005, his widow forms a civil partnership or was living or begins to live with a woman as her civil partner the pension will thereafter be restricted to the widow's guaranteed minimum pension.

In any case where the widow's pension ceases or is restricted under this rule the Minister, or if the Minister so directs, the scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if her second marriage or her civil partnership comes to an end or she ceases to live with a man as his wife or with a woman as her civil partner.

- 4.6 The annual amount of a widow's pension under rule 4.3 will be calculated as follows:
- (i) Where the pension is payable to the widow of a marriage which took place before the husband ceased to be a civil servant,

1/240th of her husband's pensionable earnings multiplied by the length of reckonable service for which reduced contributions under rule 4.15(i) or (iii)(b) are due, and 1/160th of her husband's pensionable earnings multiplied by the length of reckonable service for which full contributions under rule 4.15 are due. Where the civil servant dies in service, reckonable service will be enhanced as in rule 3.4 or, if rule 3.24a(ii) applies to the civil servant, according to the calculation in rule 3.24d, as though he had retired on medical grounds on the day of his death.

This paragraph does not apply in relation to the widow of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of his death.

- (ii) Subject to (iii) below, where the pension is payable to the widow of a marriage which took place after the husband ceased to be a civil servant, 1/160th of her husband's pensionable earnings multiplied by the reckonable service for which full contributions under rule 4.15 or rule 4.16 are due or would have been due if the person had been male before he ceased to be a civil servant in respect of service falling or treated as falling under rule 4.15(ii) or rule 4.16(ii) as the case may be.

This paragraph does not apply in relation to the widow of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of his death.

- (iii) This paragraph applies in relation to the widow of –
- (a) a person who had paid a premium in accordance with the refund arrangements in rule 4.19(iv)(a)(2) as in force on 5 April 2006 and who was not a civil servant after that date;
 - (b) a person to whom rule 4.19(xiii) applies; or
 - (c) a person who was required to make a repayment under rule 4.19(ii)(b) and did not make the repayment.

When this paragraph applies the pension payable shall be the widow's guaranteed minimum pension as defined in rule 4.19a.

- (iv) This paragraph applies in relation to the widow of a civil servant who took partial retirement under rule 3.3b before his death. The widow's pension under rule 4.3 will comprise a partial retirement spouse's pension (see paragraph (v)(a) or (vi)(a)) and a remaining service spouse's pension (see paragraph (v)(b) or (vi)(b)).

(v) Where the pension is payable to the widow of a marriage which took place before the husband ceased to be a civil servant—

(a) the partial retirement spouse's pension is found by applying the following formula—

(1) where the civil servant took part of the pension available to him on partial retirement—

$$[1/240^{\text{th}} \times \mathbf{PEP} \times \mathbf{PR\%} \times \mathbf{RRS}] + [1/160^{\text{th}} \times \mathbf{PEP} \times \mathbf{PR\%} \times \mathbf{FRS}], \text{ or}$$

(2) where the civil servant took the whole of the pension available to him on partial retirement—

$$[1/240^{\text{th}} \times \mathbf{PEP} \times \mathbf{RRS}] + [1/160^{\text{th}} \times \mathbf{PEP} \times \mathbf{FRS}],$$

and

(b) the remaining service spouse's pension is found by applying the following formula—

(1) where the civil servant took part of the pension available to him on partial retirement—

$$[1/240^{\text{th}} \times \mathbf{PED} \times [100 - \mathbf{PR\%}] \times \mathbf{RRS}] + [1/160^{\text{th}} \times \mathbf{PED} \times [100 - \mathbf{PR\%}] \times \mathbf{FRS}] + [1/160^{\text{th}} \times \mathbf{PED} \times \mathbf{NRS}],$$

or

(2) where the civil servant took all of the pension available to him on partial retirement—

$$1/160^{\text{th}} \times \mathbf{PED} \times \mathbf{NRS}.$$

(vi) Subject to paragraph (iii), where the pension is payable to the widow of a marriage which took place after the husband ceased to be a civil servant—

(a) the partial retirement spouse's pension is found by applying the following formula—

(1) where the civil servant took part of the pension available to him on partial retirement—

$$1/160^{\text{th}} \times \mathbf{PEP} \times \mathbf{PR\%} \times \mathbf{LRS}, \text{ or}$$

(2) where the civil servant took all of the pension available to him on partial retirement—

$$1/160^{\text{th}} \times \mathbf{PEP} \times \mathbf{LRS}, \text{ and}$$

- (b) the remaining service spouse's pension is found by applying the following formula—
- (1) where the civil servant took part of the pension available to him on partial retirement—
- $$[1/160^{\text{th}} \times \text{PED} \times [100 - \text{PR}\%] \times \text{LRS}] + [1/160^{\text{th}} \times \text{PED} \times \text{NRS}], \text{ or}$$
- (2) where the civil servant took all of the pension available to him on partial retirement—
- $$1/160^{\text{th}} \times \text{PED} \times \text{NRS}.$$

- (vii) In paragraphs (v) and (vi) and in this paragraph the following terms have the following meanings—

FRS means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.15 are due;

LRS means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.15 or rule 4.16 are due or would have been due if the person had been male before he ceased to be a civil servant in respect of service falling or treated as falling under rule 4.15(ii) or rule 4.16(ii) as the case may be;

NRS means the length of the civil servant's reckonable service after the relevant last day;

PED means the civil servant's pensionable earnings calculated as at the last day of his reckonable service;

PEP means the civil servant's pensionable earnings calculated as at the relevant last day;

PR means the amount of reckonable service used by the civil servant to calculate the pension and lump sum payable to him under rule 3.3b on partial retirement, expressed as a percentage of the civil servant's total reckonable service up to and including the relevant last day;

RRS means the length of the civil servant's reckonable service up to and including the relevant last day for which reduced contributions under rule 4.15(i) or (iii)(b) are due; and

"the relevant last day" has the same meaning as in rule 3.3b(xiv).

- (viii) The amount of any widow's pension calculated under (i), (ii), (v) or (vi) above, as appropriate, will include any increase resulting from an election under rule 3.1a.

4.7 If a civil servant dies in service—

- (a) the total of any widow's pension under rule 4.3 together with any dependant's contributed pension payable to the widow under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.6(iv) applies, the remaining service spouse's pension payable in respect of the civil servant,

will be increased to the rate of his pensionable earnings for 91 days (3 months) following his death or

- (i) where death occurred before 1 April 1980, the widow's pension was awarded under rule 4.3(ii), and the civil servant had less than 5 years' qualifying service, for 137 days (4½ months) if there is one eligible child and for 182 days (6 months) if there are two or more eligible children in her care;
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in her care, for 182 days (6 months);
- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be,, for 182 days (6 months);

except that where death occurred before 1 January 1986, no payments will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings means the pensionable earnings relating to his service at death. This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before his death.

4.7a If a civil servant dies after retirement—

- (a) the total of any widow's pension under rule 4.3 together with any dependant's contributed pension payable to the widow under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.6(iv) applies who has not yet taken full retirement, the partial retirement spouse's pension payable in respect of the civil servant,

will be increased to the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any increase under the Pensions (Increase) Act 1971 as amended) received by her husband under this scheme immediately before his death, including, in respect of a death occurring on or after 2 September 1986, any payments made under the former section 11 rules set out in Appendix 16 or under the Civil Service Injury Benefits Scheme, as the case may be

- (i) for 91 days (3 months) following his death; or
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in her care, for 182 days (6 months);
- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months);

provided that this does not result in a reduction in the total widow's and children's pension payable under this part and part 3 of section 4 (see rule 4.29). If the civil servant had made an allocation under section 5, or had commuted his ill health pension under rule 3.4b, then for the purposes of this rule, the amount of pension he was receiving will be deemed to be the amount he would have received but for the allocation or the commutation. Where death occurred before 1 January 1986, no payment will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before his death.

- 4.8
- (i) If a civil servant dies in service leaving an eligible widow but no widow's pension is payable under rule 4.3, a pension at the rate of his pensionable earnings will be paid to his widow for the following period after his death:
 - (a) for 91 days (3 months); or
 - (b) if there is one eligible child in her care, for 137 days (4½ months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
 - (c) if there are two or more eligible children in her care, for 182 days (6 months) or, where death occurred on or after 1 April 1980, for 273 days (9 months); or
 - (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of

rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more eligible children in her care.

If the widow dies or remarries before payments under this paragraph have been completed, the payments will cease if there were no eligible children in her care. If there were eligible children in her care payments will continue to the children's guardian either

- for 46 days (1½ months) if there was one such child,
- for 91 days (3 months) if there were two or more such children, or
- for the period (if this is shorter) for which the payments would have been continued if the widow had remained alive or had not remarried,

or, alternatively, for the period (if this is longer) for which payments would have been made under paragraph (iii) of this rule if the civil servant had not left an eligible widow.

- (ii) If a civil servant dies in service leaving an eligible widow and no widow's pension is payable under rule 4.3, but eligible children are in the care of someone else, a pension at the rate of his pensionable earnings will be paid to that person for the following period after his death:
- (a) if there is one such eligible child or more and there is also an eligible child in the care of the widow, for 46 days (1½ months) or, where a death occurred on or after 1 April 1980, for 91 days (3 months); or
 - (b) if there is one such eligible child and there are no eligible children in the care of the widow, for 46 days (1½ months) or, where death occurred on or after 1 April 1980, for 91 days (3 months); or
 - (c) if there are two or more such eligible children and there are no eligible children in the care of the widow, for 91 days (3 months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
 - (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be and if there

is one such eligible child or more, for 182 days (6 months).

- (iii) If a civil servant dies in service and there is no eligible widow, but eligible children are in the care of someone else, a pension at the rate of his pensionable earnings will be paid to that person for the following period after his death:
- (a) if there is one such child, for 61 days (2 months) or, where death occurred on or after 1 April 1980, for 122 days (4 months);
 - (b) if there are two or more such children, for 122 days (4 months) or, where death occurred on or after 1 April 1980, for 245 days (8 months);
 - (c) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying condition of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are 2 or more such children.
- (iv) If a civil servant dies on or after 1 April 1980 after retiring with a pension under rule 3.1 or after becoming entitled to a pension under rule 3.3b (partial retirement) and there is no eligible widow, but eligible children are in the care of someone else, a pension at the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any increase under the Pensions (Increase) Act 1971 as amended) received by him under this scheme immediately before his death will be paid to that person for the following period after his death:
- (a) if there is one such child, for 122 days (4 months);
 - (b) if there are two or more such children, for 245 days (8 months);
 - (c) where death occurred on or after 1 January 1986, in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are 2 or more such children.

If the civil servant had made an allocation under section 5, or had commuted his ill health pension under rule 3.4b, then for the purposes of this paragraph, the amount of pension he was receiving will be deemed to be the amount he would have received but for the allocation or the commutation.

Where death occurred before 1 January 1986 no payments will be made under parts (i), (ii) and (iii) of this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be is in payment. No payment will be made under part (iv) of this rule if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be is in payment. Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings for the purposes of paragraphs (i) to (iii) means the pensionable earnings relating to his service at death. This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before his death.

- 4.8a Where there is part-time service in the last three years of reckonable service 'pensionable earnings' in rules 4.7 and 4.8 will be calculated by reference to the actual pay and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure, rather than by reference to the full-time rate of pay. The actual pay and pensionable emoluments will not include any amount of pay which would be disregarded under rule 1.6b(i), if pensionable earnings were being calculated by reference to the full-time rate of pay. Where the civil servant dies during a period of re-employment to which rule 3.31 applies, 'pensionable earnings' in rules 4.7 and 4.8 will be taken to be the greater of the two amounts specified in rule 3.31(i) and (ii), with paragraph 1 or 7ii. of Appendix 7 applying where appropriate. In rules 4.7, 4.7a and 4.8 'eligible child' means an eligible child within the meaning of rules 4.26 to 4.28.

Contributions

- 4.9 A civil servant will, while in service, pay periodical contributions of 1½% of salary (or wages) from 1 June 1973 until the end of his pensionable service, except that:
- (i) those
 - (a) whose reckonable service in the Civil Service began on or before 14 July 1949, and
 - (b) to whom Part III of the Superannuation Act 1965 did not apply on 31 May 1972, and
 - (c) who opted before 1 April 1973 that this part of section 4 should not apply to them, and
 - (ii) those who would have been treated in accordance with rule 3.37(i)(b) (and thereby excluded from this part of section 4) if they had not still been in re-employed service on 6 April 1978,

will pay such periodical contributions from 6 April 1978 only.

Contributions due under this rule will be assessed on the full rate of pay where a civil servant entered the Civil Service on or after 1 April 1987 and where a reduced rate of salary (or wages) is in payment as an alternative to the voluntary abatement of a non-PCSPS public service pension.

For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

In the case of a person who becomes a civil servant on or after 1 June 1989, contributions will not be due under this rule in respect of salary (or wages) in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limited accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).

- 4.10 A civil servant in service on 1 June 1972 who had hitherto been paying periodical contributions of 1¼% of salary under Part III of the Superannuation Act 1965 will continue to pay such contributions until 31 May 1973, or (if earlier) until his pensionable service ends.
- 4.11 A civil servant in service on 1 June 1972 may opt to pay contributions and be eligible for benefits at a reduced rate for his reckonable service before that date (see rule 4.18). This option must be exercised before 1 April 1973. In the event of a civil servant failing to make the option, it will be deemed to have been exercised unless he specifically opts to the contrary.
- 4.12 A civil servant may opt to pay additional periodical contributions, in multiples of 1½%. This is subject to rules 4.13 and 4.14.

For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

- 4.13 Additional periodical contributions under rule 4.12 will be payable from the earliest practicable date following the date of the option, until such time (and not before) as his pensionable service ends or he no longer owes a lump sum contribution under rule 4.18, and in calculating the potential lump sum contribution under rule 4.18 it will be assumed that he continues in service until retiring on age grounds at the pension age, except that,
- (a) the civil servant may opt on or after 17 February 1992, that for the purposes of calculating what additional periodical contributions are payable, no account should be taken of any period during which the civil servant may continue in service

between the completion of 40 years' reckonable service and the pension age, and

- (b) where a civil servant has been paying additional periodical contributions, he may opt on or after 17 February 1992 to have these re calculated by reference to the salary in payment at the time the contributions are made, so as to leave out of account any period during which he may continue in service between the completion of 40 years' reckonable service and the pension age.
- 4.14 (i) Except as provided in (ii) below, an option to pay additional periodical contributions under rule 4.12 must be exercised by 1 April 1973 in the case of a civil servant in service on 1 June 1972, or during the first nine months of service for a civil servant beginning service after that date.
- (ii) In the case of a civil servant in service on 1 August 1984, or whose service begins on or after 1 August 1984, an option to pay additional periodical contributions under rule 4.12 may be exercised at any time after that date and before a retirement award is made under rule 3.1.
- (iii) A civil servant in post on or after 20 July 1995 may opt, subject to the approval of the Minister, to pay additional periodical contributions under rule 4.12 at any time after that date and before a retirement award is made under rule 3.1, for the purposes of eliminating or reducing any potential lump sum deduction under rule 4.17, in respect of any enhancement of reckonable service under rule 3.4(i) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme, or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme). Any excess contribution resulting from the exercise of an option under this rule shall be refunded in the manner provided for in rule 4.19(i)(b) and the additional service to which the excess contribution related shall be disregarded for the purposes of calculating a widow's pension.
- (iv) A civil servant who has made an option under (i), (ii) or (iii) above may at any time subsequently opt to increase his periodical contributions, but he may never opt to reduce them. A civil servant may only opt to increase contributions in respect of an option made under paragraph (iii) with the approval of the Minister.
- 4.15 When a married civil servant dies in service or ceases to be a civil servant, contributions at the full rate of 1½% of salary (or wages, including statutory adoption pay or statutory paternity pay) will be due in respect of:

- (i) his reckonable service prior to 6 April 1978, except that if rule 4.9(i) or (ii) applies to him no contributions will be due, and if he opted under rule 4.11 to pay reduced contributions for his reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary (or wages);
- (ii) his reckonable service on or after 6 April 1978; for this purpose reckonable service includes service before 1st March 2008 in excess of 5 years during re-employment after the pension age for which a payment calculated as in rule 3.2 is made, and service which is disregarded under rules 3.35 or 3.35d, and if his reckonable service during the period beginning on 6 April 1978 exceeds the limits in rule 2.3, those limits will not apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;
- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited, unless:
 - (a) the civil servant opted under rule 4.9(i) that this part of section 4 should not apply to him, in which case any enhancement will not be reckonable for widow's pension purposes nor will contributions be due for it; or
 - (b) the civil servant opted under rule 4.11 to pay reduced contributions for his reckonable service before 1 June 1972, in which case any enhancement will be regarded as service falling under paragraph (i) irrespective of the date when the enhancement is credited and contributions for it will also be due at the reduced rate; except that he will be treated for the purposes of this rule having begun service on 1 June 1972 with all contributions due at the full rate and enhancement of reckonable service on or after that date regarded in the normal way as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited, if this produces or would produce a larger widow's pension.

The exceptions in (a) and (b) above will not apply where enhancement is credited to a civil servant on a designated appointment.

- 4.16 When an unmarried civil servant dies in service or ceases to be civil servant, contributions at the full rate of 1½% of salary (or wages,

including statutory adoption pay or statutory paternity pay) will be due in respect of:

- (i) his reckonable service prior to 6 April 1978, except that:
 - (a) if he never had a wife while serving as a civil servant to whom this part of section 4 or Part III of the Superannuation Act 1965 applied, no contributions will be due;
 - (b) if he opted under rule 4.9 that this part of section 4 should not apply to him no contributions will be due;
 - (c) if he died in service or left the Civil Service before 6 April 1978, being unmarried at the time, or if he was in service on 5 April 1978, being unmarried at that date, contributions will be due only up to the date his last marriage ended, unless that date was before 14 July 1949 in which case no contributions will be due;
 - (d) if contributions are due for a marriage which ended before 1 June 1972 and if the civil servant never remarried while still in service, those contributions will be at the reduced rate of 1¼% of salary (or wages) payable under rule 4.11, whether or not he opted for this under that rule;
 - (e) if he opted under rule 4.11 to pay reduced contributions for his reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary (or wages);
- (ii) his reckonable service on or after 6 April 1978, except that:
 - (a) if he dies in service, or
 - (b) if he ceases to be a civil servant without qualifying for a widow's pension under rule 4.3 and without applying for a transfer value under, and in accordance with, section 6,

no contributions will be due in respect of any period since his last marriage ended, or in respect of the whole of that service if he was unmarried throughout it. For the purposes of this paragraph reckonable service includes service before 1st March 2008 in excess of 5 years during re-employment after the pension age for which a payment calculated as in rule 3.2 is made, and service which is disregarded under rules 3.35 or 3.35d, and if his reckonable service during the period beginning 6 April 1978 exceeds the limits in rule 2.3, those limits will not

apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;

- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited.

4.16a No contributions under rule 4.15 or 4.16 will be due in respect of any period of unpaid ordinary adoption leave or paternity leave.

4.17 (i) To the extent that the contributions due under rules 4.15 or 4.16 have not been paid by periodical contributions, a deduction will be made (subject to paragraph (ii) below) from whichever of the following becomes payable to the extent necessary to clear the balance (whether or not the civil servant is immediately re-employed):

- (a) the death benefit under rule 3.8;
- (b) this sub-paragraph has been deleted;
- (c) this sub-paragraph has been deleted;
- (d) the lump sum under rule 3.1;
- (e) the ill health lump sum under rule 3.4;
- (f) the preserved lump sum under rules 3.11 or 3.24a(ii);
- (g) the preserved death benefit under rule 3.16;
- (h) the additional payments under rules 3.2 and 3.32a;
- (i) the partial retirement lump sum under rule 3.3b..

- (ii) If contributions due under rule 4.15 or 4.16 have not been paid by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages, including statutory adoption pay or statutory paternity pay), these contributions will be treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as an overpayment of salary.

4.18 The amount to be deducted under rule 4.17 will be $1\frac{1}{2} / 80$ ths of the civil servant's pensionable earnings multiplied by $(2A/3 + B - C - 2D/3)$, where:

- A is the reckonable service (if any) for which reduced contributions under rule 4.11 are due;
- B is the reckonable service for which full contributions are due;
- C is the number of annual periodical contributions of 1½% of salary which he has paid;
- D is the number of annual periodical contributions of 1¼% of salary which he has paid, including any such contributions paid under Part III of the Superannuation Act 1965.

Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B, as appropriate; and A, B, C and D are expressed in years and fractions of a year. A deduction from a preserved lump sum under rules 3.11 or 3.24a(ii) will be calculated under this rule when the preserved lump sum is awarded or calculated as the case may be, not when it is paid.

- 4.19 (i) (a) Where a civil servant has actually paid periodical contributions in excess of the contributions due under rule 4.15 or, alternatively, where he has actually paid periodical contributions in respect of service prior to 6 April 1978 in excess of the contributions due under rule 4.16(i), a refund will be paid to or in respect of him in accordance with paragraph (ix), made up of the relevant balance – beginning with the last such contribution paid – with compound interest.
- (b) Where any additional periodical contribution paid under rule 4.13 results in an excess contribution being paid, that excess contribution will be treated by the employing department as an underpayment of salary.
- (ii) Where an unmarried person ceases to be a civil servant on or after 6 April 1978, contributions due under rule 4.16(ii) may be reassessed as if he had died in service on the date that he ceased to be a civil servant:
- (a) if at his death his personal representatives request such reassessment, and provided that he has never married since ceasing to be a civil servant; or
 - (b) if he leaves the Civil Service before 1 August 1984 with a pension under rule 3.1, an ill health pension under rule 3.4 or an annual compensation payment under former rule 10.6 as set out at Appendix 1 of the Compensation

Scheme, or if he ceases to be a civil servant on or after 1 August 1984 and on or before 30 November 1989 with such a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a or pension under former rules 10.11, 10.12 or 10.26 as set out at Appendix 1 of the Compensation Scheme or former rules 10.13 or 10.14 as set out at Appendix 2 of the Compensation Scheme and he opts when he leaves for such a reassessment to be made.

If the contributions (taking into account deductions under rule 4.17) paid in respect of service on or after 6 April 1978 exceed the contributions reassessed as due, the civil servant will receive a refund made up of the balance - beginning with the last contribution paid - with compound interest, provided that where an option under paragraph (b) is exercised, the civil servant undertakes to repay the said refund together with compound interest, from which sum on or after 1 August 1984 any tax payment made under (ix) below will be deducted, if he subsequently marries or remarries.

- (iii) Where a civil servant leaves the Civil Service on or after 6 April 1978 and is re-employed as a civil servant in circumstances in which his earlier service is reckoned with his re-employed service under rule 3.35, 3.35d, or rules 6.4 or 7.9 of the Compensation Scheme (or former rule 10.24 as set out at Appendix 1 of the Compensation Scheme or former rules 10.26 or 10.35 as set out at Appendix 2 of the Compensation Scheme) then
 - (a) if a refund under paragraph (i) or (ii) above has already been made that refund must be repaid; unless the civil servant opts to make the repayment in one lump sum to be paid within 3 months of re-employment it will be recovered from wages or salary in equal instalments over a period commencing on re-employment and not exceeding 5 months;
 - (b) if a refund under paragraph (i) or (ii) above has not already been made its award will be cancelled.
- (iv) Where an unmarried person ceases to be a civil servant on or after 1 December 1989, contributions due under rule 4.16(ii) may be re assessed as if he had died in service on the date that he ceased to be a civil servant, if he ceases to be a civil servant
 - at age 60 or over; or

- before age 60 with a preserved pension under rules 3.11 or 3.24a(ii), and remains unmarried until the pension comes into payment;
- before age 60 if he has a prospective pension under rule 3.1 because rule 1.4e (inactive members) applies to him, and he remains unmarried until the pension comes into payment; or
- before age 60 with an ill health pension under rule 3.4 or a pension under rule 3.10a. with a preserved pension under rules 3.11 or 3.24a(ii), or an ill health pension under rule 3.4, or a pension or an annual compensation payment under the Compensation Scheme or former section 10 as set out at Appendix 2 of the Compensation Scheme, or a pension under rule 3.10a, and remains unmarried throughout the intervening period until he reaches the age of 60.

If the contributions (taking into account deductions under rule 4.17) paid in respect of service on or after 6 April 1978 exceed the contributions reassessed as due, a refund will be paid to or in respect of him in accordance with paragraph (ix). This is subject to paragraphs (xii) and (xiii). The refund will be made up of the balance - beginning with the last contribution paid - with compound interest, less a premium calculated in accordance with guidance provided by the Scheme Actuary.

- (v) This paragraph has been deleted.
- (vi) Where an unmarried civil servant in post on 30 November 1989 ceases to be a civil servant on or after 1 December 1989 and on or before 30 November 1991, he may opt to be treated under rule 4.19(ii)(b) rather than under rule 4.19(iv), if he ceases to be a civil servant
 - (a) at age 60 or over if the refund calculated under rule 4.19(iv) is less than the refund calculated under rule 4.19(ii)(b); or
 - (b) before age 60 with a pension under rule 3.1, an ill health pension under rule 3.4, or a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a.
- (vii) Notwithstanding anything to the contrary in this scheme, an unmarried person who ceased to be a civil servant on or after 6 April 1978 and on or before 30 November 1989, with

- (a) a preserved pension under rule 3.11; or
- (b) a pension or annual compensation payment specified in rule 4.19(ii)(b) and did not receive a refund under that rule

will, if he is under age 60 on 1 December 1989, become eligible on reaching age 60 for a refund in accordance with rule 4.19(iv), provided he has remained unmarried throughout the intervening period.

- (viii) For the purposes of this rule, a reference to compound interest means,
 - (a) in the case of a civil servant who leaves the Civil Service before 6 April 1978, compound interest added to the relevant sum at a rate of 3 per cent a year with yearly rests;
 - (b) in the case of a person who ceases to be a civil servant on or after 6 April 1978 and on or before 30 November 1989, compound interest added to the relevant sum at the rate of 4 per cent a year with yearly rests;
 - (c) in the case of a person who ceases to be a civil servant on or after 1 December 1989 and on or before 31 March 1990, compound interest added to the relevant sum at the rate of 5 per cent a year with yearly rests;
 - (d) in the case of a person who ceases to be a civil servant on or after 1 April 1990, compound interest added to the relevant sum
 - (1) at a rate of 5 per cent a year, with yearly rests, up to and including 31 March 1990;
 - (2) at the yearly average of the Building Society basic rate as announced annually by the Minister, with yearly rests, from 1 April 1990 up to and including 31 March 1994;
 - (3) at the yearly average of the Building Society average rate for share accounts as announced annually by the Minister, with yearly rests, from 1 April 1995.
 - (e) in the case of a civil servant who opts, under the provisions of rule 4.19(vi), to be treated under rule 4.19(ii)(b), compound interest added to the relevant sum at the rate of 4 per cent a year with yearly rests;

- (f) in the case of a former civil servant who receives a refund under the provisions of rule 4.19(vii), compound interest added to the relevant sum
- (1) at the rate of 4 per cent a year with yearly rests up to his last day of service;
 - (2) at the rate of 5 per cent a year with yearly rests from the day after his last day of service up to and including 31 March 1990;
 - (3) at the yearly average of the Building Society basic rate as announced annually by the Minister, with yearly rests, from 1 April 1990 up to and including 31 March 1994;
 - (4) at the yearly average of the Building Society average rate for share accounts as announced annually by the Minister, with yearly rests, from 1 April 1995.
- (ix) When this paragraph applies:
- (a) the refund of contributions payable to the civil servant shall be paid as an additional lump sum when his pension commences under rules 3.1, 3.4, 3.10a, 3.11, or 3.24a(ii) (the additional lump sum shall form part of the civil servant's pension commencement lump sum for the purposes of Part 4 of the Finance Act 2004); and
 - (b) the refund of contributions payable in respect of a civil servant who has died shall be paid as an additional lump sum to his personal representatives when a lump sum is paid under rules 3.8, 3.9(ba) or 3.16 (the additional lump sum shall, for the purposes of Part 4 of the Finance Act 2004, form part of the lump sum death benefit payable in respect of the civil servant).
- (x) Notwithstanding the other provisions of rule 4.19, an unmarried person who has a life expectancy of less than twelve months as assessed by the Scheme Medical Adviser and who is a civil servant or who ceased to be a civil servant on or after 1 April 2003 and has remained unmarried since ceasing to be a civil servant may apply for a refund of contributions due under rule 4.16(ii). Contributions will be re-assessed as if he had died in service on the date he ceased to be a civil servant or, if he has not ceased to be a civil servant, on the day after the last contribution was paid.

If the contributions (taking into account deductions under rule 4.17) paid in respect of service on or after 6 April 1978 exceed the contributions re-assessed as due, he will receive an immediate refund. The refund will be made up of the balance – beginning with the last contribution paid – with compound interest, less a premium of 20 per cent of the gross value of the refund and less tax deducted under (ix) above.

- (xi) In paragraphs (xii) to (xiv) “the old refund provisions” means the provisions of rule 4.19 as in force on 5 April 2006, disregarding the provision for deduction of tax.
- (xii) This paragraph applies to a person who –
 - (a) was under age 60 on 5 April 2006;
 - (b) was in receipt of a pension under the scheme on 5 April 2006; and
 - (c) would have been entitled under rule 4.19(iv) of the old refund provisions to a refund of contributions at age 60.

A person to whom this paragraph applies shall receive at age 60 –

- (aa) part or all of the refund he would have received at age 60 under the old refund provisions as a lump sum to the extent that the amount paid would be an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (see section 164 of that Act), the lump sum being calculated in accordance with guidance provided by the Scheme Actuary; and
- (bb) if the lump sum paid under (aa) is less than the refund he would have received at age 60 under the old refund provisions, an additional pension of a value actuarially equivalent to that part of the refund he would have so received that is not paid under (aa), calculated in accordance with guidance provided by the Scheme Actuary.

This is subject to paragraph (xiii).

- (xiii) A person to whom paragraph (xii) would apply but for this paragraph may opt for this paragraph to apply to him instead. The option may only be exercised by notice to the scheme administrator in such form and at such time as the Minister may require. Where an option has been exercised in accordance with this paragraph the person shall receive at age 60 the refund he would have been entitled to under the old refund provisions.

- (xiv) This paragraph applies to a person –
- (a) who received a refund at age 60 under rule 4.19(iv) of the old refund provisions;
 - (b) who became a civil servant again on re-employment after age 60;
 - (c) whose period as a re-employed civil servant ended after 5 April 2006; and
 - (d) who was not married when his re-employment ended.

When this paragraph applies to a person his widow's pension shall be calculated in accordance with rule 4.6(iii).

Widows' guaranteed minimum pensions

4.19a Notwithstanding anything to the contrary in this scheme, if any employment of persons to whom this scheme applies becomes contracted-out employment by reference to this scheme and if a civil servant who has a guaranteed minimum dies (whether before or after attaining the age of 65) and leaves a widow:

- (i) she will, subject to this rule, be paid a pension for life unless
 - (a) the civil servant's accrued rights to his guaranteed minimum pension have been transferred from this scheme in accordance with regulations made under section 20(1) of the Pension Schemes Act 1993, or have been extinguished by payment of a contributions equivalent premium,
 - (b) her pension is forfeited under rule 8.2(i), or under rule 8.3 as a result of a conviction for treason,
 - (c) her pension ceases under rule 4.5;
- (ii) the weekly rate of such a pension will be not less than half that guaranteed minimum, increased to the extent (if any) specified in section 15 of the Pension Schemes Act 1993.

A pension paid to a widow under this rule will be limited to the amount by which the widow's guaranteed minimum exceeds the aggregate pension (including any increase under the Pensions (Increase) Act 1971 as amended) paid to her as a widow under the other provisions of this scheme.

Section 4: Widows' and dependants' benefits

Part 2: Widowers' Pensions

- 4.20a (i) This part of section 4 applies to all female pensionable civil servants in service on or after 1 July 1987, including those who had been paying contributions under the voluntary arrangements in force until immediately before that date and including for the purposes of rule 4.21(c)(ii) a person who became female after she left the civil service.
- (ii) This part of section 4 also applies, as appropriate:
- (a) in respect of female pensionable civil servants who died on or before 30 June 1987 and who had opted under the voluntary arrangements in force until that date; and
 - (b) to female pensionable civil servants who have no service on or after 1 July 1987, but who had opted to pay periodical contributions under the voluntary arrangements in force until immediately before that date.
- 4.20b In rules 4.21 to 4.23 'civil servant' means a civil servant to whom this part of section 4 applies.
- 4.20c If the civil servant is a pension debit member within the meaning of Section 12, this section must be read subject to PCSPS rule 12.13.
- 4.20d Where a civil servant has reckonable service for which she has paid contributions under Part 7 of this Section, Part 2 of this Section is to be read subject to Part 7 and the references to the length of her reckonable service and to the amounts of contributions are to be adjusted accordingly.

Benefits

- 4.21 If a civil servant
- (i) dies in service on or before 5 April 1988 with five or more years' qualifying service; or
 - (ii) dies in service on or after 6 April 1988 with 2 or more years' qualifying service; or
 - (iii) dies in service on or after 6 April 1978 and on or after reaching the pension age; or
 - (iv) dies after retiring with a pension under rule 3.1, an ill health pension under rule 3.4, a preserved pension under rules 3.11 or 3.24a(ii) or an actuarially reduced pension under rule 3.10a; or

- (v) dies in service and was formerly entitled to rights under a personal pension scheme in respect of which a transfer payment has been made to this scheme; or
- (vi) dies in service when entitled to a partial retirement pension under rule 3.3b, dies after leaving service when entitled to a partial retirement pension under rule 3.3b and a preserved pension under rule 3.11, or dies after retiring with a partial retirement pension under rule 3.3b and a full retirement pension under rule 3.1, rule 3.4 or rule 3.10a,

a widower's pension will be paid if she leaves an eligible widower.

- 4.21a (i) In the case of a civil servant who retires on or before 5 April 1988, an eligible widower is a man to whom she was married at the time of her death, and who was not living with a woman as her husband; if she dies while no longer a civil servant, he must also have been married to her at some time while she was a civil servant.
- (ii) In the case of a civil servant who retires or is due to retire on or after 6 April 1988, an eligible widower is the man to whom she was married at the time of her death, whether or not the marriage took place while she was a civil servant.
- 4.21b A widower's pension under rule 4.21 will be paid from the day after the date of the civil servant's death until the date of her widower's death, except that:
- (i) where the person ceased to be a civil servant or died in service on or before 5 April 1989 and her widower remarried or was living or begins to live with a woman as her husband, the pension will not be payable thereafter;
 - (ii) where the person ceased to be a civil servant or died in service on or after 6 April 1989:
 - (a) if her widower, before attaining the age of 65, remarries, or was living, or begins to live with a woman as her husband or, if the person died on or after 5 December 2005, her widower forms a civil partnership or was living or begins to live with a man as his civil partner, the pension will be payable thereafter in respect of a period prescribed from time to time in regulations made pursuant to section 17(6) of the Pension Schemes Act 1993;
 - (b) if the widower of a civil servant who had attained age of 60 before she died, remarries, or was living, or begins to live with a woman as her husband or, if the person died on or after 5 December 2005, her widower forms a civil

partnership or was living or begins to live with a man as his civil partner after having attained age of 65, the pension will thereafter be restricted to the widower's guaranteed minimum pension.

In any case where the widower's pension ceases or is restricted under this rule the Minister, or if the Minister so directs, the scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if his second marriage or his civil partnership comes to an end or he ceases to live with a woman as her husband or with a man as his civil partner.

4.21c The annual amount of a widower's pension under rule 4.21 will be calculated as follows:

- (i) Where the pension is payable to the widower of a marriage which took place before the wife ceased to be a civil servant, $\frac{1}{240}$ th of his wife's pensionable earnings multiplied by the length of reckonable service for which reduced contributions under rule 4.23(i) or (iii) are due, and $\frac{1}{160}$ th of his wife's pensionable earnings multiplied by the length of reckonable service for which full contributions under rule 4.23 are due. Where the civil servant dies in service, reckonable service will be enhanced as in rule 3.4 or, if rule 3.24a(ii) applies to the civil servant, according to the calculation in rule 3.24d, as though she had retired on medical grounds on the day of her death.

This paragraph does not apply in relation to the widower of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of her death.

- (ii) Subject to (iii) below, where the pension is payable to the widower of a marriage which took place after the wife ceased to be a civil servant, $\frac{1}{160}$ th of his wife's pensionable earnings multiplied by the reckonable service for which full contributions under rule 4.23 or rule 4.23a are due or would have been due if the person had been female before she ceased to be a civil servant in respect of service falling or treated as falling under rule 4.23(ii) or rule 4.23a(ii) as the case may be.

This paragraph does not apply in relation to the widower of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of her death.

- (iii) This paragraph applies in relation to the widower of—
 - (a) a person who had paid a premium in accordance with the refund arrangements in rule 4.23d(iv)(a)(2) as in force on 5 April 2006 and who was not a civil servant after that date;

- (b) a person to whom rule 4.23d(xiii) applies; or
- (c) a person who was required to make a repayment under rule 4.23d(ii)(b) and did not make the repayment.

When this paragraph applies the pension payable shall be the widower's guaranteed minimum pension as defined in rule 4.21i.

- “(iv) This paragraph applies in relation to the widower of a civil servant who took partial retirement under rule 3.3b before her death. The widower's pension under rule 4.21 will comprise a partial retirement spouse's pension (see paragraph (v)(a) or (vi)(a)) and a remaining service spouse's pension (see paragraph (v)(b) or (vi)(b)).
- (v) Where the pension is payable to the widower of a marriage which took place before the wife ceased to be a civil servant—
 - (a) the partial retirement spouse's pension is found by applying the following formula—
 - (1) where the civil servant took part of the pension available to her on partial retirement—

$$[1/240^{\text{th}} \times \mathbf{PEP} \times \mathbf{PR\%} \times \mathbf{RRS}] + [1/160^{\text{th}} \times \mathbf{PEP} \times \mathbf{PR\%} \times \mathbf{FRS}], \text{ or}$$
 - (2) where the civil servant took the whole of the pension available to her on partial retirement—

$$[1/240^{\text{th}} \times \mathbf{PEP} \times \mathbf{RRS}] + [1/160^{\text{th}} \times \mathbf{PEP} \times \mathbf{FRS}],$$
 and
 - (b) the remaining service spouse's pension is found by applying the following formula—
 - (1) where the civil servant took part of the pension available to her on partial retirement—

$$[1/240^{\text{th}} \times \mathbf{PED} \times [100 - \mathbf{PR\%}] \times \mathbf{RRS}] + [1/160^{\text{th}} \times \mathbf{PED} \times [100 - \mathbf{PR\%}] \times \mathbf{FRS}] + [1/160^{\text{th}} \times \mathbf{PED} \times \mathbf{NRS}],$$
 or
 - (2) where the civil servant took all of the pension available to her on partial retirement—

$$1/160^{\text{th}} \times \mathbf{PED} \times \mathbf{NRS}.$$

(vi) Subject to paragraph (iii), where the pension is payable to the widower of a marriage which took place after the wife ceased to be a civil servant—

(a) the partial retirement spouse's pension is found by applying the following formula—

(1) where the civil servant took part of the pension available to her on partial retirement—

$$1/160^{\text{th}} \times \text{PEP} \times \text{PR}\% \times \text{LRS}, \text{ or}$$

(2) where the civil servant took all of the pension available to her on partial retirement—

$$1/160^{\text{th}} \times \text{PEP} \times \text{LRS}, \text{ and}$$

(b) the remaining service spouse's pension is found by applying the following formula—

(1) where the civil servant took part of the pension available to her on partial retirement—

$$[1/160^{\text{th}} \times \text{PED} \times [100 - \text{PR}\%] \times \text{LRS}] + [1/160^{\text{th}} \times \text{PED} \times \text{NRS}], \text{ or}$$

(2) where the civil servant took all of the pension available to her on partial retirement—

$$1/160^{\text{th}} \times \text{PED} \times \text{NRS}.$$

(vii) In paragraphs (v) and (vi) and in this paragraph the following terms have the following meanings—

FRS means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.23 are due;

LRS means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.23 or rule 4.23a are due or would have been due if the person had been female before she ceased to be a civil servant in respect of service falling or treated as falling under rule 4.23(ii) or rule 4.23a(ii) as the case may be;

NRS means the length of the civil servant's reckonable service after the relevant last day;

PED means the civil servant's pensionable earnings calculated as at the last day of her reckonable service;

PEP means the civil servant's pensionable earnings calculated as at the relevant last day;

PR means the amount of reckonable service used by the civil servant to calculate the pension and lump sum payable to her under rule 3.3b on partial retirement, expressed as a percentage of the civil servant's total reckonable service up to and including the relevant last day;

RRS means the length of the civil servant's reckonable service up to and including the relevant last day for which reduced contributions under rule 4.23(i) or (iii) are due; and

"the relevant last day" has the same meaning as in rule 3.3b(xiv).

- (viii) The amount of any widower's pension calculated under (i), (ii), (v) or (vi) above, as appropriate, will include any increase resulting from an election made under rule 3.1a.

4.21d If a civil servant dies in service—

- (a) the total of any widower's pension under rule 4.21 together with any dependant's contributed pension payable to the widower under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.21c(iv) applies, the remaining service spouse's pension payable in respect of the civil servant,

will be increased to the rate of her pensionable earnings for 91 days (3 months) following her death or

- (i) where death occurred before 1 April 1980, the widower's pension was awarded under rule 4.21(ii) and the civil servant had less than 5 years' qualifying service, for 137 days (4½ months) if there is one eligible child and for 182 days (6 months) if there are two or more eligible children in his care;
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in his care for 182 days (6 months);
- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months);

except that where death occurred before 1 January 1986, no payments will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings means the pensionable earnings relating to her service at death.

This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before her death.

4.21e If a civil servant dies after retirement—

- (a) the total of any widower's pension under rule 4.21 together with any dependant's contributed pension payable to the widower under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.21c(iv) applies who has not yet taken full retirement, the partial retirement spouse's pension payable in respect of the civil servant,

will be increased to the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any increase under the Pensions (Increase) Act 1971, as amended) received by his wife under this scheme immediately before her death, including, in respect of a death occurring on or after 2 September 1986, any payments made under the former section 11 rules set out in Appendix 16 or under the Civil Service Injury Benefits Scheme, as the case may be.

- (i) for 91 days (3 months) following her death; or
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in his care, for 182 days (6 months); or
- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months);

provided that this does not result in a reduction in the total widower's and children's pension payable under this part and part 3 of section 4 (see rule 4.29). If the civil servant had made an allocation under section 5, or had commuted her ill health pension under rule 3.4b, then for the purposes of this rule, the amount of pension she was receiving will be deemed to be the amount she would have received but for the allocation or the commutation. Where death occurred before 1 January 1986, no payment will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of

Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment.

This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before her death.

- 4.21f (i) If a civil servant dies in service leaving an eligible widower but no widower's pension is payable under rule 4.21 a pension at the rate of her pensionable earnings will be paid to her widower for the following period after her death:
- (a) for 91 days (3 months); or
 - (b) if there is one eligible child in his care, for 137 days (4½ months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
 - (c) if there are two or more eligible children in his care, for 182 days (6 months) or, where death occurred on or after 1 April 1980, for 273 days (9 months); or
 - (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more eligible children in his care.

If the widower dies or remarries before payments under this paragraph have been completed, the payments will cease if there were no eligible children in his care. If there were eligible children in his care payments will continue to the children's guardian either:

- for 46 days (1½ months) if there was one such child;
- for 91 days (3 months) if there were two or more such children, or
- for the period (if this is shorter) for which the payments would have been continued if the widower had remained alive or had not remarried,

or, alternatively, for the period (if this is longer) for which payments would have been made under paragraph (iii) of this rule if the civil servant had not left an eligible widower.

- (ii) If a civil servant dies in service leaving an eligible widower and no widower's pension is payable under rule 4.21, but eligible children are in the care of someone else, a pension at the rate of

her pensionable earnings will be paid to that person for the following period after her death:

- (a) if there is one such eligible child or more and there is also an eligible child in the care of the widower, for 46 days (1½ months) or, where a death occurred on or after 1 April 1980, for 91 days (3 months); or
 - (b) if there is one such eligible child and there are no eligible children in the care of the widower, for 46 days (1½ months) or, where death occurred on or after 1 April 1980, for 91 days (3 months); or
 - (c) if there are two or more such eligible children and there are no eligible children in the care of the widower, for 91 days (3 months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
 - (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, and if there is one eligible child or more, for 182 days (6 months).
- (iii) If a civil servant dies in service and there is no eligible widower, but eligible children are in the care of someone else, a pension at the rate of her pensionable earnings will be paid to that person for the following period after her death:
- (a) if there is one such child, for 61 days (2 months) or, where death occurred on or after 1 April 1980, for 122 days (4 months);
 - (b) if there are two or more such children, for 122 days (4 months) or, where death occurred on or after 1 April 1980, for 245 days (8 months);
 - (c) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more such children.
- (iv) If a civil servant dies on or after 1 April 1980 after retiring with a pension under rule 3.1 or after becoming entitled to a pension under rule 3.3b (partial retirement) and there is no eligible widower, but eligible children are in the care of someone else, a pension at the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any

increase under the Pensions (Increase) Act 1971 as amended) received by her under this scheme immediately before her death will be paid to that person for the following period after her death:

- (a) if there is one such child, for 122 days (4 months);
- (b) if there are two or more such children for 245 days (8 months);
- (c) where death occurred on or after 1 January 1986, in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more such children.

If the civil servant had made an allocation under section 5, or had commuted her ill health pension under rule 3.4b, then for the purposes of this paragraph, the amount of pension she was receiving will be deemed to be the amount she would have received but for the allocation or the commutation.

Where death occurred before 1 January 1986 no payment will be made under parts (i), (ii) and (iii) of this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. No payment will be made under part (iv) of this rule if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment.

Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings for the purposes of paragraphs (i) to (iii) means the pensionable earnings relating to her service at death.

This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before her death.

4.21g Where there is part time service in the last three years of reckonable service, 'pensionable earnings' in rules 4.21d and 4.21f will be calculated by reference to the actual pay and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure, rather than by reference to the full time rate of pay. The actual pay and pensionable emoluments will not include any amount of pay which would be disregarded under rule 1.6b(i), if pensionable earnings were being calculated by reference to the full time rate of pay. Where the civil servant dies during a period of re-employment to which rule 3.31 applies, 'pensionable earnings' in rules 4.21d and 4.21f will

be taken to be the greater of the two amounts specified in rule 3.31(i) and (ii), with paragraph 1 or 7(ii) of Appendix 7 applying where appropriate. In rules 4.21d, 4.21e and 4.21f 'eligible child' means an eligible child within the meaning of rules 4.26 to 4.28.

- 4.21h (i) Where an option has been exercised under rule 4.22a, there will be a 26-week qualifying period, commencing on the date when the option is exercised, during which no additional service purchased will be taken into account in the calculation of a widower's pension except in the circumstances referred to in (ii).
- (ii) Any additional service actually purchased at the date of death will be taken into account if a woman dies during the qualifying period in circumstances where the Minister is satisfied that death resulted from an accident or from other causes which could not reasonably have been foreseen at the time when the option was exercised.

Widowers' guaranteed minimum pensions

- 4.21i Notwithstanding anything to the contrary in this scheme, if any employment of persons to whom this scheme applies becomes contracted-out employment by reference to this scheme and if a civil servant who has a guaranteed minimum dies (whether before or after attaining the age of 60) and leaves a widower:
- (i) he will, subject to this rule, be paid a pension for life unless
- (a) the civil servant's accrued rights to her guaranteed minimum pension have been transferred from this scheme in accordance with regulations made under section 20(1) of the Pension Schemes Act 1993, or have been extinguished by payment of a contributions equivalent premium,
- (b) his pension is forfeited under rule 8.2(i), or under rule 8.3 as a result of a conviction for treason,
- (c) his pension ceases under rule 4.21b;
- (ii) the weekly rate of such a pension will be not less than half that guaranteed minimum, increased to the extent (if any) specified in section 15 of the Pension Schemes Act 1993.

A pension paid to a widower under this rule will be limited to the amount by which the widower's guaranteed minimum exceeds the aggregate pension (including any increase under the Pensions (Increase) Act 1971, as amended) paid to him as a widower under the other provisions of this scheme.

Contributions

- 4.22 (i) A civil servant in service on 1 July 1987 will, whilst in service, pay periodical contributions of 1½% of salary (or wages) from the first pay period commencing on or after 1 July 1987 until the end of her pensionable service. Where a pay period does not commence on 1 July 1987, contributions will be deemed to have been paid for the period between 1 July and the commencement of the first pay period after 1 July 1987. A civil servant who commences employment or re-employment in the Civil Service after 1 July 1987 will pay periodical contributions of 1½% of salary (or wages) from the date of commencement of employment until the end of her pensionable service. For the purposes of this rule, 'salary (or wages)' includes statutory maternity pay, statutory paternity pay and statutory adoption pay.
- (ii) A civil servant in service on 1 July 1987 who had until then been paying periodical contributions under the rules relating to the voluntary arrangements for widowers' pensions in force until immediately before that date will have the service covered by those voluntary contributions taken into account in accordance with the rules contained in this Part together with the service covered by the compulsory contributions paid in respect of her pensionable service from 1 July 1987 for the purposes of calculating a widower's pension.
- (iii) Contributions due under this rule will be assessed on the full rate of pay where a civil servant entered the Civil Service on or after 1 April 1987 and where a reduced rate of salary (or wages) is in payment as an alternative to the voluntary abatement of a non-PCSPS public service pension.
- (iv) In the case of a person who becomes a civil servant on or after 1 June 1989, contributions will not be due under this rule in respect of salary (or wages) in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limited accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).
- (v) For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.
- 4.22a (i) A civil servant in service on 1 July 1987 and to whom rule 4.22(ii) does not apply, may opt to purchase widower's pension benefits in respect of all or part of her reckonable service before that date by paying additional periodical contributions in multiples of 1½% of salary (or wages) subject to the limit that

total periodical contributions under this section and section 7 may never exceed 15% of current salary and pensionable emoluments. This option must be exercised before 1 January 1988 and once exercised will be irrevocable. This rule does not apply where a civil servant opts to purchase the widower's pension benefits in respect of all or part of any reckonable service either where it is credited in this scheme as a result of the receipt of a transfer value or where it is attributable to the purchase of added years.

- (ii) Additional periodical contributions will be payable from the earliest practicable date following the date of the option, until such time (and not before) as her pensionable service ends or she no longer owes a lump sum contribution under rule 4.23c, and in calculating the potential lump sum contribution under rule 4.23c it will be assumed that she continues in service until retiring on age grounds at the pension age. However, where a civil servant has been paying additional periodical contributions, she may opt on or after 17 February 1992 to have these recalculated by reference to the salary in payment at the time the contributions are made, so as to leave out of account any period during which she may continue in service between the completion of 40 years' reckonable service and the pension age.
- (iii)
 - (a) A civil servant who has exercised an option under this rule may at any time subsequently opt to increase her periodical contributions. However, she may neither opt to reduce such contributions, nor increase the period of additional service being purchased.
 - (b) A civil servant who opts to purchase widower's pension benefits under the provisions of rule 4.22a(i) will be credited with the purchase of such benefits in respect of one year's reckonable service for each additional contribution of 1½% of salary (or wages) paid for one year, or with pro rata credit as appropriate.
- (iv) A civil servant in service on 1 July 1987 who opts to purchase widower's pension benefits under rule 4.22a(i) may also opt to purchase widower's pension benefits in respect of all or part of any reckonable service credited in this scheme as a result of the receipt of a transfer value. Contributions payable in respect of such a purchase will be determined by reference to the civil servant's age at her next birthday following the exercise of the option and to the factors applicable to the determination of family benefits contributions set out in the column headed 'Contribution for family benefits' of either of the Added Years tables in Appendix 10, whichever is appropriate. This option must be exercised before 1 January 1988 and, once exercised, will be irrevocable.

- (v) A civil servant not in service on 1 July 1987 who has a period, or periods, of reckonable service before 1 July 1987, in respect of which she has benefits preserved in the scheme under rule 3.11, or is a person who was retired on medical grounds under rule 3.4(i) (formerly rule 3.4) and subsequently makes an option under rule 3.34(i) may, following re employment as a civil servant after 1 July 1987, opt to pay additional periodical contributions to purchase widowers' pension benefits in respect of all or part of that earlier period, or periods, of reckonable service. Additional periodical contributions will be payable in accordance with rule 4.22a(ii). They will be in multiples of 1½% of salary or wages, subject to the limit that:
- (1) where the person was re employed in the civil service before 1 June 1989, total periodical contributions under this section, section 7 and any other additional voluntary contributions would at no time exceed 15% of her current salary and pensionable emoluments.
 - (2) Where the person was re employed in the civil service on or after 1 June 1989, total periodical contributions under this section, section 7 and any other additional voluntary contributions would at no time exceed the lower of 15% of her current salary and pensionable emoluments and 15% of the permitted maximum. The references in this paragraph to 'the lower of' and to 15% of the permitted maximum shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).

An option under this rule must be exercised before a retirement award is made under rule 3.1 and within 6 months of the first date of re employment as a civil servant except that where re employment occurred before 19 January 1996 an option must be exercised before 19 July 1996. Once exercised, an option under this rule will be irrevocable.

The provisions of rule 4.22a(v) do not apply where a civil servant opts to purchase the widower's pension benefits in respect of all or part of any reckonable service either where it is credited in this scheme as a result of the receipt of a transfer value or where it is attributable to the purchase of added years.

- (vi) In the case of a civil servant in service on or after 1 July 1987, an option to pay additional periodical contributions may be exercised at any time after that date and before a retirement award is made under rule 3.1, in respect of reckonable service given on or after 1 July 1987. Additional periodical contributions will be payable in accordance with rule 4.22a(ii) as appropriate. They will be in multiples of 1½% of salary or wages, subject to

the limits in rule 4.22a(v)(1) or (2), as appropriate. An option under this rule, once exercised is irrevocable.

- (vii) A civil servant to whom rule 4.22(ii) applies, may opt to purchase widowers' pension benefits in respect of all or part of her reckonable service prior to 1 July 1987 by paying additional periodical contributions in accordance with rule 4.22a(ii) as appropriate. They will be in multiples of 1½% of salary or wages subject to the limits in rule 4.22a(v)(1) or (2) as appropriate. An option under this rule, once exercised, is irrevocable.
- (viii) In rule 4.22a the words 'salary or wages' and 'salary (or wages)' include statutory maternity pay, statutory paternity pay and statutory adoption pay.
- (ix) For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

4.22aa A civil servant in post on or after 20 July 1995 may opt, subject to the approval of the Minister, to pay additional periodical contributions at any time after that date and before a retirement award is made under rule 3.1, for the purposes of eliminating or reducing any potential lump sum deduction under rule 4.23c, in respect of any enhancement of reckonable service under rule 3.4(i) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme, or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme). Any excess contribution resulting from the exercise of an option under this rule shall be refunded in the manner provided for in rule 4.23(i)(b) and the additional service to which the excess contribution related shall be disregarded for the purposes of calculating a widower's pension. Additional periodical contributions will be payable from the earliest practicable date following the date of the option and will be in multiples of 1½% of salary or wages (including statutory maternity pay, statutory paternity pay and statutory adoption pay).

A civil servant who has made an option under this rule may at any time subsequently opt, subject to the approval of the Minister, to increase her periodical contributions, but may never opt to reduce them.

For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

4.22b A civil servant in service on 1 July 1987 and to whom rule 4.22(ii) applies, but whose marriage to a dependent husband ended before that date, may opt to be treated in one of three ways:

- (i) to receive on retirement, a refund in accordance with rule 4.23d(i) in respect of periodical contributions paid in respect of her reckonable service between the date her marriage ended and 30 June 1987. In these circumstances only the contributions paid in respect of her pensionable service from 1 July 1987, including any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) will be taken into account for the purposes of calculating a widower's pension;
- (ii) to forgo a refund in respect of periodical contributions paid in respect of her reckonable service between the date her marriage ended and 30 June 1987 and to have her total pensionable service, including any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), together with contributions paid in the period from the day following the last day of the period in respect of which she has opted to receive a refund and 30 June 1987 will be taken into account for the purposes of calculating a widower's pension;
- (iii) to receive on retirement a refund in respect of periodical contributions paid in respect of part of her reckonable service between the date her marriage ended and 30 June 1987. In these circumstances, the contributions paid in respect of her pensionable service from 1 July 1987, including any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), together with contributions paid in the period from the day following the last day of the period in respect of which she has opted to receive a refund and 30 June 1987 will be taken into account for the purposes of calculating a widower's pension.

This option must be exercised before 1 January 1988 and once exercised will be irrevocable. In the event of a civil servant failing to make the option, she will be treated in accordance with sub rule (i) above.

- 4.23 When a married civil servant, including one to whom rule 4.22(ii) applies, dies in service or ceases to be a civil servant, contributions at the rate of 1½% of salary or wages or, in the case of an option under rule 4.22a(iv) in respect of the receipt of a transfer value, at the rate set out in the column headed 'Contribution for family benefits' of either of

the Added Years tables in Appendix 10 to this scheme as in force on 6 April 2006, as appropriate, will be due in respect of any of the following kinds of service except where rule 4.23aa applies:

- (i) her reckonable service between 1 July 1987 and 5 April 1988 (which for the purposes of this sub-rule, shall include both earlier reckonable service in respect of which she has opted to purchase widower's pension benefits under rule 4.22a and earlier reckonable service to which rule 4.22(ii) applies) except that if rule 4.22(ii) applies and if she had opted under rule 4.11 to pay reduced contributions for her reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary or wages;
- (ii) her reckonable service on or after 6 April 1988; for this purpose reckonable service includes service before 1st March 2008 in excess of 5 years during re-employment after the pension age for which a payment calculated under rule 3.2 is made, and service which is disregarded under rules 3.35 and 3.35d, and if her reckonable service during the period beginning on 6 April 1988 exceeds the limits in rule 2.3, those limits will not apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;
- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which enhancement is credited, unless rule 4.22 (ii) applies and the civil servant opted under rule 4.11 to pay reduced contributions for her reckonable service before 1 June 1972, in which case any enhancement will be regarded as service falling under paragraph (i) irrespective of the date when the enhancement is credited and contributions for it will also be due at the reduced rate; except that she will be treated for the purposes of this rule as having begun service on 1 June 1972 with all contributions due at the full rate and enhancement of reckonable service on or after that date regarded in the normal way as service falling under paragraph (i) or (ii) according to the date of which enhancement is credited, if this produces or would produce a larger widower's pension. The exception above will not apply where enhancement is credited to a civil servant on a designated appointment.
- (iv) In rule 4.23 the words "salary or wages" include statutory maternity pay, statutory paternity pay and statutory adoption pay.

4.23a When an unmarried civil servant, including one to whom rule 4.22 (ii) applies, dies in service or ceases to be a civil servant, contributions at the rate of 1½% of salary or wages (including statutory maternity pay) or, in the case of an option under rule 4.22a(iv) in respect of the receipt of a transfer value, at the rate set out in the column headed 'Contribution for family benefits' of either of the Added Years tables in Appendix 10 to this scheme as in force on 6 April 2006, as appropriate, will be due in respect of any of the following kinds of service except where rule 4.23aa applies:

- (i) her reckonable service between 1 July 1987 and 5 April 1988 (which for the purposes of this sub-rule, shall include both earlier reckonable service in respect of which she has opted to purchase widower's pension benefits under rule 4.22a and earlier reckonable service to which rule 4.22 (ii) applies), except that:
 - (a) if she never had a husband while serving as a civil servant, no contributions will be due;
 - (b) if she died in service or left the service before 6 April 1988, being unmarried at the time or if she was in service on 5 April 1988 being unmarried on that date, contributions will be due only up to the date her last marriage ended;
 - (c) if contributions are due for a marriage which ended before 1 June 1972 and if the civil servant never remarried while still in service, those contributions will be at the reduced rate of 1¼% of salary or wages (including statutory maternity pay) payable under rule 4.11, whether or not she opted for this under that rule;
 - (d) if she opted under rule 4.11 to pay reduced contributions for her reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary or wages (including statutory maternity pay);
- (ii) her reckonable service on or after 6 April 1988, except that:
 - (a) if she dies in service, or
 - (b) if she ceases to be a civil servant without qualifying for a widower's pension under rule 4.21 and without applying for a transfer value under and in accordance with section 6,

no contributions will be due in respect of any period since her last marriage ended or in respect of the whole of that service if

she was unmarried throughout it. For the purposes of this paragraph reckonable service includes service before 1st March 2008 in excess of 5 years during re-employment after the pension age for which a payment calculated as in rule 3.2 is made and service which is disregarded under rules 3.35 or 3.35d and if her reckonable service during the period beginning on 6 April 1988 exceeds the limits in rule 2.3, those limits will not apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;

- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited.
- (iv) In rule 4.23a the words “salary or wages” include statutory maternity pay, statutory paternity pay and statutory adoption pay.

4.23aa With effect from 19 October 1994, no contributions under rule 4.23 or 4.23a will be due in respect of any period of unpaid ordinary maternity leave.

- 4.23b (i) To the extent that the contributions due under rule 4.23 or 4.23a have not been paid by periodical contributions, a deduction will be made (subject to paragraph (ii) below) from whichever of the following becomes payable to the extent necessary to clear the balance (whether or not the civil servant is immediately re-employed):
- (a) the death benefit under rule 3.8;
 - (b) this sub-paragraph has been deleted;
 - (c) this sub-paragraph has been deleted;
 - (d) the lump sum under rule 3.1;
 - (e) the ill health lump sum under rule 3.4;
 - (f) the preserved lump sum under rules 3.11 or 3.24a(ii);
 - (g) the preserved death benefit under rule 3.16;
 - (h) the additional payments under rules 3.2 and 3.32a;
 - (i) the partial retirement lump sum under rule 3.3b.

- (ii) If contributions due under rule 4.23 or 4.23a have not been paid by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages), these contributions will be treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as overpayment of salary.

- 4.23c (i) The amount to be deducted under rule 4.23b, except where rule 4.22(ii) applies will be $1\frac{1}{2} / 80$ ths of the civil servant's pensionable earnings multiplied by (A - B), where

A is the reckonable service for which contributions are due;

B is the number of annual periodical contributions of $1\frac{1}{2}\%$ salary or wages which she has paid.

Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B as appropriate; A and B are expressed in years and fractions of a year. A deduction from a preserved lump sum under rules 3.11 or 3.24a(ii) will be calculated under this rule when the preserved lump sum is awarded or calculated as the case may be, not when it is paid.

- (ii) In respect of a civil servant to whom rule 4.22(ii) applies, the amount to be deducted under rule 4.23b will be $1\frac{1}{2} / 80$ ths of the civil servant's pensionable earnings multiplied by $(2A/3 + B C 2D/3)$, where:

A is the reckonable service (if any) for which reduced contributions under rule 4.11 are due;

B is the reckonable service for which full contributions are due;

C is the number of annual periodical contributions of $1\frac{1}{2}\%$ salary or wages which she has paid;

D is the number of annual periodical contributions of $1\frac{1}{4}\%$ salary or wages (including statutory maternity pay) which she has paid, including any such contributions paid under Part III of the Superannuation Act 1965.

Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B, as appropriate;

and A, B, C and D are expressed in years and fractions of a year. A deduction from a preserved lump sum under rules 3.11 or 3.24a(ii) will be calculated under this rule when the preserved lump sum is awarded, not when it is paid.

- (iii) In rule 4.23c the words “salary or wages” include statutory maternity pay, statutory paternity pay and statutory adoption pay.

- 4.23d (i) (a) Where a civil servant has actually paid periodical contributions in excess of the contributions due under rule 4.23 or, alternatively, where she has actually paid periodical contributions in respect of service prior to 6 April 1988 in excess of the contributions due under rule 4.23a(i) a refund will be paid to or in respect of her in accordance with paragraph (ix), made up of the relevant balance – beginning with the last such contribution paid – with compound interest.
- (b) Where any additional periodical contribution paid under rule 4.22a(ii) results in an excess contribution being paid, that excess contribution will be treated by the employing department as an underpayment of salary.
- (ii) Where an unmarried person ceases to be a civil servant on or after 6 April 1988, contributions due under rule 4.23a(ii) may be reassessed as if she had died on the date that she ceased to be a civil servant:
- (a) if at her death her personal representatives request such reassessment, and provided that she has never married since ceasing to be a civil servant; or
- (b) if she leaves the Civil Service before 1 August 1984 with a pension under rule 3.1, an ill health pension under rule 3.4 or an annual compensation payment under former rule 10.6 (as set out at Appendix 1 of the Compensation Scheme), or she ceases to be a civil servant on or after 1 August 1984 and on or before 30 November 1989 with such a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a (or with a pension under former rules 10.11, 10.12 or 10.26 as set out at Appendix 1 of the Compensation Scheme or under former rules 10.13 or 10.14 as set out at Appendix 2 of the Compensation Scheme) and she opts when she leaves for such a reassessment to be made.

If the contributions (taking into account deductions under rule 4.23b) paid in respect of service on or after 6 April 1988 exceed the contributions reassessed as due, the civil servant will receive a refund made up of the balance - beginning with the last contribution paid - with compound interest, provided that where an option under paragraph (b) is exercised, the civil servant undertakes to repay the said refund together with compound interest, from which sum on or after 1 August 1984 any tax payment made under (ix) below will be deducted, if she subsequently marries or remarries.

- (iii) Where a civil servant leaves the Civil Service on or after 6 April 1978 and is re-employed as a civil servant in circumstances in which her earlier service is reckoned with her re-employed service under rule 3.35, 3.35d, or rules 6.4 or 7.9 of the Compensation Scheme (or under former rule 10.24 as set out at Appendix 1 of the Compensation Scheme or former rules 10.26 or 10.35 as set out at Appendix 2 of the Compensation Scheme) then:
- (a) if a refund under paragraph (i) or (ii) above has already been made that refund must be repaid; unless the civil servant opts to make the repayment in one lump sum to be paid within 3 months of re-employment it will be recovered from wages or salary in equal instalments over a period commencing on re-employment and not exceeding 5 months;
 - (b) if a refund under paragraph (i) or (ii) above has not already been made its award will be cancelled.
- (iv) Where an unmarried person ceases to be a civil servant on or after 1 December 1989, contributions due under rule 4.23a(ii) may be reassessed as if she had died in service on the date that she ceased to be a civil servant, if she ceases to be a civil servant
- at age 60 or over; or
 - before age 60 with a preserved pension under rules 3.11 or 3.24a(ii), and remains unmarried until the pension comes into payment;
 - before age 60 if she has a prospective pension under rule 3.1 because rule 1.4e (inactive members) applies to her, and she remains unmarried until the pension comes into payment; or
 - before age 60 with an ill health pension under rule 3.4 or a pension under rule 3.10a.

If the contributions (taking into account deductions under rule 4.23b) paid in respect of service on or after 6 April 1988 exceed the contributions reassessed as due, a refund will be paid to or in respect of her in accordance with paragraph (ix). This is subject to paragraphs (xii) and (xiii). The refund will be made up of the balance - beginning with the last contribution paid - with compound interest, less a premium calculated in accordance with guidance provided by the Scheme Actuary.

- (v) This paragraph has been deleted.
- (vi) Where an unmarried civil servant in post on 30 November 1989 ceases to be a civil servant on or after 1 December 1989 and on or before 30 November 1991, she may opt to be treated under rule 4.23d(ii)(b) rather than under rule 4.23d(iv), if she ceases to be a civil servant
 - (a) at age 60 or over if the refund calculated under rule 4.23d(iv) is less than the refund calculated under rule 4.23d(ii)(b); or
 - (b) before age 60 with a pension under rule 3.1, an ill health pension under rule 3.4, or a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a.
- (vii) Notwithstanding anything to the contrary in this scheme, an unmarried person who ceased to be a civil servant on or after 6 April 1988 and on or before 30 November 1989 with
 - (a) a preserved pension under rule 3.11; or
 - (b) a pension or annual compensation payment specified in rule 4.23d(ii)(b) and did not receive a refund under that rulewill, if she is under age 60 on 1 December 1989, become eligible on reaching age 60 for a refund in accordance with rule 4.23d(iv) provided she has remained unmarried throughout the intervening period.
- (viii) For the purposes of this rule, a reference to compound interest means compound interest as set out in rule 4.19(viii) and a reference to a civil servant in that rule also means a civil servant to whom this part of section 4 applies.
- (ix) When this paragraph applies:

- (a) the refund of contributions payable to the civil servant shall be paid as an additional lump sum when her pension commences under rules 3.1, 3.4, 3.10a, 3.11, or 3.24a(ii) (the additional lump sum shall form part of the civil servant's pension commencement lump sum for the purposes of Part 4 of the Finance Act 2004); and
 - (b) the refund of contributions payable in respect of a civil servant who has died shall be paid as an additional lump sum to her personal representatives when a lump sum is paid under rules 3.8, 3.9(ba) or 3.16 (the additional lump sum shall, for the purposes of Part 4 of the Finance Act 2004, form part of the lump sum death benefit payable in respect of the civil servant).
- (x) Notwithstanding the other provisions of rule 4.23d, an unmarried person who has a life expectancy of less than twelve months as assessed by the Scheme Medical Adviser and who is a civil servant or who ceased to be a civil servant on or after 1 April 2003 and has remained unmarried since ceasing to be a civil servant may apply for a refund of contributions due under rule 4.23a(ii). Contributions will be re-assessed as if she had died in service on the date she ceased to be a civil servant or, if she has not ceased to be a civil servant, on the day after the last contribution was paid.

If the contributions (taking into account deductions under rule 4.23b) paid in respect of service on or after 6 April 1988 exceed the contributions re-assessed as due, she will receive an immediate refund. The refund will be made up of the balance – beginning with the last contribution paid – with compound interest, less a premium of 20 per cent of the gross value of the refund and less tax deducted under (ix) above.

- (xi) In paragraphs (xii) to (xiv) “the old refund provisions” means the provisions of rule 4.23d as in force on 5 April 2006, disregarding the provision for deduction of tax.
- (xii) This paragraph applies to a person who –
- (a) was under age 60 on 5 April 2006;
 - (b) was in receipt of a pension under the scheme on 5 April 2006; and
 - (c) would have been entitled under rule 4.23d(iv) of the old refund provisions to a refund of contributions at age 60.

A person to whom this paragraph applies shall receive at age 60

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- (aa) part or all of the refund she would have received at age 60 under the old refund provisions as a lump sum to the extent that the amount paid would be an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (see section 164 of that Act), the lump sum being calculated in accordance with guidance provided by the Scheme Actuary; and
- (bb) if the lump sum paid under (aa) is less than the refund she would have received at age 60 under the old refund provisions, an additional pension of a value actuarially equivalent to that part of the refund she would have so received that is not paid under (aa), calculated in accordance with guidance provided by the Scheme Actuary.

This is subject to paragraph (xiii).

- (xiii) A person to whom paragraph (xii) would apply but for this paragraph may opt for this paragraph to apply to her instead. The option may only be exercised by notice to the scheme administrator in such form and at such time as the Minister may require. Where an option has been exercised in accordance with this paragraph the person shall receive at age 60 the refund she would have been entitled to under the old refund provisions.
- (xiv) This paragraph applies to a person –
 - (a) who received a refund at age 60 under rule 4.23d(iv) of the old refund provisions;
 - (b) who became a civil servant again on re-employment after age 60;
 - (c) whose period as a re-employed civil servant ended after 5 April 2006; and
 - (d) who was not married when her re-employment ended.

When this paragraph applies to a person her widower's pension shall be calculated in accordance with rule 4.21c(iii).

Section 4: Widows' and dependants' benefits

Part 3: Children's Pensions

4.24 This part of section 4 applies to all pensionable civil servants in service on or after 1 June 1972. (For women civil servants, references to 'wife' and 'widow' should be taken as references to a 'husband' and 'widower' respectively.)

4.24a If the civil servant is a pension debit member within the meaning of Section 12, this section must be read subject to PCSPS rule 12.13.

Benefits

4.25 If a civil servant:

- (i) dies in service
 - (a) before 1 April 1980 with 5 or more years' qualifying service; or
 - (b) on or after 1 April 1980; or
 - (c) after becoming entitled to a pension under rule 3.3b (partial retirement); or
- (ii) dies after ceasing to be a civil servant as a consequence of
 - (a) retiring with a pension under rule 3.1, or
 - (b) retiring with an ill health pension under rule 3.4, or
 - (c) retiring with an actuarially reduced pension under rule 3.10a, or
 - (d) leaving the Civil Service with a preserved pension under rules 3.11 or 3.24a(ii), or
 - (e) opting out of the scheme with a preserved pension under rules 3.11 or 3.24(a)(ii); or
 - (f) any of paragraphs (a) to (e) above applying in addition to being entitled to a partial retirement pension under rule 3.3b

and either had completed 5 or more years' qualifying service or died on or after 1 April 1980;

a children's pension will be paid if he leaves one or more eligible children.

4.26 Subject to rules 4.26a, 4.26b, 4.27 and 4.28, an eligible child is:

- (i) a child of the deceased or the deceased's spouse (including a child of the deceased conceived before the death and born after it);
- (ii) a child of a dead brother, sister or child of the civil servant; or
- (iii) a brother or sister of the civil servant,

who

- (a) is under 17 years of age; or
- (b) is receiving a full-time education; or
- (c) is undergoing full-time training of at least two years' duration for any trade, profession or vocation, during which he receives not more than the maximum allowable remuneration; or
- (d) where the deceased dies after 5 April 2006, meets the following criteria:
 - is at the date of the deceased's death dependent on the deceased because of physical or mental impairment;
 - is unable to engage in gainful employment because of physical or mental impairment, and that impairment is, according to a medical certificate acceptable to the Minister, likely to be permanent; and
 - does not have a spouse or civil partner..

`Child' includes legally adopted children, step-children and illegitimate children; and `brother' and `sister' include half-brothers and half-sisters. If (b) and (c) applies, the education or training must have been continuous from age 17; except that the Minister, or if the Minister so directs, the scheme administrator, will have discretion to overlook breaks in education or training if they are satisfied that at the time of the break the child's full-time education or training should not be regarded as completed. `The maximum allowable remuneration' means £250 a year (excluding returns of premiums), increased from time to time by the amount of increase that would be applied under the Pensions (Increase) Act 1971 to a pension of £250 a year first awarded on 1 June 1972. The sum so arrived at shall be rounded up to the nearest £1.

4.26a. For the purposes of paragraph (b) of rule 4.26, if a person has not attained the age of 19 years on the date when he ceases to be in full-time education, he shall be deemed to be receiving such education until:

- (i) the second Monday in January; or
- (ii) the second Monday after Easter Monday; or
- (iii) the second Monday in September; or
- (iv) he attains the age of 19 years; or
- (v) he becomes engaged full-time in gainful employment,

whichever first occurs on or after the date on which his full-time education ceases.

4.26b A person will not be an eligible child if he has reached the age of 23, unless at the date of the civil servant's death the person was dependent on the civil servant because of physical or mental impairment. This rule does not apply:

- (i) where the civil servant dies before 6 April 2006, or
- (ii) where the civil servant's pension is in payment on 5th April 2006 and the child is born before 6 April 2007.

4.27 'Eligible child' excludes:

- (i) where death occurred before 1 July 1987,
 - (a) any child (except a child of the civil servant conceived before his death and born after) who is not wholly or mainly dependent on the civil servant at the time of his death;
 - (b) where the civil servant dies after retirement, any child who would not have been eligible at the date of the civil servant's retirement if the civil servant had died on that date;
 - (c) a female child who is married or living with a man as his wife, unless the Minister, or if the Minister so directs, the scheme administrator, are satisfied that there are compassionate grounds for treating her as an eligible child;
- (ii) where death occurs on or after 1 July 1987,

- (a) any child (except a child of the civil servant conceived before his death and born after) who is not dependent on him at the time of his death;
 - (b) where the person concerned dies after ceasing to be a civil servant, any child who would not have been eligible at the date when pensionable service ended if the death had been that date.
- 4.28 At the discretion of the Minister, or if the Minister so directs, the scheme administrator, any other child may be treated as eligible, provided that:
- (i) rule 4.26(a) (b) and (c) and rule 4.27 are satisfied; and
 - (ii) the Minister, or if the Minister so directs, the scheme administrator, are satisfied that at the time of the civil servant's death (if he dies in service) or when he ceased to be a civil servant, either
 - (a) the civil servant had formed the intention of legally adopting the child, or
 - (b) the child has been dependent (or, in the case of death occurring before 1 July 1987, wholly or mainly dependent) on the civil servant for at least two years or for at least half of the child's life.
- 4.29 If an increase in widow's pension is payable under rules 4.7 or 4.7a or if an increase in widower's pension is payable under rules 4.21d or 4.21e or, if a short term pension is payable under rules 4.8 or 4.21f, a children's pension under rule 4.25 will be paid from the day following the date on which the increased, or short-term pension ceases. Where an increased or short-term pension is not payable, or where death occurs on or after 19 January 1996 and an eligible child is in the care of some person other than the widow, a children's pension under rule 4.25 will be paid, in respect of that eligible child, from the day after the date of the civil servant's death. It will continue until such time as there are no longer any eligible children.
- 4.30 At any one time a children's pension under rule 4.25 will be paid for all children who are still eligible, and the amount of it will depend on the number of such children. Subject to rule 4.31, the annual amount will be one-quarter of the civil servant's pension for each eligible child in the care of his widow (whether or not she herself is receiving a pension under part 1 of this section); and one-third of this pension for each eligible child in the care of some other person. 'The civil servant's pension' for the purposes of this rule and rule 4.31 means:

- (i) if he dies in service without being entitled to a pension under rule 3.3b (partial retirement) on the date of his death, the ill health pension that would have been paid under rule 3.4 if he had been retired on medical grounds at the date of his death; except that where death occurs on or after 1 April 1980:
 - (a) it will be deemed that he would have been awarded a pension under rule 3.4 notwithstanding that he would not have qualified for a pension under rule 3.1 or a preserved pension under rule 3.11; and
 - (b) paragraph (i) of rule 3.4(i) will be read as: `if it is less than 10 years, it will be enhanced to double its length or to 10 years, whichever is the greater;
- (ii) if he dies after ceasing to be a civil servant, his total pension under this scheme at the time he ceased to be a civil servant except that:
 - (a) where he dies on or after 1 April 1980 after retiring with a pension under rule 3.1 or rule 3.4(i) or a total pension under rule 3.1 or rule 3.4(i) and under rule 3.3b (partial retirement) which was based on less than 10 years' reckonable service, it will be deemed that at the time of his retirement he was in receipt of a pension based on whichever is the less of 10 years' reckonable service or what would have been his reckonable service had he stayed in service in a full-time capacity until 5 years after the pension age;

Any deemed increase in reckonable service as a result of this sub-paragraph which applies to a member who has taken partial retirement under rule 3.3b will be applied to the pension taken at full retirement.
 - (b) where he retired with a pension calculated under rule 3.10a, it will be deemed to be the pension as calculated under rule 3.11 before actuarial reduction;
 - (ba) where he was entitled to a pension under rule 3.3b at the date of his death, it will be deemed to be the pension as calculated under rule 3.3b before actuarial reduction.
 - (c) any increase in pension resulting from an election made under rule 3.1a shall be ignored.
- (iii) if he dies after becoming entitled to a partial retirement pension under rule 3.3b but before full retirement—

- (a) the full retirement pension that would have been paid under rule 3.1 if he had retired at the date of his death, together with
- (b) the pension to which he became entitled at partial retirement except that:
 - (1) where he dies after partially retiring on or after pension age with entitlement to a pension under rule 3.3b and he is still in service at the date of his death, and where his total reckonable service at the date of his death (including reckonable service on which his partial retirement pension under rule 3.3b is based and reckonable service used to calculate the full retirement pension under paragraph (iii)(a)) (“complete reckonable service”) was less than 10 years, it will be deemed that at partial retirement he was entitled to receive a pension based on an enhanced period of reckonable service. The enhancement will be the difference between his complete reckonable service and whichever is the less of 10 years or what would have been his complete reckonable service had he stayed in service in a full time capacity until 5 years after the pension age;
 - (2) where he took partial retirement before pension age, it will be deemed to be the pension as calculated under rule 3.3b before actuarial reduction;
 - (3) any increase in pension resulting from an election made under rule 3.1a shall be ignored.

For the purposes of this rule any reduction in pension under rules 3.19 to 3.23za (modification on account of national insurance or basic social security pensions), or as a result of an allocation under section 5, or commutation under rule 3.4b, will be ignored.

- 4.31 The total amount of a children's pension under rule 4.25 may at no time exceed:
- (i) one-half of the civil servant's pension, if all the eligible children are in the care of his widow, or if a widow's pension under part I of this section is in payment;
 - (ii) seven twelfths of his pension, if there is one eligible child in the care of some other person and if no widow's pension is in payment;

- (iii) two-thirds of his pension, if there are two or more eligible children in the care of some other person and if no widow's pension is in payment.

While the number of eligible children is such that a pension is calculated under rule 4.30 would exceed these limits, the part of the pension payable for each child will be scaled down accordingly. In applying this rule, any increase in pension resulting from an election made under rule 3.1a, or any reduction resulting from commutation under rule 3.4b, shall be ignored.

- 4.32 Unless the Minister, or if the Minister so directs, the scheme administrator, directs otherwise, a children's pension under rule 4.25 will be paid to the civil servant's widow if the eligible children are in her care, and to the children's guardian if they are in the care of some other person. If they are in the care of more than one person different parts of the pension will be paid to those persons in the appropriate proportions. In all cases the pension is to be applied for the benefit of the children for whom it is granted.
- 4.33a This rule applies where every civil servant referred to below dies on or before 30 June 1987. In such cases a child may not be eligible for children's pensions under rule 4.25 in respect of more than one deceased civil servant. Where there would otherwise be an eligibility for children's pensions in respect of two or more such civil servants, the child will count as eligible in respect of one of them in the way which, in the opinion of the Minister, gives the most favourable overall result for all the children in question.
- 4.33b This rule applies provided that at least one civil servant referred to below dies on or after 1 July 1987. An eligible child may receive a children's pension under rule 4.25 in respect of not more than two civil servants to each of whom this scheme applies. If an eligible child is eligible for children's pensions in respect of three or more civil servants to each of whom this scheme applies, the child will count as eligible in respect of only two civil servants, in the way which gives the most favourable overall result.
- 4.34 This rule has been deleted.

Section 4: Widows' and dependants' benefits

Part 4: Invalidity Pensions

4.35 A pensionable civil servant may nominate before 6 April 2006 for an invalidity pension a person who:

- (i) is such that he would count as an 'eligible child' under part 3 of this section if the civil servant were to die; and
- (ii) is permanently incapacitated; and
- (iii) is wholly or mainly dependent on the civil servant;

provided that the civil servant's periodical contributions under parts 1, 2 and 5 of this section, and under section 7, do not in total exceed:

- (a) in the case of a person who became a civil servant before 1 June 1989, 13% of his current salary and pensionable emoluments
- (b) in the case of a person who becomes a civil servant on or after 1 June 1989, the lower of 13% of his current salary and pensionable emoluments and 13% of the permitted maximum.

The references in paragraph (b) to 'the lower of' and to 13% of the permitted maximum shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).

For the purposes of this rule where the contribution test is calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

4.36 In rule 4.35 'permanently incapacitated' means that because of a specific mental or physical disability which is likely to be permanent, the child in question is unlikely to be able to earn his own living.

4.37 A civil servant who on 31 May 1972 had a valid nomination in force for a 'life pension' under Part IV of the Superannuation Act 1965 will be regarded as having nominated the dependant in question for an invalidity pension under rule 4.35, provided that the original nomination was made before the end of the dependant's childhood and full-time education.

4.38 A nomination under rule 4.35 ceases to be valid if:

- (i) the civil servant chooses to revoke it; or
- (ii) the nominee ceases to be permanently incapacitated; or

- (iii) the nominee ceases to be wholly or mainly dependent on the civil servant (except that the Minister will have discretion to overlook a break in dependence if he is satisfied that the break is temporary only); or
- (iv) the nominee dies; or
- (v) the nominee marries the civil servant.

A nominee will be regarded as ceasing to be wholly or mainly dependent on the civil servant if he enters a hospital or institution maintained by the State and ceases to be maintained by the civil servant.

4.39 A civil servant may not have more than one valid nomination in force under rule 4.35 at any one time.

4.40 In rules 4.41 to 4.53 'civil servant' means a civil servant who has made a nomination under rule 4.35, and 'nominee' means the person nominated by him under that rule.

Benefits

4.41 If a civil servant:

- (i) dies in service:
 - (a) before 1 April 1980 with 5 or more years' qualifying service; or
 - (b) on or after 1 April 1980; or
- (ii) dies after ceasing to be a civil servant as a consequence of:
 - (a) retiring with a pension under rule 3.1; or
 - (b) retiring with an ill health pension under rule 3.4; or
 - (c) retiring with an actuarially reduced pension under rule 3.10a; or
 - (d) leaving the Civil Service with a preserved pension under rules 3.11 or 3.24a(ii); or
 - (e) opting out of the scheme with a preserved pension under rules 3.11 or 3.24(a)(ii);

and either had completed 5 or more years' qualifying service or died on or after 1 April 1980;

and if his nomination is still valid, an invalidity pension will be payable to the person chosen by the Minister to receive it. (If this is not the nominee, the pension is to be applied for the nominee's benefit.)

- 4.42 An invalidity pension under rule 4.41 will be paid from the day after the date of the civil servant's death or (if later) from the date the nominee reaches the age of 17, at which age he will cease to be an eligible child for the purposes of part 3 of this section. If the nominee marries, or lives with a man as his wife, or lives with a woman as her husband, the pension will cease until such time as the Minister is satisfied that there are compassionate grounds for restoring it. Otherwise, it will be paid until the nominee's death.
- 4.43 The annual amount of an invalidity pension under rule 4.41 will be $\frac{1}{80}$ th of the civil servant's pensionable earnings multiplied by $(\frac{A}{3} + \frac{B}{2})$, where A and B are as defined in rule 4.50.

Contributions

- 4.44 (i) A civil servant will, while in service, pay periodical contributions of 2% of salary or wages (including statutory maternity pay, statutory paternity pay and statutory adoption pay) from 1 June 1973, or (if later) from the date of his nomination. Contributions due under this rule will be assessed on the full rate of pay where a civil servant entered the Civil Service on or after 1 April 1987 and where a reduced rate of salary (or wages) is in payment as an alternative to the voluntary abatement of a non-PCSPS public service pension. If his nomination ceases to be valid, his periodical contributions will stop from the date when this becomes known to his department; otherwise they will be payable until the end of his pensionable service.
- (ii) In the case of a person who becomes a civil servant on or after 1 June 1989, contributions will not be due under this rule in respect of salary (or wages) in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limited accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).
- (iii) For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.
- 4.45 A civil servant in service on 1 June 1972 who had hitherto been paying periodical contributions for his nominee under section 67 of the Superannuation Act 1965 will continue to pay such contributions (at the same rate as previously) until 31 May 1973 or (if earlier) until his pensionable service ends or his nomination ceases to be valid.

- 4.46 A civil servant to whom rule 4.37 applies may opt to pay contributions and be eligible for benefits at a reduced rate for his reckonable service before 1 June 1972. This option must be exercised before 1 April 1973. In the event of a civil servant failing to make the option, it will be deemed to have been exercised unless he specifically opts to the contrary.
- 4.47 A civil servant may opt to pay additional periodical contributions, in multiples of 2% of salary or wages (including statutory maternity pay, statutory paternity pay and statutory adoption pay). For a nomination made after 1 June 1972 and before 1 August 1984, the option must have been exercised within 9 months of the date of the nomination; for a nomination made on or after 1 August 1984, the option may be exercised at any time. Otherwise additional periodical contributions will be subject to the conditions set out in rules 4.12 to 4.14a for additional contributions under rule 4.12; except that if his nomination becomes invalid, additional contributions under this rule will stop from the date when this becomes known to his department.
- 4.48 When a civil servant dies or ceases to be a civil servant, contributions for an invalidity pension will be due in total as follows:
- (i) if his nomination is still valid, contributions will be due for the whole of the nominator's reckonable service including any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme);
 - (ii) if his nomination is no longer valid, contributions will be due for his reckonable service up to the date it became invalid;
- except that no contributions will be due if his qualifying service is less than five years and he dies before 1 April 1980.
- 4.49 To the extent that the contributions due under rule 4.48 have not been paid by periodical contributions, the balance will be deducted from whichever of the benefits listed in rule 4.17 becomes payable.
- 4.50 The amount to be deducted under rule 4.49 will be $\frac{2}{80}$ ths of the civil servant's pensionable earnings multiplied by $(\frac{2A}{3} + B - C)$, where:
- A is the reckonable service (if any) for which reduced contributions under rule 4.46 are due;
 - B is the reckonable service for which full contributions are due;
 - C is the number of annual periodical contributions of 2% of salary or wages (including statutory maternity pay) which he has paid.

Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out in Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B, as appropriate; and A, B and C are expressed in years and fractions of a year. If he has paid periodical contributions for his nominee under section 67 of the Superannuation Act 1965 these will be included in C at the appropriate rate: for example, one year's contribution at 3% of salary will count as one and a half years' contributions at 2%.

- 4.51 If the periodical contributions paid exceed the contributions due (that is, if C exceeds $(2A/3 + B)$), the balance will be refunded in the same way as contributions are refunded under rule 4.19.
- 4.52 If a nomination becomes invalid, and the civil servant is later able to renominate the same nominee, the periodical contributions already paid by him for that nominee under this part of section 4 or under section 67 of the Superannuation Act 1965 will be taken into account (at the appropriate rate) in calculating any lump sum contribution under rule 4.49 or any refund of contributions under rule 4.51.
- 4.53 If a nomination becomes invalid because the nominee marries the civil servant, periodical contributions actually paid in respect of an invalidity pension up to the date of the marriage will be deemed to have been paid for a widow's or widower's pension under part 1 or part 2 of this section, as appropriate. (If the civil servant opted to pay reduced contributions under rule 4.46 he will be treated as if he had similarly opted to pay reduced contributions under rule 4.11.)

Section 4: Widows' and dependants' benefits

Part 5: Pensions for adult dependants

(In this part of section 4, the '1965 Act' means the Superannuation Act 1965, and references to 's.66', 's.67' etc. are references to sections of that Act.)

- 4.54 A civil servant who on 31 May 1972 had a valid nomination in force under Part IV of the 1965 Act for a 'life pension' for a dependant who was nominated after the end of his childhood and full-time education, will continue, subject to rules 4.55 to 4.58, to pay contributions and to be eligible for benefits according to the provisions which were laid down in the 1965 Act. Where he retired with a pension calculated under rule 3.10a, benefits under this section will be determined by reference to the pension as calculated under rules 3.11 or 3.24a(ii) before actuarial reduction. Any increase in pension resulting from an election made under rule 3.1a, or any reduction resulting from commutation under rule 3.4b, shall be ignored for the purposes of this section.
- 4.55 For the purposes of rule 4.54, references in the 1965 Act to benefits under that Act will be construed, where appropriate, as references to corresponding benefits under this scheme. S.68(2)a. will not apply and the contribution liability under s.69 will be calculated by reference to the period of reckonable service, as defined in rule 1.5 and pensionable earnings, as defined in rules 1.6a, 1.6aa and 1.6b, instead of by reference to the completed years of reckonable service, and average annual amount of salary, referred to in s.69(4) and s.69(3) respectively.
- 4.56 A civil servant to whom rule 4.54 applies may opt to increase his rate of contribution under s.66 by 50%. This option must be exercised before 1 April 1973. The increase in contribution will apply for the whole of his reckonable service. If he is paying periodical contributions under s.67 the higher rate of contribution will be payable from 1 June 1973; the increase in contribution for his past service will be collected by an appropriate deduction under s.69 from the death benefit or lump sum.
- 4.57 Where a civil servant has opted to increase his contributions under rule 4.56, any dependant's pension which may become payable will be 50% larger than it would otherwise have been.
- 4.58 At the discretion of the Minister a civil servant to whom rule 4.54 applies may pay additional periodical contributions from 1 June 1973, in a manner analogous to the payment of additional contributions under rules 4.12 and 4.47, thereby reducing the eventual lump sum contribution under s.69.

Section 4: Widows' and dependants' benefits

Part 6: Provisions applying to Parts 1-5

Contributions

4.A59 In Parts 1-5 and in this Part 6, any reference to contributions does not include contributions paid or due under section 14 (contributed pension and lump sum).

Deductions from lump sums

4.59 In rules 3.9, 3.31 and 3.35 to 3.36, and in Appendix 7, references to lump sum already paid will be taken to be references to that lump sum before the deduction of any contribution under rule 4.17, 4.23b or 4.49, or under the corresponding provisions of Parts III and IV of the Superannuation Act 1965.

4.60 If the person dies or ceases to be a civil servant, the lump sum contributions due under rules 4.17, 4.23b and 4.49, and under section 69 of the Superannuation Act 1965, may amount in total to more than the death benefit or lump sum payable. If so, he may opt on ceasing to be a civil servant to pay the balance of contributions due out of his own resources. If he does not so opt, or if he dies in service, the whole of the death benefit or lump sum will be surrendered and the benefits awarded will be scaled down accordingly: that is, they will be calculated on the basis of the contributions actually paid rather than on the basis of the contributions due. If contributions are due under more than one part of this section, the death benefit or lump sum will be applied to a widow's (or widower's) pension in preference to an invalidity pension, and to an invalidity pension in preference to a dependant's pension under part 5.

Transfers

4.61 The treatment of civil servants to whom this section applies and who resign with a transfer value is described in section 6 and Appendix 11.

Re-employment

4.62 Parts 1 to 4 of this section will apply to a re-employed civil servant in the same way as to other civil servants, with the following modifications:

- (i) if rule 3.31 applies to him, periodical contributions will be calculated on his pensionable earnings at his earlier retirement (or on the three-year average of pensionable earnings, if his earlier retirement was before 29 February 1972), if that is greater than his current full-time salary. Where there is part-time service during re-employment, the periodical contributions

will be based on the greater of pensionable earnings or current full-time salary and calculated on a pro rata basis according to the number of hours worked. (If he is re-employed more than once after the pension age, references in this sub-paragraph to his earlier retirement will be taken as references to his first retirement.)

- (ii) If rule 3.31, 3.32, 3.35(i) or 3.35d(i) applies to him, then
 - (a) his pensionable earnings will be calculated on the same basis as for his own pension award;
 - (b) 'reckonable service' for the purposes of rule 4.15(i) or 4.16(i) will be assessed on the same basis as for his own pension award, or, if he dies in service, on the same basis on which his own pension would have been calculated if he had been retired on medical grounds at the date of his death;
 - (c) the calculation of lump sum contributions or refunds of contributions will be adjusted to take account of any such contributions or refunds paid at his earlier retirement under parts 1, 2 or 4 of this section or under the corresponding provisions of the Superannuation Act 1965.
- (iii) If he opted for two separate awards under rule 3.35(ii) or 3.35d(ii) his two periods of service will similarly be treated separately for the purposes of parts 1 to 4 of this section.
- (iv) A civil servant re-employed after the pension age:
 - (a) whose earlier period of service ended before 1 June 1972; and
 - (b) who was re-employed after a break of at least one working day; and
 - (c) whose service during re-employment amounts to less than 182 days (six months);

will not be eligible for widow's or widower's benefits under part 1 or 2 of this section; and any periodical contributions paid by him under those parts will be refunded on final retirement, in the same way as contributions are refunded under rules 4.19 and 4.23d.

References in this rule to rules 3.31 to 3.35 will be taken to include references to the corresponding provisions of Appendix 7.

Miscellaneous

- 4.63 Where it is laid down in this section that an option must be exercised by a particular date, the Minister will have discretion to extend that date, subject to such conditions as he may specify, in a particular case if there are special circumstances to justify this.
- 4.64 All options under this section must be made in writing, and subject to rule 4.65 must be made while the person in question is still a civil servant, unless the Minister expressly provides otherwise.
- 4.65 Where a civil servant who is eligible to make an option under rule 4.9(i)(c), 4.11 or 4.46 dies before 1 April 1973 and before making the option, it may be made (within the prescribed period) by his widow. If he does not leave a widow:
- (i) an option under rule 4.9(i)(c) will be assumed to have been made;
 - (ii) an option under rule 4.11 will be assumed to have been made;
 - (iii) an option under rule 4.46 will be assumed not to have been made, unless the civil servant's nomination for an invalidity pension has meanwhile become invalid.
- 4.66 In the case of a civil servant whose benefits are calculated under rule 3.1b, benefits and contributions under this section will be calculated accordingly.
- 4.67 This rule has been deleted.
- 4.68 In rule 4.7a, 4.8(iv), 4.21e, 4.21f(iv) and 4.30(ii), the reference to a civil servant's pension under the scheme will be taken to include a reference to an annual compensation payment under rules 2.3 or 3.1 of the Compensation Scheme (or under the former rules or the former Section 10 rules as set out in Appendices 14 and 15 respectively), except when the annual compensation payment is paid under rules 2.9 or 3.4 of the Compensation Scheme (or under rules 10.9a or 10.11a of the former Section 10 rules as set out in Appendix 2 of the Compensation Scheme). For the purposes of rule 4.7a, 4.8(iv), 4.21e, 4.21f(iv) and 4.30(ii), the amount of annual compensation payment will be deemed to be the amount that would have been received, notwithstanding any election that may have been made under rule 5.8 to 5.13 of the Compensation Scheme.

Section 4: Widows' and dependants' benefits

Part 7: Contributions for part-time service formerly not pensionable

- 4.69 (i) This rule applies to a male civil servant in service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.
- (ii) A civil servant to whom this rule applies will pay contributions due in respect of such service calculated in accordance with the Public Sector Settlement Model May 2003 published on the Employment Tribunals web-site (www.employmenttribunals.gov.uk).
- (iii) Contributions due under this rule will be paid by 12 equal monthly payments commencing as soon as is reasonably practicable after he has been notified of the amount due, or within such longer period as may be agreed by the Minister or, if the Minister so directs, the scheme administrator.
- 4.70 (i) This rule applies to a male civil servant who has left service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.
- (ii) A civil servant to whom this rule applies will pay contributions in accordance with rule 4.69(ii) and (iii), except that, if when he ceased to be a civil servant he had reached the age of 60 and was unmarried, he may opt for:
- (a) no contributions to be due in respect of any such service since his last marriage ended; and
- (b) if he was unmarried since before 8 April 1976 no such contributions to be due,
- and if his contributions are reduced by virtue of sub-paragraph (a) or (b), the premium referred to in rule 4.19(iv) will be recalculated by the Minister as at the date on which his service is reinstated, and an increase will be payable to reflect the increase in his reckonable service.
- (iii) The contributions due under this rule will be paid within 6 months of notification to the civil servant of the amount due, or within such longer period as the Minister may agree.
- 4.71 (i) This rule applies to a female civil servant in service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.

- (ii) A civil servant to whom this rule applies will pay contributions due in respect of such service on or after 1 July 1987 calculated in accordance with the Public Sector Settlement Model May 2003 published on the Employment Tribunals web-site (www.employmenttribunals.gov.uk).
 - (iii) A civil servant to whom this rule applies may opt to purchase widower's pension benefits in respect of all or part of such service immediately before 1 July 1987 in which case she will pay contributions due in respect of such service calculated in accordance with the Public Sector Settlement Model May 2003 published on the Employment Tribunals web-site (www.employmenttribunals.gov.uk).
 - (iv) Contributions due under this rule will be paid by 12 equal monthly payments commencing as soon as is reasonably practicable after she has been notified of the amount due, or within such longer period as may be agreed by the Minister or, if the Minister so directs, the scheme administrator.
- 4.72
- (i) This rule applies to a female civil servant who has left service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.
 - (ii) A civil servant to whom this rule applies will pay contributions in accordance with rule 4.71(ii) and (iv) and, if she has so opted, rule 4.71(iii), except that, if when she ceased to be a civil servant he had reached the age of 60 and was unmarried, she may opt for:
 - (a) no contributions to be due in respect of any such service since her last marriage ended; and
 - (b) if she was unmarried since 1 July 1987 no such contributions to be due,and if her contributions are reduced by virtue of sub-paragraph (a) or (b), the premium referred to in rule 4.23(d)(iv) will be recalculated by the Minister as at the date on which her service is reinstated, and an increase will be payable to reflect the increase in her reckonable service.
 - (iii) The contributions due under this rule will be paid within 6 months of notification to the civil servant of the amount due, or within such longer period as may be agreed by the Minister or, if the Minister so directs, the scheme administrator.
- 4.73 Where a civil servant dies in service before all the contributions due under this Part of this Section have been paid in full,

- (i) if he or she is married at the time of death the outstanding balance will be deducted from whichever of the lump sums listed in rule 4.17 and 4.23b then becomes payable, or
- (ii) if he or she is unmarried at the time of death, for the purposes of the calculation under rule 4.70(ii) or 4.72(ii) the contributions paid under this Part of this Section are deemed to have been paid during the period of reckonable service reinstated, starting at the beginning and any balance outstanding will be deducted from:
 - (a) any refund of contributions; or
 - (b) if the refund is insufficient from whichever of the lump sums listed in rule 4.17 and 4.23b then becomes payable.

4.74 Where a civil servant leaves service before all the contributions due under this Part of this Section have been paid in full, he or she may elect to pay the outstanding contributions and, if they are not paid, the service that will reckon under rule 2.8(c) will be reduced by means of the formula:

$$A \times B/C$$

where:

A is the period of service which would have reckoned had all the contributions been paid,

B is the amount of the contributions paid, and

C is the amount of the contributions due.

4.75 In this Part, interest means compound interest at the yearly average of the Building Society average rate for share accounts as announced annually by the Minister, with yearly rests.

Section 4: Widows' and dependants' benefits

Part 8: Civil partnership

- 4.76 Subject to rules 4.77 to 4.79, rule 3.8(ii)(a), parts 1, 2 and 3 of this section 4, section 6, section 7 and appendix 16 shall apply in relation to:
- (i) a surviving civil partner as they apply in relation to a surviving spouse;
 - (ii) a civil partner as they apply in relation to a spouse;
 - (iii) to civil partnership as they apply in relation to marriage.
- 4.77 All pensions to surviving civil partners shall be calculated by reference only to reckonable service on and after 6 April 1988, including any reckonable service granted under section 6 in respect of a transfer received on or after 6 April 1988.
- 4.78 For the purposes of calculating contributions due and contributions to be refunded in respect of reckonable service before 6 April 1988, a person who had a civil partner at the time of his death in service or his ceasing to be a civil servant shall be treated as if he were single at that time. When this rule applies the premium referred to in rule 4.19(iv) shall not be deducted from any refund due in respect of reckonable service before 6 April 1988.
- 4.79 In relation to surviving civil partners rule 4.5 and rule 4.21b shall be replaced with the following: A surviving civil partner's pension under rule 4.3 or rule 4.21 will be paid from the day after the date of the civil servant's death until the date of his surviving civil partner's death, except that:
- (i) if his surviving civil partner, before attaining state pension age, forms a civil partnership, or marries, or was living or begins to live with a person as his civil partner or spouse, the pension will be payable thereafter in respect of a period prescribed from time to time in regulations made under section 17(6) of the Pension Schemes Act 1993;
 - (ii) if the surviving civil partner of a civil servant who had attained state pension age before she died, forms a civil partnership, or marries, or was living, or begins to live with a person as his civil partner or spouse after having attained state pension age, the pension will thereafter be restricted to the surviving civil partner's guaranteed minimum pension.

In any case where the surviving civil partner's pension ceases or is restricted under this rule the Minister, or if the Minister so directs, the

scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if his subsequent civil partnership or marriage comes to an end or if he ceases to live with a person as his civil partner or spouse.

- 4.80 This rule applies to a person who ceased to be a civil servant before 1 October 2002, made an election under rule 4.19(iv)(a)(2) or rule 4.23d(iv)(a)(2) before 5 December 2005 and forms a civil partnership. A person to whom this rule applies may choose to repay that part of the refund of contributions, with compound interest, that would not have been paid to him in respect of service on and after 6 April 1988 had he not made an election under rule 4.19(iv)(a)(2) or rule 4.23d(iv)(a)(2). If such a repayment with compound interest is made benefits in respect of the person's reckonable service on and after 6 April 1988 will be calculated as if he had not made an election under rule 4.19(iv)(a)(2) or 4.23d(iv)(a)(2). For the purposes of this rule compound interest means compound interest as set out in rule 4.19(viii).

Section 5: Allocation

- 5.1 Subject to the provisions of this section, a person who is granted a pension (other than an ill health pension or a pension payable on partial retirement under rule 3.3b) under section 3 (or an annual compensation payment under former rule 10.6 as set out at Appendix 1 of the Compensation Scheme or under former rules 10.6 or 10.10 as set out at Appendix 2 of the Compensation Scheme) may, at the time the pension or annual compensation payment comes into payment, allocate part of that pension or annual compensation payment, together with any contributed pension that comes into payment to the person under section 14 other than any contributed pension that comes into payment when a person exercises the partial retirement option under rule 3.3b, either in favour of the person who is his spouse or civil partner at the time of allocation or in favour of a person who is his dependant at the time of allocation, provided that while serving in the Civil Service he was normally employed in the United Kingdom or was a member of a grade in the service normally recruited there. This rule is subject to rule 5.12.
- 5.2 In this section 'the civil servant' means a person making an allocation under rule 5.1, and 'the beneficiary' means the person in whose favour the allocation is made. 'Dependant' means a person (other than his spouse or civil partner) who is solely or mainly dependent on the person making an allocation. The following rules of this section apply to the allocation of an annual compensation payment as to the allocation of a pension, with the necessary changes.
- 5.3 When an allocation under rule 5.1 is made, a pension will be paid to the beneficiary as follows:
- (i) If the allocation is made under 'option A', and the beneficiary survives the civil servant, the pension will be paid from the day after the date of the civil servant's death until the date of the beneficiary's death.
 - (ii) If the allocation is made under 'option B', the pension will be paid from the date on which the allocation declaration has effect until the date of the beneficiary's death.

An allocation in favour of a spouse or civil partner may be made under either option A or option B, but an allocation in favour of a dependant must be made under option A. No civil servant may make an allocation under option B after 5 April 2006 and any allocation declaration under option B must have effect before 6 April 2006. This rule is subject to rule 5.12.

- 5.4 The annual amount of a pension under rule 5.3 will be calculated according to the appropriate table drawn up by the Scheme Actuary and in force at the time the allocation is made; and will be determined

by the age and sex of the civil servant, by the age and sex of the beneficiary, and by the amount of pension allocated.

- 5.5 Where rule 5.3(ii) applies, and where the beneficiary survives the civil servant an additional pension is payable to the beneficiary with effect from the day after the date of the civil servant's death equal to the pension already being paid to the beneficiary.
- 5.6 The annual amount of pension allocated under rule 5.1 must be an exact number of pounds and may not exceed:
- (i) the amount which would make the civil servant's pension, after the deduction of the amount allocated, equal to the aggregate of the pensions to be paid in respect of the civil servant under parts 1, 2, 4 and 5 of section 4, under this section and under rule 14.21 of section 14 calculated on the following assumptions –
 - (a) the civil servant dies after his pension has commenced;
 - (b) the civil servant's marital or civil partnership status at the time of the allocation remains unchanged until the civil servant dies;
 - (c) the persons who, at the time of the allocation, are contingent beneficiaries under parts 1, 2, 4 and 5 of section 4 and under this section survive the civil servant; and
 - (d) in the case of a contingent beneficiary who would have been a dependant of the civil servant for the purposes of paragraph 15(2) or (3) of schedule 28 to the Finance Act 2004 if the civil servant had died when the allocation was made, the contingent beneficiary is such a dependant when the civil servant dies; or
 - (ii) where the civil servant is entitled or prospectively entitled to a guaranteed minimum pension under rule 3.49, the amount which would make the civil servant's pension, after deduction of the amount allocated, equal to such guaranteed minimum pension.
- 5.7 In rule 5.6(i) and (ii) 'the civil servant's pension' means the annual amount of his pension under this scheme before any deduction under rule 3.19 or 3.22 (modification on account of national insurance pensions) or under rule 3.26 (abatements of pension on re-employment). In rule 5.6(ii) the civil servant's pension means the annual amount of his pension under this scheme after any deduction under rule 3.19 or 3.22, but before any abatement under rule 3.26.

- 5.8 If a person declares a desire to allocate more of his pension than is allowed by rule 5.6, he may be treated as if he had declared a desire to allocate the maximum amount allowed by that rule.
- 5.9 If the whole of a pension under this scheme is abated by virtue of rule 3.26, the references in rule 5.1 to the time the pension comes into payment will be taken to be references to the time the pension would have come into payment but for the abatement.
- 5.10 This rule has been deleted.
- 5.11 Where an allocation has been made under rule 5.1, then in calculating a supplementary death gratuity under rule 3.9 the amount of pension paid will be deemed to be the amount which would have been paid but for the allocation.
- 5.12 Any allocation made in respect of a civil servant whose pension comes into payment after 5 April 2006 shall have no effect unless the person named in the allocation declaration –
- (a) is the civil servant's spouse or civil partner on the date the civil servant becomes entitled to the pension;
 - (b) is a dependant of the civil servant for the purposes of paragraph 15(2) or (3) of Schedule 28 to the Finance Act 2004; or
 - (c) is the civil servant's spouse or civil partner at the date of the civil servant's death.
- 5.13 An allocation under rule 5.1 must be made no later than the date advised to the civil servant by the scheme administrator ("the closing date").
- 5.14 A civil servant may at any time before the closing date –
- (i) revoke an allocation, or
 - (ii) amend an allocation by altering the amount allocated by it.
- 5.15 An allocation and any revocation or amendment of an allocation must be made in writing in such form as the Minister requires and be lodged with the scheme administrator.
- 5.16 Subject to rules 5.17 and 5.18, an allocation takes effect on the closing date.
- 5.17 An election has no effect if –
- (i) the civil servant dies before the closing date, or

- (ii) it is in favour of a person who dies before that date, or
- (iii) the Minister is not satisfied that at the time when the allocation is made that person is the civil servant's spouse or civil partner or, in the opinion of the Minister, his dependant (see rule 5.2).

5.18 An allocation has no effect unless –

- (i) before the closing date the civil servant has made a declaration about the state of his health in such form and, if required, has provided such evidence relating to his health, as the Scheme Medical Adviser has requested, and
- (ii) the Scheme Medical Adviser is satisfied that at the date on which the civil servant makes the declaration the civil servant is in good health.

Section 6: Transfers

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Section 6: Transfers

Introduction

- 6.1 (i) Parts 1, 3 and 4 of this section make provision in respect of transfer values payable where a civil servant leaves pensionable service on or after 1 June 1972. A civil servant may apply for a transfer value in accordance with the rules in parts 1, 3 or 4, whichever is applicable in his case. If an application for a transfer value may be made under the rules in more than one part, the application, may be dealt with in accordance with the rules of whichever part is appropriate in order to meet the civil servant's requirements.
- (ii) Part 1 of this section also makes provision in respect of transfer values payable where a civil servant exercises an option not to be a member of this scheme on or after 6 April 1988.
- (iii) Part 2 of this section makes provision in respect of incoming transfers, including transfers following an election under rule 1.4d.
- (iv) Part 5 of this section makes provision in respect of certain miscellaneous matters.
- (v) Appendix 11 to this scheme shall continue to have effect for the cases, persons, purposes, and in the circumstances set out in this section.
- (vi) This section must be read subject to rule 12.12.

Section 6: Transfers

Part 1: Outgoing transfers

General

- 6.2 (i) Under this part, a civil servant has a right to a transfer value in respect of his accrued pension benefits subject to the rules set out in this part where either
- (a) his pensionable service ends on or after 1 January 1986, or
 - (b) his pensionable service ends on or after 1 June 1972 and the transfer value in respect of his accrued pension benefits is paid on or after 6 April 1988 to an occupational pension scheme approved by the Minister for the purposes of the public sector transfer arrangements.
- (ii) This paragraph has been deleted.
- (iii) The transfer value payable under this part will be the cash equivalent of the civil servant's accrued pension benefits at the guarantee date as described in rule 6.3(iv). However, cases falling within rule 6.34(ii)(a) will only have a right to a transfer value under part 4 (and not to a cash equivalent transfer value).
- (iv) (a) Where, on or after 6 April 1988
- (1) a civil servant's pensionable service ends as a result of the exercise of an option under rules 1.4b or, subject to (vi) below 1.4c, (as appropriate), and he continues in employment to which this scheme applies, and
 - (2) that pensionable service, but for the exercise of that option, would have continued until the guarantee date,
- the transfer value payable will be the cash equivalent of the part of the accrued pension benefits specified in (b) below.
- (b) Subject to (c) below, the part of the benefits referred to in (a) above is:
- (1) those benefits attributable to his pensionable service after 5 April 1988, and

- (2) in the case of benefits which have not so accrued, those benefits credited to him after 5 April 1988.
- (c) Where the civil servant has less than 2 years' reckonable service on or before 5 April 1988, the pension benefits which have accrued by virtue of such service may also be included for the purposes of calculating a transfer value. If this option is exercised, (b) above will not apply.
- (v) (a) Where rule 6.2(iv) has operated to restrict a civil servant's cash equivalent transfer value or part of a guaranteed cash equivalent transfer value, and his service to which this scheme would have applied but for the exercise of the option under rule 1.4b or, subject to (vi) below rule 1.4c, ends, a subsequent cash equivalent transfer value may be paid in respect of any benefits preserved in the scheme, subject to the civil servant making an application under this rule.
 - (b) When a civil servant makes an application under this rule, the cash equivalent transfer value shall be recalculated as at whichever is the later of:
 - (i) the date on which the service ends or
 - (ii) the date the application is made.
 - (c) Payment of a subsequent cash equivalent transfer value under this rule is subject to the other rules in this part except that:
 - (i) no application is required under rules 6.3 or 6.4, and
 - (ii) references in this part to the end or termination of pensionable service (or cognate expressions) of a civil servant will be construed as if they were references to the end or termination of service to which this scheme would have applied but for the exercise of the option under rule 1.4b or, subject to (vi) below, rule 1.4c.
- (vi) References to rule 1.4c above shall apply only if the period of service before 6 April 1988 has been aggregated with a period of service after that date under the rules of this scheme.
- (vii) For the purposes of this part, a civil servant's accrued pension benefits will not include any benefits attributable to periods of reckonable service or contributions for which the civil servant is

already entitled to receive a pension under rule 3.3b (partial retirement).

- 6.3 (i) A civil servant must make an application under this rule and under rule 6.4 before he acquires a right to a guaranteed cash equivalent transfer value payment under this part.
- (ii) An application under this rule is for a statement of entitlement. Such application must be made in writing to the scheme administrator.
- (iii) For the purposes of this part, a “statement of entitlement” means a written statement provided to the civil servant of the amount of the cash equivalent at the guarantee date of the civil servant’s accrued benefits under this scheme.
- (iv) For the purposes of this section “the guarantee date” means any date chosen by the Minister, or if the Minister so directs, the scheme administrator, which is specified in the statement of entitlement and is within the period of three months from the date of the civil servant’s application for a statement of entitlement.
- (v) The statement of entitlement must be provided to the civil servant within the period of 10 days (excluding Saturdays, Sundays, Christmas Day, New Year’s Day and Good Friday) of the guarantee date.
- (vi) The period of three months referred to in the definition of “guarantee date” in sub-rule (iv) may be extended to that reasonably required but by no more than six months from the date of the application if, for reasons beyond the Minister’s, or scheme administrators’ control, the requisite information cannot be obtained to calculate the guaranteed cash equivalent transfer value amount referred to in sub-rule (iii).
- (vii) The civil servant may withdraw an application for a statement of entitlement by notice in writing at any time before such statement is provided to him.
- (viii) A civil servant who has made an application in writing for a statement of entitlement and who has not withdrawn such an application must not make more than one other application within a period of twelve months from the date of the first application.
- 6.4 (i) A civil servant who has received a statement of entitlement and who makes an application under this rule acquires a right to the amount stated in the statement of entitlement. This amount shall

be known as the “guaranteed cash equivalent transfer value payment”.

- (ii) An application under this rule is for the guaranteed cash equivalent transfer value payment and must be made within three months of the guarantee date.
 - (iii) The civil servant must include instructions as to the pension scheme or other arrangement to which payment or payments should be applied in his application for the guaranteed cash equivalent transfer value payment.
 - (iv) An application must be made:
 - (a) before the civil servant’s pension under the scheme to which the application relates has come into payment; and
 - (b) in accordance with such other conditions as the Minister may require.
 - (v) Where a guaranteed cash equivalent transfer value payment is to be applied in accordance with rule 6.8(i) or (iii), an application may be made on or before the date immediately preceding the date on which the civil servant reaches the normal pension age.
 - (vi) The time limits in (iv) and (v) also apply to civil servants whose normal pension age is below the age of 60 but, for the purposes of the application of (iv) and (v), their normal pension age will be treated as if it is 60.
 - (vii) An application under this rule may be withdrawn at any time by notice in writing but that notice shall be of no effect if it is given after an agreement has been entered into with a third party to use the whole or part of the guaranteed cash equivalent transfer value payment in a way set out in rule 6.8.
- 6.5 A civil servant will lose the right to a cash equivalent transfer value payment in respect of any service or contributions for which he is entitled to payment of a pension, or benefit in lieu of a pension before he attains normal pension age or, if the normal pension age is below the age of 60, the age of 60.
- 6.6 If, when a civil servant applies for a cash equivalent transfer value, he is in the process of buying added years, his reckonable service will be increased in accordance with rule 7.11 for the purposes of the calculation of his accrued pension benefits (and thus his transfer value).
- 6.6a If, when a civil servant applies for a cash equivalent transfer value, he has a pension account under section 14 (contributed pension and lump

sum), his accrued benefits will be increased to take account of the benefits he has built up under section 14.

- 6.7 (i) Subject to (ii) and (iii), the Minister must ensure that, provided the civil servant has a right to a transfer value under rule 6.2(i) and (ii) and has complied with the time limit in rule 6.4(ii), the guaranteed cash equivalent transfer value payment is made within six months of the guarantee date, or (if earlier) by the date on which the civil servant reaches the normal pension age. Where it appears to the Minister that disciplinary proceedings, or proceedings before a court begun before the expiry of 12 months from the termination of pensionable service, may lead to the forfeiture of the whole or part of the pension or benefit in lieu of the pension, the provisions of section 99(3) of the Pensions Act 1993 shall apply.
- (ii) Where a civil servant's normal pension age is below the age of 60, "normal pension age" shall be read as if it referred to the age of 60.
- (iii) Where the transfer value is to be applied in accordance with rule 6.8(i) or (iii) and where pensionable service ends less than one year before the normal pension age of 60, the time limit in (i) shall be within six months of the guarantee date or within six months of the date on which the civil servant reaches the normal pension age, whichever is the earlier.
- (iv) For the avoidance of doubt, sub-rule (i) applies to payments under rule 6.2(v)(c).

Benefits preservable on leaving the scheme

- 6.8 Where the accrued pension benefits are, or may be, preserved in accordance with rule 3.11 (3.12, or 3.24a(ii) where appropriate) the civil servant may require the Minister to apply the cash equivalent transfer value in one, or more, of the following ways:
- (i) except in so far as provided in (iii) below, for acquiring transfer credits in an occupational pension scheme which is able and willing to accept him and which satisfies prescribed requirements;
- (ii) for purchasing one or more insurance policies or annuity contracts which satisfy prescribed requirements from one or more insurance companies which are chosen by the civil servant, are willing to accept payment and which meet specified requirements;

- (iii) for acquiring transfer credits in a contracted-out money purchase scheme which is able and willing to accept him and which satisfies prescribed requirements;
- (iv) for acquiring rights allowed under the rules of a personal pension scheme whose trustees or managers are able and willing to accept him and which satisfies prescribed requirements;
- (v) for acquiring rights under an arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the Finance Act 2004 (see section 169(2) of that Act).

A receiving arrangement falling under any of (i) to (iv) above must be registered under Chapter 2 of Part 4 of the Finance Act 2004. Without prejudice to the effect of rules 3.11 or 3.24a(ii), the reference in this rule to 'accrued pension benefits which are, or may be, preserved in accordance with rule 3.11 (3.12 or 3.24a(ii) where appropriate)' shall include accrued pension benefits preserved on retirement on medical grounds or on early retirement.

- 6.9 For the purposes of rules 6.8 and 6.17(ii), the prescribed requirements are to be determined in accordance with the Pension Schemes Act 1993, as amended, and regulations made under it. The specified requirements in rule 6.8(ii) are to be similarly determined.
- 6.10 (i) The guaranteed cash equivalent transfer value payment will be calculated in accordance with the transfer value tables determined from time to time by the Minister, after consultation with the Scheme Actuary, and which are in force at the guarantee date.
- (ii) The tables will contain such factors as from time to time are considered appropriate by the Minister, after consultation with the Scheme Actuary, having regard to the provisions of section 97 of the Pension Schemes Act 1993 and to regulations made under that Act. The factors to be used for benefits under part 4 or part 5 of section 4 will be those which are determined from time to time by the Minister, after consultation with the Scheme Actuary, and which are in force at the guarantee date.
- (iii) The preserved benefits will be calculated under rules 3.11, 3.12 or 3.24a(ii) (whichever is appropriate) and rules 4.6, 4.21c, 4.43, 4.54 or section 14 as applicable, and the preserved pension benefits will be subject to pensions increase in accordance with the Pensions (Increase) Act 1971 as amended.
- (iv) The tables will be applied using the civil servant's age and the value of his preserved pension benefits, that is personal pension, lump sum and, where appropriate, widow's or

widower's pension or benefits under part 4 or part 5 of section 4 or benefits under section 14, at the guarantee date. However, in the circumstances referred to in rules 6.15 and 6.21, the civil servant may instead exercise the option conferred by, and in accordance with, rule 6.15(ii) or 6.21(ii), whichever is appropriate.

6.11 A minimum transfer value payment may be made where the civil servant is transferring to a pension scheme or arrangement(s), except where the transfer is a qualifying transfer. The minimum transfer value will comprise the sum of:

- (i) any transfer payment or payments previously received in respect of the civil servant concerned and which have increased the reckonable service on the basis of which the accrued pension benefits are calculated; and
- (ii) his contributions paid during service in order to secure pension benefits, but excluding any contributions in respect of benefits which would not be taken into account in the calculation of his guaranteed cash equivalent transfer value.

If this amount is greater than the guaranteed cash equivalent transfer value, it will be paid as the transfer value instead of the guaranteed cash equivalent.

- 6.12
- (i) A guaranteed cash equivalent transfer value payment may, subject to (ii), be divided into different portions and applied in different ways between the pension schemes or arrangements referred to in rule 6.8 provided that this is in respect of the whole of the guaranteed cash equivalent transfer value payment.
 - (ii) This sub-rule applies where the scheme or arrangement in respect of which a guaranteed cash equivalent transfer value payment is to be made is any of those listed in (iv) and the trustees or managers of such scheme or arrangement are able and willing to accept a transfer payment only in respect of the civil servant's rights other than his excluded rights. In such circumstances all the benefits attributable to such excluded rights, including those payable in respect of any widow or widower of the civil servant, may be excluded from the guaranteed cash equivalent transfer value payment at the option of the civil servant.
 - (iii) For the purposes of this rule, "excluded rights" means the civil servant's accrued rights to a guaranteed minimum pension or his accrued rights attributable to service in contracted-out employment on or after 6 April 1997.

- (iv) For the purposes of sub-rule (ii), the listed schemes or arrangements are:
 - (a) an occupational pension scheme which is not a contracted-out scheme within the meaning of section 7 of the Pension Schemes Act 1993; and
 - (b) a personal pension scheme which is not an appropriate scheme within the meaning of section 7 of the Pension Schemes Act 1993.

A scheme listed in (a) or (b) must also be either a pension scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004 or a qualifying recognised overseas pension scheme for the purposes of that Part 4 (see section 169(2) of that Act).

- (v) The public sector transfer arrangements will not apply where a guaranteed cash equivalent transfer value payment is divided into different portions and applied in different ways in accordance with (i) or (ii) above.
- 6.13
- (i) Subject to (ii), if the guaranteed cash equivalent transfer value payment is not made within 6 months of the guarantee date it shall be recalculated as if the date of payment had been the guarantee date. The guaranteed cash equivalent transfer value payment shall be increased by such amount, if any, by which it falls short of what it would have been if it had been paid on the guarantee date.
 - (ii) If the guaranteed cash equivalent transfer value payment is not made within 6 months of the guarantee date, and there is no reasonable excuse for the delay, it must be increased to the greater of the following sums:
 - (a) the guaranteed cash equivalent transfer value payment recalculated as if the date of payment had been the guarantee date; or
 - (b) interest on the guaranteed cash equivalent transfer value payment calculated on a daily basis over the period from the guarantee date to the date of payment at an annual rate of one per cent above base rate.
 - (iii) Where a guaranteed cash equivalent transfer value payment is made in respect of a qualifying transfer under rule 6.37 (iii), the requirements set out in (i) and (ii) may be waived by agreement between the schemes.

- 6.14 Guaranteed minimum pensions in the scheme are revalued in accordance with sections 14 and 16 of the Pension Schemes Act 1993 as amended. Where, in accordance with section 95 of that Act, a civil servant opts on or after 1 January 1986 to have his transfer value applied to the purchase of an insurance policy or annuity contract registered under Chapter 2 of Part 4 of the Finance Act 2004, any guaranteed minimum pension benefits to be so transferred may be revalued by reference to the fixed rate.
- 6.15 (i) The civil servant referred to in this rule is one who has the right to have accrued benefits preserved in accordance with rule 3.11 (3.12 or 3.24a(ii), if appropriate).
- (ii) The option referred to in rule 6.10 is as follows. The option is not available in relation to any benefits built up under section 14 (contributed pension and lump sum), which will be included for the purposes of calculating the transfer value. Where a transfer value is calculated for a civil servant who falls within the scope of rule 4.22(ii) or who has opted for benefits under part 4 or 5 of section 4, any benefits based on contributions paid, including any element for widower's benefits in contributions in respect of added years bought under section 7, will not be included for the purposes of calculating the transfer value unless the civil servant so wishes, and instead
- (a) he will be entitled to have the benefits purchased by the contributions paid (which may include, in the case of a widower's pension, contributions paid on or after 1 July 1987 and on or before 5 April 1988) preserved, any liability for contributions by deduction from the lump sum being cancelled; or
- (b) he may opt to have such benefits preserved, calculated by reference to the whole of his reckonable service up to the date of transfer (except that, where widower's pension benefits are to be preserved, the calculation under this paragraph will only be made in relation to the whole of reckonable service on or before 5 April 1988), the liability for contributions by deduction from the lump sum being taken into account in the calculation of the preserved personal benefits by reference to which the transfer value is calculated;
- (c) in either case, the preserved benefits will be brought into payment on the date on which they would have been brought into payment had the civil servant remained subject to part 2, 4 or 5 of section 4.
- (iii) Where the civil servant falls within the scope of rule 4.22 (ii) the widower's pension benefits based on contributions paid on or

after 6 April 1988 will be included for the purposes of calculating the transfer value even if the option conferred by (ii) above has been exercised.

- 6.16 (i) To the extent that contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.45, as appropriate, have not been paid before the date of transfer by periodical contributions the balance will, subject to paragraph (ii) below, be deducted from the preserved lump sum before calculation of the transfer value.
- (ii) If contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.54, as appropriate, have not been paid before the date of transfer by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages), these contributions will be treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as an overpayment of salary.
- (iii) Contributions will not be refunded under rule 4.19 or 4.23d as appropriate where the civil servant has applied for a transfer value before pensionable service ends or before the refund has been made. However, where contributions for a widow's or widower's pension have been refunded under rule 4.19 or 4.23d, as appropriate, they may be repaid with the addition of compound interest. For the purposes of this rule a reference to compound interest means compound interest added to the relevant sum at a rate of 4% a year with yearly rests, provided the civil servant's pensionable service ended on or before 30 November 1989. Where a civil servant's pensionable service ends on or after 1 December 1989, a reference to compound interest means compound interest added to the relevant sum at the rates in rule 4.19(viii)(d). Any repayment of refunded contributions must be made before a transfer value can be paid.

Benefits not preservable under the scheme

- 6.17 (i) Where the accrued benefits may not be preserved under rule 3.11 (or 3.12 if appropriate), except as provided in (ii) below, a civil servant, whose last day of pensionable service is on or after 6 September 1987, or 1 June 1972 in the case of a civil servant referred to in rule 6.2(i)(b), may require a cash equivalent transfer value to be paid to an occupational pension scheme or to a contracted-out money purchase scheme or to a personal pension scheme or which meets the requirements in rule 6.8(i), (iii), (iv) or (v) above respectively. Where the receiving pension scheme or arrangement is not contracted-out, and the civil servant has a guaranteed minimum pension in relation to this scheme, a contributions equivalent premium must be paid. A

sum equivalent to that premium will be deducted from the amount of the transfer value.

- (ii) Where the accrued pension benefits may not be preserved in accordance with rule 3.11 (or 3.12 where appropriate), a civil servant who has a right to a cash equivalent transfer value payable under, and in accordance with, rule 6.2(iv), may only exercise such a right by requiring the Minister to apply his cash equivalent transfer value for acquiring rights under the rules of a personal pension scheme whose trustees or managers are able and willing to accept him and which satisfies prescribed requirements. If such a civil servant so requires the Minister to apply his transfer value in respect of his pension benefits accrued by virtue of his reckonable service on or after 6 April 1988, but opts not to transfer the cash equivalent of his pension benefits accrued by virtue of reckonable service on or before 5 April 1988, a contributions equivalent premium in respect of such earlier service will be paid.
- (iii) Where a civil servant does not have preserved rights under rule 3.11 (or 3.12 if appropriate), the civil servant's application for a transfer must be made on or before the date that is three months after the date on which the scheme administrator gives the person written notification of his options in accordance with section 101AC of the Pension Schemes Act 1993 or before such later date as the Minister may allow.
- (iv) If the civil servant does not apply for a transfer in accordance with this rule and he is entitled to a refund of contributions, the refund shall be paid after deduction of the following –
 - (a) an amount equal to any contributions equivalent premium payable; and
 - (b) an amount equal to the income tax payable under section 205 of the Finance Act 2004.

6.18 This rule has been deleted.

6.19 This rule has been deleted.

6.20 The cash equivalent transfer value will be calculated in accordance with rules 6.10 and 6.11, except that there will be no minimum period of qualifying service for the calculation of the accrued pension benefits on which the transfer value is based. The transfer value cannot be divided into different portions and applied in different ways between pension schemes and other arrangements. If payment is not made within 6 months of the guarantee date, the transfer value may be increased in accordance with rule 6.13. Contributions due under rules 4.15, 4.16,

4.23a, 4.48 or 4.54, as appropriate, will be dealt with in accordance with rule 6.16.

- 6.21 (i) The civil servant referred to in this rule is one who meets the requirements set out in rule 6.17.
- (ii) The option referred to in rule 6.10 is as follows. The option is not available in relation to any benefits built up under section 14 (contributed pension and lump sum), which will be included for the purposes of calculating the transfer value. Where the transfer value is in respect of a civil servant who falls within the scope of rule 4.22(ii), or who has opted for benefits under part 4 or 5 of section 4, the benefits arising from any contributions paid, including any element for widower's benefits in contributions in respect of added years bought under section 7, will not be included for the purposes of calculating the transfer value unless the civil servant so wishes. Instead, the contribution paid (which may include, in the case of a widower's pension, contributions paid on or after 1 July 1987 and on or before 5 April 1988) will be refunded, in the same way as contributions are refunded under rule 4.19, and the civil servant will cease to be eligible for benefits under part 2, 4 or 5 of section 4. Any liability for contributions by deduction from the lump sum will be cancelled.
- (iii) Where the civil servant falls within the scope of rule 4.22(ii), the widower's pension benefits based on contributions paid on or after 6 April 1988 will be included for the purposes of calculating the transfer value even if the option conferred by subrule (ii) above has been exercised.

Section 6: Transfers

Part 2: Incoming transfers

- 6.22 (i) A civil servant whose pensionable service begins on or after 1 January 1986 may apply to bring in a transfer value in respect of any accrued pension benefits provided the application:
- (a) is made in writing;
 - (b) specifies the scheme or arrangement from which the transfer value payment is to be made and the anticipated amount of the payment; and,
 - (1) is made before the civil servant's pensionable service ends; or,
 - (2) where the public sector transfer arrangements apply is made:
 - (i) within 12 months of the date on which he takes up pensionable service in this scheme (this is subject to paragraph (vi)); and
 - (ii) before the member reaches the pension age under the scheme by which the transfer value is to be paid;
 - (c) in the case of a transfer value from an arrangement that is not an occupational pension scheme, is made within 12 months of the date he takes up pensionable service in the scheme (this is subject to paragraph (vi)); and
 - (d) meets such other conditions as the Minister may require..
- (ii) If he exercises the option referred to in sub-rule (i), the transfer value payment must be received within the periods specified in (i), or within 6 months of the date of his application, whichever is later; except that, if the transfer value is a cash equivalent payable in accordance with the Pension Schemes Act 1993 and if the trustees or managers of his former pension scheme fail without reasonable excuse to do what is needed to carry out what the civil servant requires of them, the transfer value may be received at a later date.
- (iii) (a) Subject to rule 2.28a, which applies in the case of a person who takes up service as a prison officer and subject to paragraph (b) below, a civil servant to whom sub-rule (i) applies will be credited with such reckonable service as is applicable to the amount of his transfer

value in accordance with the incoming transfer value tables which are determined from time to time by the Minister, after consultation with the Scheme Actuary, and which are in force on the date when the transfer value is received. However, if a civil servant applies to bring in a transfer value, and if, before the date on which the transfer value is received, amendments to the incoming transfer value tables (in force on the date of the application) have been made, the civil servant will be credited with reckonable service in accordance with whichever set of tables gives the better result having regard to rule 6.23 and to the factors applicable by virtue of rule 6.24.

- (b) Where the transfer is a qualifying transfer, the tables to be applied under paragraph (a) will be the tables referred to in rule 6.10 in force on the same date as the guarantee date used by the sending scheme for the purposes of calculating the transfer value.
- (iv) Where the transfer value will be applied in whole or in part to purchase guaranteed minimum pension benefits in this scheme, the Minister will have discretion to refuse it if, in his opinion, its amount is insufficient to meet the minimum test to be specified by the Minister from time to time.
- (v) The Minister or, if the Minister so directs, the scheme administrator may disregard the time limits specified in rule 6.22(i) if that is considered reasonable in the circumstances.
- (vi) This paragraph applies to a civil servant who –
 - (a) after a period of pensionable service in this scheme (“the first period of pensionable service”) opted out of the scheme under rules 1.4b or 1.4c, and then
 - (b) after a continuous period of opted-out service (see rule 1.4(a)(iii)), rejoined the scheme under rule 1.4d.

When this paragraph applies, the 12 months time limit in paragraph (i)(b)(2)(i) and paragraph (i)(c) starts from the start of the first period of pensionable service and any opted-out service will be disregarded for the purposes of that time limit.

- 6.23 (i) Subject to rule 2.28a, the transfer value tables will be applied to the transfer value (irrespective of the particular benefits on which the transfer value payment is based) to give equal periods of reckonable service for personal pension, lump sum and (for both married and unmarried civil servants) half rate widow's or widower's pension, as appropriate.

- (ii) Where the transfer value is received on or after 1 January 1986, the length of the reckonable service credited will be restricted at the time of the award of a pension under this scheme if the limits laid down in rule 2.3 would otherwise be exceeded.
- 6.24 (i) If a civil servant to whom rule 6.22(i) applies opts to bring in a transfer value otherwise than under the public sector transfer arrangements, the period of reckonable service he will be credited with under rule 6.22(iii)(a) will be calculated as at the date on which the transfer payment is received by the scheme and in accordance with the relevant guidance and tables determined by the Minister, after consultation with the Scheme Actuary.
- (ii) For the purpose of the calculation in paragraph (i), the civil servant's pensionable earnings will be taken to be the amount of those earnings as at:
- (a) the day following two months after the application to bring in a transfer value is received, or
- (b) the date on which the transfer value payment is received,
- whichever is the later, and, in a case where the transfer value payment is received earlier than two months after his application is received, any necessary adjustment will be made to that calculation to reflect any change in the amount of those earnings.
- 6.25 Where reckonable service credited is less than the period actually served in the civil servant's former pension scheme, qualifying service in this scheme will be determined as follows:
- (i) where the whole of the transfer value arising from service in the former pension scheme is transferred into this scheme, the whole of the period actually served in the former scheme will count for the purposes of the qualifying period for pension benefits;
- (ii) where only part of the transfer value arising from service in the former pension scheme is transferred into this scheme, the whole of the period actually served in the former scheme will count towards the qualifying period for the preservation of pension benefits under rule 3.11. However, no benefits preserved solely by virtue of service in the former scheme will be enhanced under rule 3.4 or the Compensation Scheme or former section 10 as set out at Appendix 2 of the Compensation Scheme. In such cases, only the reckonable service credited in respect of the transfer value brought in will count as qualifying service for the purposes of an award under rules 3.4 and 3.17 or

an award under the Compensation Scheme or former section 10 as set out at Appendix 2 of the Compensation Scheme.

- 6.26 (i) Where a person enters the Civil Service on or after 1 January 1986, rules 3.19 to 3.23 will not apply to any reckonable service credited in this scheme as a result of the acceptance of a transfer value.
- (ii) In cases other than those to whom sub-rule (i) applies, modification on account of national insurance benefits will apply in accordance with paragraph 14 of Appendix 11.
- 6.27 (i) Where a payment is received in respect of a qualifying transfer on or before 5 April 1988, it will be dealt with in accordance with Appendix 11.
- (ii) Where a payment is received in respect of a qualifying transfer on or after 6 April 1988, it will be dealt with in accordance with this part of this section except that the adjustment for market conditions, pensionable earnings, age and marital status used by the sending scheme will be used in applying the transfer value tables for the purpose of crediting reckonable service. Pensionable earnings shall be increased by any disregard (in respect of national insurance modification or for any other relevant purpose), and by the same factor used by the sending scheme where the accrued benefits underlying the transfer value have been updated.
- 6.28 Where a transfer value is received from a pension scheme other than a scheme to which rule 6.27 applies in respect of a civil servant whose pensionable service began on or before 31 December 1985, it will be dealt with under, and in accordance with, the rules set out in Appendix 11.
- 6.28a (i) Notwithstanding the other provisions of this Part, the Minister may allow a civil servant to bring in a transfer value in respect of his accrued benefits under the Civil Service Additional Voluntary Contribution Scheme where the Minister considers that the amount to which the civil servant is entitled under that Scheme is insufficient for the purchase of an annuity for the civil servant.
- (ii) An application to bring in such a transfer value must be made in writing within the period of three months ending with the day on which the civil servant is first entitled to receive benefits under section 3 (or would be apart from any abatement under section 3). The Minister may direct that this time limit should be extended if he considers it reasonable to do so in the circumstances.

- (iii) Where an application is made, the scheme administrator shall accept the transfer value payment if such conditions as the Minister may require are met.
 - (iv) If the scheme administrator accepts the transfer value payment, the amount of reckonable service that will be credited to the civil servant in respect of the transfer value payment shall be determined by the Minister after consultation with the Scheme Actuary.
 - (v) The transfer value payment will be applied to give a period of reckonable service which will count for the purpose of calculating a personal pension but not a widow's or widower's pension.
 - (vi) The pension attributable to the transfer value payment may not be exchanged for a lump sum.
- 6.28b (i) This rule applies where the Minister has accepted an application by a civil servant for a transfer value payment from another scheme, and the civil servant has
- (a) made a false declaration about his health; or
 - (b) deliberately suppressed a material fact.
- (ii) In the circumstances set out in sub-paragraphs (i)(a) or (b), the Minister may:
- (a) cease paying the pension;
 - (b) withhold the whole or part of the pension; or
 - (c) recover any payment made.

Section 6: Transfers

Part 3: Mixed transfer values

6.29 A civil servant whose pensionable service ends on or after 6 September 1987 who would have been entitled, had his pensionable service ended before that date, to a transfer value calculated in accordance with the rules in Appendix 11, and who has served continuously since that date, may apply on resignation from the Civil Service for a transfer value calculated in part in accordance with those rules and calculated in part in accordance with the rules in part 1 of this section (to be referred to as a 'mixed transfer value') if:

- (i) subject to (iii) below, he meets the conditions for the payment of a guaranteed cash equivalent transfer value specified in the rules in part 1 of this section;
- (ii) the conditions specified in the rules in Appendix 11 are met;
- (iii) the accrued benefits are being transferred to an occupational pension scheme to be applied in accordance with rule 6.8(i), otherwise than under the public sector transfer arrangements; and
- (iv) the mixed transfer value produces a greater transfer value than one calculated entirely in accordance with part 1 of this section.

6.30 Where the conditions of rule 6.29 are met, the civil servant's reckonable service will be divided into:

- (i) that part which relates to his service on or before 5 September 1987;
- (ii) that part which relates to his service after that date; and
- (iii) for the purposes of rule 6.30(i) and (ii)
 - (a) subject to sub paragraph (b) below, any enhancement of reckonable service credited under rule 3.10d will be apportioned pro rata according to the civil servant's length of reckonable service in each of the periods described in rule 6.30(i) and (ii);
 - (b) any enhancement of reckonable service credited under rule 3.10d attributable to added years credited under rule 7.11 will be apportioned as follows:
 - (1) if the added years were purchased by lump sum, the enhancement attributable to the added years

will be credited to the period in which the lump sum payment was made, or

- (2) if the added years were purchased by periodical contributions which began on or before 5 September 1987, the enhancement attributable to the added years will be credited to the period on or before that date, or
 - (3) if the added years were purchased by periodical contributions which began on or after 6 September 1987, the enhancement attributable to the added years will be credited to the period on or after that date.
- (iv) For the purposes of rule 6.30(i) and (ii), any enhancement of reckonable service granted under rule 3.24a(ii) (subject to rule 3.24c) will be credited to the period on or after 6 September 1987.

The pension benefits attributable to the two periods of service will be calculated by reference to pensionable earnings at the date on which pensionable service ends.

6.31 The transfer value payable will therefore be:

- (i) the amount calculated in accordance with the rules in Appendix 11 based on benefits in respect of the reckonable service referred to in rule 6.30(i) added to the amount calculated in accordance with the rules in part 1 of this section based on benefits in respect of the reckonable service referred to in rule 6.30(ii), if the aggregate is greater than the amount of a transfer value calculated in accordance with (ii) below; or
- (ii) the amount calculated by reference to part 1 of this section, based on the whole of the civil servant's reckonable service,

whichever is payable to meet the civil servant's requirements. Where a civil servant has an option under paragraph 3 of Appendix 11, or under rule 6.10(iv), the option, if it has been exercised, will be taken into account in calculating benefits under (i) and (ii) above.

6.32 When calculating a mixed transfer value, one or more of the following matters may be taken into account, as appropriate:

- (i) where added year are being bought by periodical contributions which began on or before 5 September 1987, the added years actually purchased on or before the date on which pensionable service ends will be added to the period of reckonable service referred to in rule 6.30(i) above;

- (ii) any guaranteed minimum pension benefits to which the civil servant is entitled will be divided between the periods of reckonable service referred to in rule 6.30(i) and rule 6.30(ii) in the same proportion that the service which gives rise to such benefits on or after 6 April 1978 and on or before 5 September 1987 bears to the service which gives rise to such benefits on or after 6 September 1987 up to the date on which pensionable service ends. Where a transfer value has been received by this scheme which includes the transfer of guaranteed minimum pension benefits, the actual service which gives rise to those benefits should be taken into account for the purposes of calculating the proportion referred to above in the following manner:
- (a) where the transfer value is received on or before 5 September 1987, the actual length of service in the previous scheme(s) on or after 6 April 1978 which gives rise to guaranteed minimum pension benefits should be added to the service under this scheme on or before 5 September 1987 (regardless of the amount of reckonable service that the transfer value bought in this scheme);
- (b) where the transfer value is received on or after 6 September 1987, the actual length of the service in the previous scheme(s) on or after 6 April 1978 which gives rise to guaranteed minimum pension benefits should be added to the service under this scheme on or after 6 September 1987 (regardless of the amount of reckonable service that the transfer value bought in this scheme);
- (iii) where more than 6 months has elapsed between the date on which pensionable service ends and the date on which the transfer value is payable, the amount based on the period of reckonable service referred to in rule 6.30(i) will be increased by a sum of interest calculated by reference to paragraph 6 of Appendix 11. No interest will be payable in respect of the amount based on the period of reckonable service referred to in rule 6.30(ii) since that amount will be calculated in accordance with rule 6.10.
- (iv) where a civil servant has a pension account under section 14 (contributed pension and lump sum) any contributed pension and lump sum which he has built up under section 14 will be treated for the purposes of this part 3 as if it related to the period referred to in rule 6.30(ii).

Section 6: Transfers

Part 4: Old cases, interim transfers and public sector transfer arrangements

6.33 Where transfer values are payable in respect of transfers between this scheme and certain other public service schemes which are a direct charge on the Consolidated Fund or on monies provided by Parliament, the payment and receipt of such transfer values will, subject to the agreement of the Treasury, be waived where:

- (i) the transfer value amount that would otherwise be paid is notified to the receiving scheme by the sending scheme before 1 April 2000, and
- (ii) the notification is made after the civil servant has applied in writing for the transfer to be completed.

If the transfer value amount is notified on or after 1 April 2000, payment of the transfer value must be made.

6.33a If a civil servant's reckonable service has been enhanced by virtue of rule 3.10d then any such enhancement shall be deducted from the figure for reckonable service to be used for the purposes of calculating any transfer value to be paid to an occupational pension scheme under the public sector transfer arrangements.

6.34 A transfer value may be paid in respect of a civil servant whose pensionable service ended on or after 1 June 1972 under, and in accordance with, the rules set out in Appendix 11 where

- (i) his pensionable service ended on or before 31 December 1985 and provided that the transfer is not a qualifying transfer; or
- (ii) his pensionable service ended on or after 1 January 1986 and on or before 5 September 1987 and, either
 - (a) he had insufficient qualifying service for his benefits to be preserved in accordance with rule 3.11 (or where appropriate 3.12), or
 - (b) his accrued benefits were capable of being, or were, preserved under rule 3.11 (or 3.12 where appropriate) and a transfer value calculated under this rule is of a greater amount than one calculated under part 1 of this section; or
- (iii) it is being paid to an occupational pension scheme approved by the Minister for the purposes of the public sector transfer

arrangements and such payment is made on or before 5 April 1988; or

- (iv) (a) he was in pensionable service on 5 September 1987;
- (b) he would have been entitled to the payment of a transfer value under, and in accordance with, the rules set out in Appendix 11, but is not entitled to the payment of a guaranteed cash equivalent transfer value under the rules set out in part 1 of this section; and
- (c) he has been in pensionable service under this scheme continuously since 5 September 1987; or
- (v) he is a person to whom rules 3.35 or 3.35d apply and who has opted to be treated under rules 3.35(ii) or 3.35d(ii), as the case may be, provided that, subject to rule 6.29 or 6.34(ii)(b) if applicable, the rules in Appendix 11 do not apply to a transfer value in respect of pensionable service on or after 1 January 1986.

Cases falling within (ii)(b), (iii) or (v) above may instead be dealt with under, and in accordance with, the rules set out in part 1 of this section.

Section 6: Transfers

Part 5: Miscellaneous

6.35 For groups of persons who are transferred out of the Civil Service together with their work there may be paid to another occupational pension scheme or a contracted-out money purchase scheme a transfer value of an amount to be determined by the Minister on the advice of the Scheme Actuary instead of one calculated either by reference to the transfer value tables referred to in rule 6.10 or by reference to the transfer value tables set out in the annex to Appendix 11, except that a transfer value so determined by the Minister may not be paid in respect of a person who has not consented to the transfer who has accrued rights under this scheme. For groups of persons who transfer to this scheme, the Minister may apply the rules of the scheme with any modifications which may be necessary to reflect the terms of any undertaking by a Minister of the Crown given about the pension position of such staff, or which may be necessary in consequence of any transfer which is directly or indirectly attributable to an Act of Parliament. For groups of persons who transfer to this scheme, the Minister may apply the rules of this scheme with necessary modifications for those persons, if there are special circumstances to justify exceptional treatment.

6.35za For a person or group of persons with preserved benefits in or pensions in payment from this Section who transfers without his consent from an employment outside the Civil Service to an employment in the Civil Service without rejoining this scheme, the Minister may apply the rules of the scheme with any modifications which may be necessary to reflect the terms of an undertaking by a Minister of the Crown given about the pension position of such staff, or which may be necessary in consequence of any transfer which is directly or indirectly attributable to an Act of Parliament.

- 6.35a (i) For the purposes of this rule, a seconded officer is a civil servant, who takes up a post outside the Civil Service for a limited period not exceeding 3 years, or 5 years if the initial period is extended, and whose salary, including superannuation contributions and employer's national insurance contributions, are paid during the period of secondment by the borrowing employer.
- (ii) The transfer value payable under this rule will be a transfer value equal to the amount of the cash equivalent of the seconded officer's accrued pension benefits at the date when his period of secondment commences, such cash equivalent to be calculated in accordance with rule 6.10.
- (iii) Subject to sub-rules (iv) to (vii) and to rule 6.36, the seconded officer may apply for a cash equivalent transfer value (including

a guaranteed cash equivalent transfer value) under Part 1 of this section.

- (iv) Subject to sub-rule (v), no application for a transfer value under this rule will be accepted unless the seconded officer makes an application in writing before the date when his period of secondment commences.
- (v) The Minister or, if the Minister so directs, the scheme administrator, may, however, allow a written application after the date the secondment commences where the Minister or the scheme administrator (as the case may be) considers that it is fair and reasonable to do so.
- (vi) At the end of the period of secondment, the seconded officer may apply to bring in a transfer value from the pension scheme or arrangement to which his cash equivalent transfer value was paid in respect of all of his accrued pension benefits at the final date of the period of secondment.
- (vii) For the purposes of sub-rule (vi):
 - (a) the seconded officer's reckonable service credit will be calculated in accordance with rule 6.22(iii);
 - (b) rules 6.23(i) (application of transfer value tables), 6.24 (date of calculation) and 6.26(i) (ending of modification) shall apply as they apply to a transfer under Part 2;
 - (c) the Minister shall, if appropriate, determine whether and how any other rules under Part 2 might apply.

6.36 The Minister may apply the rules of this section with necessary modifications in order to comply with the terms of any transfer arrangements concluded with the Communities Pension Scheme of the Institutions of the European Communities or an overseas pension scheme.

6.37 Except where otherwise provided,

- (i) "the guarantee date" in this part has the meaning given to it in rule 6.3(iv);
- (ii) the term 'transfer credits' has the same meaning as in the Pension Schemes Act 1993;
- (iii) a 'qualifying transfer' means a transfer of the whole sum (except insofar as an option may be exercised under rule 6.15(ii) or 6.21(ii)) representing a person's accrued pension benefits from one occupational pension scheme approved by the Minister for

the purposes of the public sector transfer arrangements to another pension scheme so approved but does not include a transfer to a designated appointment;

- (iv) without prejudice to the applicability, wherever relevant, of any other rules contained in this scheme, the term 'the public sector transfer arrangements' means the arrangements from time to time specifically applicable (whether by virtue of the rules contained in this scheme or otherwise) to a qualifying transfer;
 - (v) a 'contracted-out money purchase scheme' is a 'money purchase contracted-out scheme' as defined in section 8(1)(a)(ii) of the Pension Schemes Act 1993;
 - (vi) and for the purposes of rule 3.10, the term 'accrued pension benefits' means the benefits which have accrued to or in respect of a person under the rules of this scheme;
 - (vii) 'actual service' has the meaning given to that expression by section 70(3) of the Pension Schemes Act 1993;
 - (viii) "statement of entitlement" has the meaning given to it in rule 6.3(iii).
 - (ix) "the guaranteed cash equivalent transfer value payment" means the amount stated in the statement of entitlement as described in rule 6.4(i).
- 6.38 (i) Without prejudice to the provisions of rule 6.27(ii), if, on or before 5 April 1988, an offer has been made in writing to deal with an incoming qualifying transfer in accordance with Appendix 11 but the payment in respect of the transfer is received after that date, the transfer may nonetheless be dealt with in accordance with Appendix 11 provided that the transferee and the Minister so agree.
- (ii) Without prejudice to the provisions of rule 6.34(iii), if, on or before 5 April 1988, a request in writing is received requiring the Minister to pay a transfer value under, and in accordance with, the rules set out in Appendix 11, to an occupational pension scheme approved by the Minister for the purposes of the public sector transfer arrangements but the payment in respect of the transfer is paid after that date, the transfer may nonetheless be dealt with in accordance with Appendix 11 provided that the transferee and the Minister so agree.
- 6.39 (i) Without prejudice to the effect of section 99 of the Pension Schemes Act 1993, where a cash equivalent transfer value is paid in accordance with part 1 of this section on or after 1 January 1986, this scheme will be discharged from any

obligation to provide any benefits to which the cash equivalent relates.

- (ii) Where a transfer value is paid in accordance with Part 3 or Part 4 of this section, this scheme will be discharged from any obligation to provide any benefits to which the transfer value relates.

Section 7: Purchase of added years

- 7.1 Subject to the other provisions of this section, a civil servant may opt to increase his reckonable and qualifying service by buying added years.
- 7.1a No person may commence a new option to buy added years under this section 7 unless he exercises the option before 1st March 2008.
- 7.2 The amount of added years purchased must not result in reckonable service exceeding 40 years by the pension age or 45 years in total.
- 7.2a This rule has been deleted.
- 7.2b A civil servant may at any time on or after 19 January 1996, by notice in writing, cancel one or more options to buy added years whereupon the provisions of rules 7.11 or 7.24 will apply. Such notice shall be effective on the earliest practicable date after that on which it is received by the scheme administrator and periodical contributions will be payable up to that date.
- 7.3 Added years may be bought by two methods:
- (i) by periodical deductions from salary; or
 - (ii) by lump sum payment.

In the case of a person who becomes a civil servant on or after 1 June 1989, contributions made by either of the methods at (i) or (ii) above will not be due in respect of salary in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limitation accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii). For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

- 7.4 An option to buy added years by periodical deductions from salary may be exercised at any time by a civil servant, provided that:
- (i) in the case of options made before 1 February 1991 at least two years will elapse between the date of his next birthday and the date on which he will reach the pension age;
- and
- (ii) the total periodical contributions for added years together with other periodical contributions paid by the civil servant under the scheme, except for additional contributions made under rule 4.12 or 4.22aa, would at no time exceed the lesser of -

- (a) 15 per cent of the civil servant's current salary and pensionable emoluments; and
- (b) 15 per cent of the permitted maximum.

7.5 An option to buy added years by lump sum payment may only be exercised by a civil servant who –

- (i) takes a period of unpaid leave from the Civil Service as an Agent Temporaire or Auxiliaire with an institution of the European Union; and
- (ii) his service in that capacity begins before 1 May 2004.

An option under this rule may only be exercised within twelve months after the civil servant returns from the unpaid leave and before reaching pension age.

7.6 An option to buy added years by either method must be exercised by notice in writing while the civil servant is still in service, and may not be exercised if he is on sick leave or under notice of early retirement (or premature retirement under the arrangements in force before 1 April 1987) or retirement on medical grounds. If the civil servant opts to buy added years by periodical deductions from salary on or after 21 August 1984, he will be required to sign a declaration that he has no reason to believe that his health may prevent him from continuing to be employed in the Civil Service until the pension age.

7.7 This rule has been deleted.

7.8 If a civil servant opts to buy added years by periodical deductions from salary, contributions will be payable from the date of his next birthday until the date he reaches the pension age. (If his pension age does not coincide with a birthday, they will be payable until the birthday immediately preceding the pension age.) The contributions will be expressed as a percentage of his salary (or wages) calculated at the following rates:

- (i) for a full-time civil servant the rate for one added year will be the appropriate rate;
- (ii) for a full-time civil servant the rate for part of an added year will be the appropriate rate multiplied by the decimal fraction expressing the number of days being purchased, except that irrespective of the number of days being purchased the minimum rate of contribution will be 0.01%;
- (iii) for a part-time civil servant the rate will be the rate which would apply under paragraphs (i) and (ii) if he were a full-time civil servant multiplied by A and divided by B, where A is the number

of full-time hours (excluding meal breaks except where such breaks are paid for part-time staff) and B is the number of part-time hours.

7.8a In rule 7.8 'appropriate rate' means a rate determined by reference to the civil servant's age at his next birthday following the exercise of the option and to the table of contribution rates drawn up by the Scheme Actuary and for the time being used for the purposes of rule 7.8.

7.8b For the purposes of rules 7.8 and 7.8a:

- (i) the appropriate rate shall include a rate of contribution for a widow's or widower's pension under part 1 or 2 of section 4, whether or not the civil servant is married when he exercises the option; and
- (ii) the tables of contribution rates drawn up from time to time by the Scheme Actuary for the purposes of rule 7.8 shall specify the contribution rates for a widow's or widower's pension under part 1 and 2 of section 4.

7.8c Where a civil servant who has opted to buy added years by periodic contributions has a period of absence from work, the civil servant may –

- (i) cease to pay the periodical contributions payable under the option, or
- (ii) pay the same amounts of contributions as would be payable if he were receiving salary (or wages) at the full-rate.

This is subject to rules 7.8d to 7.8h.

7.8d Where a civil servant is receiving statutory maternity pay, or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave, paragraph (ii) of rule 7.8c does not apply and the civil servant may pay contributions on his or her actual pay in respect of the period of leave.

7.8e Where contributions are payable under paragraph (ii) of rule 7.8c, the civil servant may opt to pay the contributions after absence or leave has ended –

- (i) by such instalments as the civil servant may agree with the scheme administrator, or
- (ii) by lump sum.

This is subject to the limits in rule 7.4.

- 7.8f Where a civil servant who has opted to buy added years by periodic contributions is absent from duty for any period because of being called out or recalled for permanent service in the reserve forces or the regular forces in pursuance of a call-out order made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996 or under an Order in Council made on 18 May 1982 –
- (i) he may not pay the additional contributions payable under the option during that period, but
 - (ii) if that service does not qualify the civil servant for forces pension benefits, after the period has ended he may opt to pay an amount equal to the additional contributions which would have been payable apart from his absence on that service.
- 7.8g The amount referred to in paragraph (ii) of rule 7.8f is payable by such instalments as the civil servant may agree with the scheme administrator. This is subject to the limits in rule 7.4.
- 7.8h In paragraph (ii) of rule 7.8f “forces pension benefits” means benefits under any occupational pension scheme –
- (i) open to members of the armed forces, or
 - (ii) made under the Reserve Forces Act 1996.
- 7.9 If a civil servant opts to buy added years by lump sum payment, the lump sum contribution will be based on his pensionable earnings at the date he exercises the option, and must be paid within three months of the actual date of exercising the option; otherwise the option will be invalidated. The contribution for one added year will be the appropriate amount. The contribution for part of an added year will be calculated by multiplying the contribution applicable for one added year by the decimal fraction expressing the number of days being purchased.
- 7.9a In rule 7.9 ‘appropriate amount’ means an amount calculated by reference to the civil servant’s age at his next birthday following the exercise of the option and to the table of contributions drawn up by the Scheme Actuary and for the time being used for the purposes of rule 7.9.
- 7.9b For the purposes of rules 7.9 and 7.9a:
- (i) the appropriate amount shall include a contribution for a widow’s or widower’s pension under part 1 or 2 of section 4 whether or not the civil servant is married when he exercises the option; and
 - (ii) the tables of contributions drawn up from time to time by the Scheme Actuary for the purposes of rule 7.9 shall specify the

contributions for a widow's or widower's pension under part 1 or 2 of section 4.

- 7.10 If a civil servant dies or leaves the Civil Service or opts out of the scheme on or after reaching the pension age any added years he has bought will count in full as reckonable and qualifying service.
- 7.11 If a civil servant who has bought added years dies or leaves the Civil Service or cancels his option or opts out of the scheme before the pension age, his reckonable and qualifying service will be increased as follows:
- (i) if he has paid by lump sum payment, by the full amount of the added years bought;
 - (ii) if he has paid by periodical deductions from salary, either
 - (a) in the case of a civil servant who dies or is retired on medical grounds, provided that his notice in writing under rule 7.6 was given on or after 21 August 1984, and that, where the civil servant dies or is retired on medical grounds within twelve months of the date of acceptance of his notice in writing, or dies or is retired on medical grounds because of an incapacity to which he has become subject within twelve months of that date, the Minister is satisfied that the declaration was made in good faith, by $A \times (B+C) / D$ where
 - A is the number of added years for which he is paying periodical contributions;
 - B is the period (expressed to the nearest day) over which he has paid periodical contributions for those added years and he shall be deemed to have paid periodical contributions during a period of sick leave which does not count as reckonable service immediately preceding retirement on medical grounds or death;
 - C is the period from the date of death or retirement on medical grounds until the date on which he would have ceased to pay periodical contributions if he had stayed in service until pension age;
 - D is the period over which he would have paid periodical contributions for those added years if he had stayed in service until the pension age; or
 - (b) in all other cases in respect of each particular option, by $A \times B/C$ where

- A is the number of added years for which he is paying periodical contributions;
- B is the period (expressed to the nearest day) over which he has paid periodical contributions for those added years;
- C is the period over which he would have paid periodical contributions for those added years if he had stayed in service until the pension age.

7.12 If a civil servant has made more than one option to buy added years, each such option will be treated separately for the purposes of the calculations in rules 7.8, 7.9 and 7.11.

7.12a A civil servant aged 50 or over with 5 or more years' qualifying service, who is retiring early and who will receive benefits under rules 2.1, 2A.4, 3.1 or 3A.4 of the Compensation Scheme, may opt to increase his reckonable and qualifying service by buying added years or parts of a year, subject to the resulting reckonable service not exceeding the appropriate limit in rule 7.2.

7.12b An option to buy added years under rule 7.12a must be exercised in writing while the civil servant is still in service and must be bought by lump sum payment.

The lump sum contribution will be based on the pensionable earnings of the civil servant which is used in calculating the benefits for which he is eligible under rule 3.11. The contribution for one added year will be the appropriate amount. The contribution for part of an added year will be calculated by multiplying the contribution applicable for one added year by the decimal fraction expressing the number of days being purchased. The lump sum contribution shall be made and deducted by the employing department in the following sequence from:

- (a) any lump sum compensation payment calculated in accordance with rule 2.3, 2A.4 or 3A.4 of the Compensation Scheme; and then from
- (b) any payment in lieu of notice which may be made by the employing department under section 9 of the Compensation Scheme.

7.12c The provisions of rules 7.3, 7.5, 7.6 and 7.9 shall not apply to the operation of rule 7.12a and 7.12b.

7.12d In rule 7.12b 'appropriate amount' means an amount calculated by reference to the civil servant's age at his next birthday following the exercise of the option and to the table of contributions drawn up by the

Scheme Actuary and for the time being used for the purposes of rule 7.12b.

7.12e For the purposes of rules 7.12b and 7.12d:

- (i) the appropriate rate shall include a rate of contribution for a widow's or widower's pension under part 1 or 2 of section 4, whether or not the civil servant is married when he exercises the option; and
- (ii) the tables of contribution rates drawn up from time to time by the Scheme Actuary for the purposes of rule 7.12b shall specify the contributions for a widow's or widower's pension under part 1 or 2 of section 4.

7.13 Any added years bought by a prison officer will not reckon at double their length nor count towards the 20-year qualifying period for double reckoning under rule 2.27.

7.14 Where a civil servant who is buying added years by periodical deductions from salary (or wages) changes from full-time to part-time service or, on or after 1 December 1980, changes from part-time to full-time service, or is in part-time service and changes the number of hours he works, then

- (i) if the change is from full-time to part-time service and takes place before 1 December 1980 deductions will cease and he will be credited with the appropriate proportion of the added years he opted to buy, calculated as in rule 7.11;
- (ii) if the change takes place on or after 1 December 1980 the rate of contribution will be recalculated in accordance with rule 7.8, provided that the new rate does not result in a contribution which exceeds the limit set in rule 7.4(ii). Where this limit would be exceeded the new rate of contribution will be restricted to the permitted maximum, and when the civil servant dies or leaves the Civil Service the amount of added years bought over the period during which the rate of contribution was restricted will be reduced by applying $A \times B/C \times D/E$ where

A is the number of added years which he opted to buy;

B is the period (expressed to the nearest day) over which the rate of periodical contributions was restricted;

C is the total period over which contributions were due under rule 7.8;

D is the rate to which the contribution was restricted;

E is the rate of contribution which should have been applied had the restriction not operated.

- 7.15 If a civil servant who is buying added years by periodical contributions from salary moves from a higher to a lower substantive grade or is re-employed without a break before the pension age, those deductions will continue. If on retirement his two periods of service are treated separately for pension purposes, the added years he has bought will be allocated between them, his reckonable service in the first period of employment being increased by the number of added years which would have been credited under rule 7.11 if he had resigned at the end of that period.
- 7.16 If a civil servant who has bought added years is unmarried when he dies or leaves the Civil Service or opts out of the scheme, part or all of any element for widow's or widower's pension in his contributions for added years will be refunded, in accordance with guidance issued by the Minister after consulting the Scheme Actuary.
- 7.17 Refunds under rule 7.16 will be paid, with compound interest added, in the same way as refunds of contributions for widows' pensions are paid under rule 4.19 and contributions for widowers' pensions are paid under rule 4.23d.
- 7.18 If a civil servant who opts to buy added years is contributing for an invalidity or adult dependant's pension under part 4 or 5 of section 4, his contributions for added years will not include an element for those benefits. When he dies or leaves the Civil Service or opts out of the scheme, contributions under those parts of section 4 will be due for the added years at double the rate at which they are due for the rest of his reckonable service.

Rules 7.19 to 7.22 have been deleted.

- 7.23 (i) A woman civil servant in service on 1 July 1987 who opted on or before 30 June 1987 to purchase added years excluding family benefits, may on or before 31 December 1987 opt to purchase family benefits in respect of the total number of added years, including any fraction of a year, of the original added years option. Where a woman has exercised more than one option to buy added years each option will be treated separately.
- (ii) Where added years were bought by lump sum payment the purchase of family benefits will be by lump sum in accordance with rule 7.9. Where added years are being bought by periodical deductions from salary the purchase of family benefits will be by periodical deductions in accordance with rule 7.8 provided that at least two years will elapse between the date of the woman's next birthday and the date on which she will reach the pension age, and provided that the contributions will not

exceed 15% of current salary and pensionable emoluments; otherwise purchase will be by lump sum payment. The additional contributions will be those appropriate to the woman's age at her next birthday at the time of exercising the option to buy family benefits; those are set out in the third column of the tables in Appendix 10.

- (iii) An option to buy family benefits must be exercised in accordance with the requirements of rule 7.6.

7.24 Where a woman who opts to purchase family benefits under rule 7.23 dies or leaves the Civil Service or cancels her option or opts out of the scheme before the pension age the following will apply:

- (i) if she has paid by lump sum payment all the added years covered by the option will reckon for family benefits;
- (ii) if she has paid by periodical deductions from salary either (a) or (b) below as appropriate will apply:
 - (a) if she dies or is retired on medical grounds all added years in respect of which an option has been exercised will reckon for family benefits provided that the notice in writing under rule 7.6 in respect of the original option for added years was given on or after 21 August 1984; or
 - (b) in all other cases the number of added years for which family benefits have been purchased will be calculated by means of the formula $A \times B/C$ as defined in rule 7.11(ii)(b) and to the extent that the total differs from the number of added years reckonable under that rule a contribution to cover the difference will be deducted from whichever of the benefits listed in rule 4.23b(i)(a) to (g) becomes payable.

7.25 This rule has been deleted.

7.26 For the purposes of rules 7.23 and 7.24 'family benefits' means a widower's pension under Part 2 of section 4, and 'family benefit' will be construed accordingly.

Section 8: Forfeiture

- 8.1 The following benefits under this scheme will be paid at the discretion of the Minister, and nothing in the scheme will extend or be construed to extend to give any person an absolute right to them:
- (i) payments under rule 3.2 for service after the completion of 45 years' reckonable service; payments under rule 3.32a;
 - (ii) death benefits under rules 3.8, 3.9 and 3.16;
 - (iii) injury benefits under the former section 11 rules set out in Appendix 16.
- 8.2 Subject to the provisions of this rule, the Minister will have power to withhold benefits payable under this scheme to such extent as the Minister considers appropriate:
- (i) where a civil servant or former civil servant is convicted:
 - (a) of one or more offences under the Official Secrets Acts 1911 to 1989 for which the person concerned has been sentenced to a term of imprisonment of at least 10 years or has been sentenced on the same occasion to two or more consecutive terms amounting in the aggregate to at least 10 years; or
 - (b) of an offence in connection with any employment to which this scheme applies, being an offence which is certified by a Minister of the Crown either to have been gravely injurious to the State or to be liable to lead to a serious loss of confidence in the public service, or
 - (ii) subject to rule 8.2a, where a civil servant or former civil servant has after becoming a member of this scheme incurred a monetary obligation to the Crown or, if the member is not employed by the Crown, to his employer which:
 - (a) arises out of a criminal, negligent or fraudulent act or omission by the member, and,
 - (b) arises out of or is connected with his relationship with his employer; or
 - (iii) where the benefits would otherwise be payable to a person who is convicted of:
 - (a) the murder or manslaughter; or
 - (b) any other offence which involves the unlawful killing

of the civil servant or former civil servant.

If the Minister proposes to withhold benefits under this rule, he must notify the person concerned in writing that he proposes to do so. The person will be entitled to appeal against the Minister's proposal to the Civil Service Appeal Board ("CSAB"). The CSAB may confirm, amend or reject the Minister's proposal. The Minister must comply with the CSAB's decision.

8.2a Where rule 8.2(ii) applies:

- (i) where the amount of the monetary obligation is in dispute, the Minister may not withhold benefits until the obligation has become enforceable:
 - (a) under an order of a competent court; or
 - (b) in consequence of an award of an arbitrator or, in Scotland, an arbiter to be appointed (failing agreement by the parties) by the sheriff;
- (ii) only the benefits to which the civil servant or former civil servant himself is entitled may be withheld;
- (iii) the benefits withheld must not exceed the amount of the monetary obligation or, if less, the value of the civil servant's or former civil servant's entitlement or the accrued right in question (as determined under section 93(2) of the Pensions Act 1995); and
- (iv) if the Minister withholds benefits the civil servant must be given a certificate showing any amount withheld and the effect of its being withheld on his benefits under the scheme.

Section 9: Transitional provisions

Widows' and children's benefits

Section 9: Transitional provisions

- 9.1 For civil servants whose service ended on or after 29 February 1972 and before 1 June 1972, the provisions listed in schedule 2 to the Superannuation Act 1972 will apply, subject to rules 9.2 to 9.16, as if they formed part of this scheme.
- 9.2 In this section 'the Superannuation Acts' means the Superannuation Act 1965 together with the other provisions listed in Schedule 2 to the Superannuation Act 1972. 'The transitional period' means the period from 29 February 1972 to 31 May 1972 inclusive.
- 9.3 Where the Superannuation Acts provide for salary and emoluments to be averaged over the last three years of service, account will be taken instead of salary and emoluments in whichever of the last three years of reckonable service gives the highest figure (see rule 1.7).
- 9.4 Where the Superannuation Acts provide for service to reckon by completed years, account will also be taken of parts of a year, with each completed day after the completion of a whole number of years counting as 1/365th of a further year.

Section 10: Early retirement

This section has been deleted.

The rules originally set out in section 10, which were in force before 1 April 1987, are reproduced in Appendix 1 of the Compensation Scheme.

The section 10 rules which were in force from 1 April 1987 until 31 December 1994 are reproduced in Appendix 2 of the Compensation Scheme.

Section 11: Injury benefits

This section has been deleted.

The rules formerly set out in section 11 which were in force before 1 October 2002 are reproduced in Appendix 16.

The rules in force from and including 1 October 2002 are set out in the Civil Service Injury Benefits Scheme.

Section 12: Pension sharing on divorce

Part 1: Interpretation

Part 2: Pension credit members

Pension credit members' benefits

General option to exchange part of pension for extra lump sum

Commutation of lump sum into pension

Early payment of pension credit member's benefits

Commutation of pension credit member's pension into lump sum on ill health

Death of pension credit member

Aggregation

Safeguarded rights

Transfers

Effective date of provisions relating to benefits

Application of the foregoing sections of these rules

Part 3: Pension debit members

Pension debit members' benefits

Dependants' pensions

Valuation day

Replacement of rights

Charging

Section 12: Pension sharing on divorce

Part 1: Interpretation

12.1 For the purposes of this section-

“the Welfare Act 1999” means the Welfare Reform and Pensions Act 1999 or corresponding Northern Ireland legislation and references to legislation under that Act also refer to corresponding Northern Ireland legislation;

“accrued pension rights” and equivalent expressions mean such rights after taking into account any reduction applied in accordance with section 31 of the Welfare Act 1999;

“implementation period” means the four month period specified in section 34(1) of the Welfare Act 1999 subject to any regulations made by the Secretary of State under section 34(4) or section 41(2)(a) of that Act;

“pension credit” means a credit under section 29(1)(b) of the Welfare Act 1999;

“pension credit benefit” has the meaning given by section 101B of the Pension Schemes Act 1993;

“pension credit member” means a person, whether or not that person is otherwise a member of this scheme, entitled to a pension credit giving rise to a liability upon the Minister for the Civil Service in respect of this scheme within the meaning of section 29(1)(b) of the Welfare Act 1999;

“pension debit” means a debit under section 29(1)(a) of the Welfare Act 1999;

“pension debit member” means a person whose benefits or future benefits under this scheme are reduced under section 31 of the Welfare Act 1999;

“pension sharing order” means any provision or order specified in section 28 of the Welfare Act 1999 giving rise to a liability upon the Minister of the Civil Service in respect of this scheme relating to a pension credit;

“valuation day” means the day referred to in rule 12.14.

Section 12: Pension sharing on divorce

Part 2: Pension credit members

Pension credit members' benefits

- 12.2 (i) A pension credit member shall be entitled to a pension and, if (iv) applies, a lump sum in accordance with the provisions of this rule.
- (ii) The value of the pension shall be of an amount which complies with paragraph 5(b) of Schedule 5 to the Welfare Act 1999 and with such requirements as may be prescribed from time to time under that paragraph.
- (iii) Subject to rules 12.3, 12.4 and 12.5 the pension shall be paid to the pension credit member for life provided that he has reached the age of 60 years.
- (iv) A pension credit member is entitled to a lump sum under this rule if no lump sum was paid under this scheme to the pension debit member prior to the date on which the pension sharing order giving rise to the pension credit came into effect.
- (v) The lump sum payable under paragraph (i) shall be equal to three times the pension credit member's initial annual pension.

General option to exchange part of pension for extra lump sum

- 12.2a (i) This rule applies to a person –
- (a) who becomes a pension credit member after 30 September 2007;
- (b) whose rights derive from the rights of a civil servant who is in pensionable service after 30 September 2007; and
- (c) who is entitled to a lump sum under rule 12.2.
- (ii) A person to whom this rule applies may opt to exchange part of a pension to which the person would otherwise be entitled for an extra lump sum.
- (iii) If the person so opts, for every £1 by which the person's annual pension is reduced, the person is to be paid an extra lump sum of £12.
- (iv) A person may not exchange pension for lump sum under this rule to the extent that it would result in a scheme chargeable

payment for the purposes of Part 4 of the Finance Act 2004 (see section 241 of that Act).

- (v) The option under this rule may only be exercised by giving notice in writing to the scheme administrator in such form as the Minister requires before the time when the first payment in respect of the pension is made.

Commutation of lump sum into pension

- 12.3 (i) A pension credit member who is entitled to a pension and lump sum under rule 12.2 may, before his or her benefits are due to come into payment, elect to surrender the whole or part of the lump sum so as to receive, instead, the equivalent commutation value of that superannuation lump sum in the form of an increase in his or her annual pension from the date that such pension comes into payment.
- (ii) An election made under sub-rule (i) above will be irrevocable from the date that the benefits under rule 12.2 are due to come into payment.
- (iii) For the purposes of determining any increases under this rule, the Scheme Actuary shall be consulted, or tables drawn up by him shall be used.
- (iv) Any amount of lump sum elected to be surrendered shall be determined in multiples of 100.

Early payment of pension credit member's benefits

- 12.4 (i) A pension credit member who is entitled to a pension under rule 12.2 and, if rule 12.2(iv) applies, to a lump sum, and who has reached the age of 55 years may opt for immediate payment of a reduced pension and (if applicable) lump sum before reaching pension age.
- (ii) The annual amount of the pension and (if applicable) the amount of the lump sum to which the pension credit member is entitled under this rule is an amount calculated in accordance with rule 12.2 but reduced after consultation with the Scheme Actuary.
- (iii) A pension credit member who opts for payment of an immediate pension under this rule may buy out the actuarial reduction that would otherwise apply to the pension credit member's pension and (if applicable) lump sum by giving notice in writing to the scheme administrator in such form as the Minister requires.

- (iv) The cost of buying out the actuarial reduction is set out in tables prepared by the Minister, after consulting the Scheme Actuary.
- (v) The pension credit member must meet the cost of buying out the actuarial reduction by paying a special contribution to the scheme.
- (vi) Where a pension credit member exercises the option to buy out the actuarial reduction on a pension and (if applicable) lump sum payable under this rule, the amount of the pension credit member's pension and (if applicable) lump sum are calculated as if the reference in paragraph (ii) to applying an actuarial reduction were omitted.
- (vii) Where regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (early or deferred retirement) applies, the Minister must be reasonably satisfied that the requirements of that regulation have been met.

Commutation of pension credit member's pension into lump sum on ill health

- 12.5 (i) A pension credit member who is suffering from serious ill health may elect, before the benefits under rule 12.2 are due to come into payment, to commute the whole of his or her pension credit into a lump sum payment. This paragraph is subject to paragraph (v).
- (ii) The lump sum payment shall be an amount equal to five times the initial annual pension which would be payable if the pension credit member had reached the age of 60 years.
- (iii) In this rule, "serious ill health" means ill health which is such as to give rise to a life expectancy of less than one year from the date on which an election is made under this rule.
- (iv) For the purposes of this rule, the pension credit member will be required to be medically assessed by the Scheme Medical Adviser.
- (v) No lump sum shall be payable under this rule unless the lump sum is a serious ill health lump sum for the purposes of Part 4 of the Finance Act 2004 (see paragraph 4 of Schedule 29 to that Act).

Death of pension credit member

- 12.6 (i) If a pension credit member dies before any benefits have become payable to him under rules 12.2, 12.3, 12.4 or 12.5, benefits will be paid in accordance with sub-rule (ii) to one

person validly nominated by him to receive such benefits, or in the absence of a valid nomination, to his personal representatives.

- (ii) For the purposes of sub-rule (i), the benefits shall consist of a lump sum of 25% of the value of the pension credit at the time of death.
- (iii) If a pension credit member dies after any pension benefits have become payable to him under rules 12.2, 12.3, 12.4 or 12.5 benefits will be paid in accordance with sub-rule (iv) to one person nominated by him to receive such benefits, or in the absence of a valid nomination, to his personal representatives.
- (iv) For the purpose of sub-rule (iii), the benefits will consist of a lump sum equal to five times the initial annual pension in payment to the pension credit member at the time of his death less all the pension and lump sum benefits (if any) that have been paid to the pension credit member that are directly attributable to the pension credit.
- (v) A nomination shall be valid for the purposes of this rule if:
 - (a) it is made in writing to the Minister, or if the Minister directs, to the scheme administrator within 60 days of the valuation date, or such longer period as the Minister directs,
 - (b) it has not been revoked, and
 - (c) the person nominated has not died before the death of the pension credit member.

Aggregation

- 12.7 (i) Where a pension credit member is also a member of this scheme by virtue of any section other than this one, any period of time which may count for any purpose in connection with his pension credit benefit shall not be taken into account in determining his or her entitlement to, or calculation of, benefits under this scheme other than pension credit benefits.
- (ii) Pension credit rights or benefits attributable to a pension credit may not be aggregated with any other rights or benefits under this scheme (including those attributable to a different pension credit).

Safeguarded rights

- 12.8 (i) Section 68A(2)(a) of the Pensions Act 1993 (safeguarded rights) shall apply in relation to the safeguarded rights of a pension credit member.
- (ii) Safeguarded rights shall be identified in this scheme as being the safeguarded percentage of pension credit rights within the meaning of section 68A(3) of the Pensions Act 1993.

Transfers

- 12.9 A transfer value shall not be paid or accepted by this scheme in respect of any pension credit rights or pension credit benefits.

Effective date of provisions relating to benefits

- 12.10 Any right or entitlement to any benefits payable under any of the foregoing provisions of this section to or in respect of a person in whose favour a pension sharing order has been made shall take effect from the day that order takes effect.

Application of the foregoing sections of these rules

- 12.11 The Sections in this scheme apart from this one shall not apply in respect of the pension credit of any pension credit member.

Section 12: Pension sharing on divorce

Part 3: Pension debit members

Pension debit members' benefits

- 12.12 (i) Any benefits to which a pension debit member would be entitled under this scheme if no pension debit applied to that pension shall be reduced in accordance with and to the extent required by section 31 of the Welfare Act 1999.
- (ii) Without prejudice to the generality of paragraph (i), "benefits" for the purpose of this rule include accrued benefits for the purposes of payment of transfer values under this scheme.

Dependants' pensions

- 12.13 (i) The pension paid to the spouse of a deceased pension debit member under Section 4 shall be reduced by the same proportion by which the deceased's retirement benefits have been reduced in accordance with section 31 of the Welfare Act 1999 or would have been reduced if he had become entitled to them on the day he died.
- (ii) The amount of the reduction shall be calculated in accordance with any guidance issued by the Scheme Actuary.
- (iii) For the avoidance of doubt, the pension debit member shall not be entitled to any refund of contributions under Section 4 arising from any deduction made under sub-rule (i).
- (iv) Subject to paragraph (v), when the child of a pension debit member becomes entitled to a pension under Section 4, the child's pension shall be first calculated in accordance with rule 4.30 as if references to the civil servant's pension were to such pension without taking account of any reduction applied to that pension by virtue of section 31 of the Welfare Act 1999.
- (v) Notwithstanding paragraph (iv), the amount of a pension paid to a child of a debit member shall be reduced to the extent required by section 31 of the Welfare Act 1999.

Valuation day

- 12.14 For the purpose of calculating the cash equivalent referred to in section 29(2) of the Welfare Act 1999, the valuation day shall be the first day of the implementation period.

Replacement of rights

12.15 This rule has been deleted.

Charging

12.16 The Minister may recover charges incurred in connection with any of the activities prescribed for the time being under section 41 of the Welfare Act 1999 in accordance with, and to the extent prescribed in regulations under that section.

Section 13: The lifetime allowance charge

13.1 Payment on behalf of civil servants of lifetime allowance charge

- (1) A civil servant may request the person who is the scheme administrator for the purposes of section 217 of the Finance Act 2004 (“the administrator”) to pay on his behalf any amount that is payable by way of the lifetime allowance charge under section 214 of the Finance Act 2004 when—
 - (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to him, and
 - (b) the civil servant and the administrator are jointly and severally liable in relation to that event.
- (2) Such a request may only be made by notice in writing given before the event occurs.
- (3) The administrator may only comply with such a request if the civil servant pays the administrator the amount in question on or before the date on which the event occurs.

13.2 Reduction of benefits where lifetime allowance charge payable

- (1) This rule applies if—
 - (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to a civil servant,
 - (b) the civil servant and the scheme administrator for the purposes of section 217 (“the administrator”) are jointly and severally liable in relation to that event, and
 - (c) no request has been duly made under rule 13.1 in relation to the event or, if such a request has been made, the administrator is prevented from complying with it by paragraph (3) of that rule.
- (2) Where this rule applies the administrator must pay the tax payable on the event.
- (3) The benefits payable to or in respect of the civil servant, or the transfer payment in the case of event 8 in the table in section 216(1) of the Finance Act 2004, shall be reduced to reflect fully the amount of tax payable.

- (4) The amount of the reduction shall be determined in accordance with guidance provided by the Minister and, in the case of a reduction to pension benefits, consistent with normal actuarial practice.

13.3 Reduction of prospective benefits at civil servant's request

- (1) If a civil servant requests, prospective benefits to and in respect of him shall be reduced by such amount as he agrees with the Minister. This is subject to paragraph (2) and rules 3.49, 4.19a and 4.21i (guaranteed minimum pensions).
- (2) A request under paragraph (1) must be made in writing to the scheme administrator before the civil servant's benefits have come into payment.
- (3) Any reduction in respect of prospective benefits under this rule shall be irrevocable once the benefits have come into payment.

Section 14: contributed pension and lump sum

Part 1: Interpretation

14.1 For the purposes of this section -

- (a) “allocation amount” means the amount of the contributed pension allocated as a result of the exercise of an election under section 5;
- (b) “commutation addition amount” means the amount of contributed lump sum due to the civil servant as a result of the exercise of the option under rule 3.50 to exchange contributed pension for lump sum;
- (c) “commutation amount” means the amount of the contributed pension exchanged for a lump sum as a result of the exercise of the option under rule 3.50;
- (d) “contributed lump sum”, in relation to a civil servant, means lump sum payable to the civil servant under rule 14.16, 14.17, 14.18 or 14.19;
- (e) “contributed pension”, in relation to a civil servant, means pension calculated wholly or partly by reference to the civil servant’s carried forward contributed pension, as defined in rule 14.12(5);
- (f) “inverse commutation addition amount” means the amount of contributed pension due to the civil servant as a result of the exercise of the option under rule 3.1a to exchange contributed lump sum for additional pension;
- (g) “inverse commutation amount” means the amount of the contributed lump sum exchanged for additional pension as a result of the exercise of the option under rule 3.1a;
- (h) “pay period”, in relation to a person, means a period by reference to which the person’s earnings in the employment by virtue of which he is eligible for membership of this 1972 Section of the scheme are payable;
- (i) “retirement index addition” has the meaning given by rule 14.14; and
- (j) “scheme year” means a period of one year beginning with 1st April and ending with 31st March.

Part 2: Buying contributed pension and lump sum**14.2 Civil servant's option to pay additional periodical contributions to purchase pension and lump sum**

- (1) A civil servant may opt to make additional periodical contributions to the 1972 Section during the contribution option period to increase the benefits payable to or in respect of the civil servant under section 3 and section 4 (retirement and death benefits and widows' and dependants' benefits). This option is only available to a civil servant -
 - (a) on or after 1st March 2008, or
 - (b) where the civil servant reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) The option may only be exercised by notice in writing to the scheme administrator in such form as the Minister requires.
- (3) A civil servant may exercise the option under paragraph (1) more than once.
- (4) If a civil servant exercises an option under paragraph (1), the additional contributions are payable by deduction from the civil servant's salary (or wages) -
 - (a) if the option is exercised before 1st March 2008, for the first pay period beginning on or after the date on which the scheme administrator receives the civil servant's application to exercise the option ("the receipt date") that the scheme administrator considers appropriate,
 - (b) if the option is exercised on or after 1st March 2008, for the first pay period of the scheme year beginning on or after the receipt date that the scheme administrator considers appropriate, and
 - (c) for all subsequent pay periods beginning during the contribution option period.
- (5) Paragraph (4) is subject to rules 14.4 (cancellation of options to make additional periodical contributions) and 14.5 (special cases).
- (6) If a civil servant exercises an option under paragraph (1) -
 - (a) the additional contributions payable may be expressed as a percentage of the civil servant's salary (or wages) for the time being or as a fixed sum, and

- (b) the amount that the civil servant is entitled to count as contributed pension for the scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost in the scheme year in which the contributions are paid of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person.

This is subject to rule 14.7.

- (7) A civil servant may not make additional contributions under this rule of less than such amount as the Minister may for the time being determine.
- (8) In this section 14 "the contribution option period", in relation to an option under this rule, means -
 - (a) the period beginning with the pay period in respect of which the first contribution is made under the option and ending when the civil servant ceases to be in pensionable service, or
 - (b) such shorter period as may be specified in the option.

14.3 Civil servant's option to pay additional lump sum contributions to purchase pension and lump sum

- (1) A civil servant who has been in pensionable service for a period exceeding 12 months may opt to make a single lump sum contribution to the 1972 Section to increase the benefits payable to or in respect of the civil servant under section 3 and section 4 (retirement and death benefits and widows' and dependants' benefits). This option is only available to a civil servant -
 - (a) on or after 1st March 2008, or
 - (b) where the civil servant reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) A civil servant may not make a contribution under this rule of less than such amount as the Minister may for the time being determine.
- (3) The option -
 - (a) may only be exercised in writing to the scheme administrator in such form and subject to such conditions as the Minister requires, and

- (b) in particular, if the Minister so requires, may only be exercised if the civil servant has first requested a statement of the amount of pension that the civil servant will be entitled to count under this rule if the payment of the lump sum contribution is received by the scheme administrator before the end of the period of one month beginning with the date of the statement.
- (4) A civil servant may exercise the option under paragraph (1) more than once, but it may only be exercised once in any scheme year.
- (5) If a civil servant exercises an option under paragraph (1), the additional contribution is payable immediately by the civil servant to the scheme administrator by deduction from the civil servant's salary (or wages) or otherwise.
- (6) If a civil servant exercises an option under paragraph (1), the amount that the civil servant is entitled to count as contributed pension for the relevant scheme year is –
 - (a) in the case of a payment made before the end of the period of one month beginning with the date of a statement given to the civil servant in accordance with such a request as is mentioned in paragraph (3)(b) in connection with the option, the amount specified in that statement, and
 - (b) otherwise, such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost as at the relevant day of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person.

This is subject to rule 14.7.

- (7) A statement given to the civil servant in pursuance of such a request as is mentioned in paragraph (3)(b) -
 - (a) must specify such amounts as are indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person -
 - (i) so far as any factors relating to the civil servant's circumstances are concerned, by reference to the relevant day, and
 - (ii) so far as any other relevant factors are concerned, by reference to the date of the statement, and

- (b) must inform the civil servant of the effects of rule 14.7 generally and, in any case where it appears to the scheme administrator that that rule will apply so as to restrict the amounts that the civil servant will be entitled to count under this rule, the effect of rule 14.7 in the civil servant's case.
- (8) In this rule -
- “the relevant day” means –
- (a) in a case where such a request as is mentioned in paragraph (3)(b) is made in connection with the option, the first day after the period of one month mentioned in that paragraph, and
 - (b) otherwise, the day on which the payment is received by the scheme administrator; and
- “the relevant scheme year” means the scheme year in which the relevant day falls.

14.4 Cancellation of options to make periodical contributions

- (1) A civil servant may cancel an option under rule 14.2 by giving the scheme administrator notice in writing.
- (2) If a civil servant cancels such an option, the additional periodical contributions cease to be payable in respect of the civil servant's salary (or wages) with effect from the first pay period the scheme administrator considers appropriate that begins after the date on which the scheme administrator receives the notice.
- (3) If it appears to the scheme administrator that the limit in rule 14.7 will be exceeded if the civil servant continues to make periodical contributions under rule 14.2, he may cancel the option under rule 14.2(1) by giving the civil servant notice in writing.
- (4) If the scheme administrator cancels such an option, the additional periodical contributions cease to be payable in respect of the civil servant's salary (or wages) for all pay periods beginning after the date specified in the notice.

14.5 Periodical contributions: special cases

- (1) If a civil servant who has exercised an option under rule 14.2 has a period of absence from work, the civil servant may -
 - (a) cease to pay the additional periodical contributions payable under the option, or

- (b) pay the same amounts of contributions as would be payable if he were receiving salary (or wages) at the full rate.
- (2) But if a civil servant is receiving statutory maternity pay or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave -
- (a) paragraph (1)(b) does not apply to the contributions payable under the option, and
 - (b) the civil servant may pay the contributions on the civil servant's actual salary in respect of the period of leave.

14.6 Payment of additional contributions by employer or third party contributor

- (1) The employer of a civil servant or a third party contributor in relation to a civil servant may, if the Minister approves, make one or more additional contributions to the 1972 Section to increase the benefits payable to or in respect of the civil servant under section 3 and section 4 (retirement and death benefits and widows' and dependants' benefits). This option is only available in respect of a civil servant -
- (a) on or after 1st March 2008, or
 - (b) where the civil servant reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) If a civil servant opts for the whole or part of any lump sum payable to the civil servant under the Civil Service Compensation Scheme to be so used, the employer may make an additional contribution under paragraph (1) using the whole or, as the case may be, that part of the lump sum.
- (3) If the employer makes an additional contribution under paragraph (1) to increase the amount specified in the civil servant's pension account under rule 14.10(2) as the amount of the contributed pension for the scheme year in which the contribution is paid by a particular amount -
- (a) the amount to be paid in order to increase it by that amount is such amount as is indicated as appropriate for the amount of that increase in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person, and

- (b) the pension amount that the civil servant is entitled to count as contributed pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for that amount of contribution in those tables.

This is subject to rule 14.7.

- (3A) If a third party contributor makes an additional contribution under paragraph (1), the pension amount that the civil servant is entitled to count in respect of that contribution as contributed pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person.
- (4) A contribution under this rule must be paid in such manner as the Minister may require after consultation with the Scheme Actuary.
- (5) In this rule "third party contributor" means a third party approved by the Minister to pay contributions in respect of a civil servant.

14.7 Limit on contributed pension

The total of –

- (a) the pension amount included in the civil servant's pension account under rule 14.10 (pension accounts for civil servants who have bought contributed pension and lump sum) as a result of contributions made under -
 - (i) rule 14.2 (civil servant's option to pay periodical contributions to purchase pension and lump sum),
 - (ii) rule 14.3 (civil servant's option to pay additional lump sum contributions to purchase pension and lump sum), or
 - (iii) rule 14.6 (payment of additional contributions by employer or third party contributor) other than contributions made by virtue of paragraph (2) of that rule or contributions made by a third party contributor, and
- (b) any pension amounts included in any other pension account established at any time under rule 14.10 in respect of the civil servant as a result of contributions made under -
 - (i) rule 14.2,

- (ii) rule 14.3, or
 - (iii) rule 14.6 (other than contributions made by virtue of paragraph (2) of that rule or contributions made by a third party contributor), and
- (c) any pension amounts to which the civil servant is already entitled because the civil servant has exercised the option under rule 3.3b (partial retirement),

may not exceed such amount as the Minister may for the time being determine.

14.8 Repayment of contributions

- (1) The contributions made by a civil servant under this section 14 are not repayable in any circumstances except if -
- (a) paragraph (2) applies, or
 - (b) Chapter 5 of Part 4 of the Pension Schemes Act 1993 (early leavers: cash transfer sums and contribution refunds) applies and the payment is made in accordance with that Chapter.
- (2) This paragraph applies if -
- (a) a civil servant resigns or opts out of the scheme without immediately receiving a pension,
 - (b) the civil servant does not fall within paragraph (1)(b),
 - (c) the civil servant has less than two years' qualifying service (see rule 1.5),
 - (d) no transfer value payment has been accepted by the scheme in respect of the civil servant under part 2 of section 6 or Appendix 11 otherwise than from an occupational pension scheme,
 - (e) the employment of the civil servant has not been transferred without the civil servant's consent to a new employer in circumstances where, on transfer, the civil servant ceased to be eligible to accrue benefits under the 1972 Section, and
 - (f) the civil servant has not reached pension age.
- (3) If paragraph (1)(b) applies, the civil servant is entitled to be paid the amount to which he is entitled under Chapter 5 of Part 4 of the Pension Schemes Act 1993, less an amount equal to the income tax payable under section 205 of the Finance Act 2004 (short service refund lump sum charge) as a result of the repayment.

- (4) If paragraph (2) applies, the civil servant is entitled to be paid an amount equal to the sum of the contributions made by the person under this section 14, less an amount equal to the income tax payable under section 205 of the Finance Act 2004 as a result of the repayment.
- (5) If a repayment is made under this rule, the civil servant's rights and any rights in respect of the civil servant under this section 14 are extinguished.

Part 3: Pension accounts for contributed pension

14.9 Establishment of pension accounts: general

- (1) The scheme administrator must establish and maintain one or more pension accounts in accordance with this section 14 for each member of the 1972 Section who has bought contributed pension and lump sum under this section 14.
- (2) A pension account may be kept in any form the scheme administrator considers appropriate.
- (3) A pension account must contain such matters as are required by these rules.
- (4) References in these rules to any amount specified in a pension account are references to the amount that is required by these rules to be so specified and not, if different, the amount actually so specified.

14.10 Pension accounts for civil servants who have bought contributed pension and lump sum

- (1) A pension account must be established under this rule for each civil servant who has bought contributed pension and lump sum under this section 14.
- (2) At any time in a scheme year the pension account under this rule must specify the civil servant's contributed pension for that year as at that time.
- (3) At any time in a scheme year -
 - (a) which is not the scheme year in which a pension account under this rule is established, and
 - (b) before the beginning of which the civil servant has reached pension age,

the civil servant's pension account under this rule must specify the age addition awarded under paragraph (6) at the beginning of that year for the civil servant's contributed pension referred to in paragraph (2).

- (4) At any time in a scheme year that is not the scheme year in which a pension account under this rule is established, the account must specify the opening balance of the civil servant's contributed pension for that year and the index addition in respect of it.
- (5) In this rule "the opening balance" of the civil servant's contributed pension for a scheme year means the sum of -
 - (a) the contributed pension for the previous scheme year as at the end of that year, and
 - (b) if paragraph (3) or (4) applied at the beginning of that previous year, the amounts specified in respect of contributed pension in accordance with those paragraphs.
- (6) The reference in paragraph (3) to the age addition awarded under this paragraph at the beginning of a scheme year for the civil servant's contributed pension referred to in paragraph (2) is a reference to the amount the Minister determines, after consulting the Scheme Actuary, in respect of the opening balance of the civil servant's contributed pension at the beginning of the previous scheme year (as specified in accordance with paragraph (4)).
- (7) In making the determination under paragraph (6) at the beginning of a scheme year, the Minister must have regard to the proportion of the previous scheme year during which the civil servant had reached pension age.
- (8) For the purposes of paragraph (4), the index addition in respect of any opening balance for a scheme year is the amount by which an annual pension of an amount equal to that opening balance which was eligible to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year if the beginning date for that pension were the first day of the previous scheme year.
- (9) In paragraph (8) "the beginning date", in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).
- (10) For the meaning of the expression "contributed pension" in paragraph (2) see rule 14.11.
- (11) In cases involving a re-employed civil servant where the person's previous reckonable service is counted with his service during re-employment for a single award under the 1972 Section –

- (a) any account that was established for the civil servant under rule 14.12 when the earlier service ceased must be closed,
 - (b) section 14 applies as if rule 14.12 had not applied to the civil servant at that time,
 - (c) the civil servant's account under rule 14.10 must be re-established, and
 - (d) such entries must be made in that account as if the civil servant had continued in pensionable service during the period since the earlier service ceased, but had received no earnings.
- (12) In cases involving a re-employed civil servant where the person's preserved pension is retained and his service during re-employment reckons towards a second pension under the 1972 Section -
- (a) the civil servant continues to have an account under rule 14.12 in respect of contributed pension relating to his earlier service,
 - (b) a new account under this rule must be opened for the civil servant in respect of any contributed pension bought under this part 14 during the current service,
 - (c) his contributed pension relating to the earlier service is disregarded in determining his or any other person's rights in respect of his contributed pension relating to the current service or later service (if any), and
 - (d) his contributed pension relating to the current service is disregarded in determining his or any other person's rights in respect of his contributed pension in the earlier service.
- (13) In any case involving a re-employed civil servant where rule C1.8(13) of the 2002 Section applies, no benefits will be payable to or in respect of the civil servant under section 14 of this 1972 Section.

14.11 Meaning of "contributed pension" used in rule 14.10

- (1) For the purposes of rule 14.10(2) a civil servant's contributed pension for a scheme year is the sum of -
- (a) the amounts that the civil servant is entitled to count as such pension in respect of contributions in the scheme year under rule 14.2(6)(b) (periodical added pension contributions) under an option under rule 14.2(1),
 - (b) the amounts that the civil servant is entitled to count as such pension for the scheme year as a result of contributions under

rule 14.3(6) (lump sum added pension contributions) under an option under rule 14.3(1), and

- (c) the amounts that the civil servant is entitled to count as such pension in respect of contributions in the scheme year under rule 14.6(3)(b) or rule 14.6(3A) (payment of additional contributions by employer or third party contributor).

14.12 Effect on pension account of civil servant resigning or opting out of the scheme

- (1) This rule applies if a civil servant -
 - (a) resigns or opts out of the scheme,
 - (b) is eligible for a preserved pension and lump sum under rule 3.11, and
 - (c) his preserved pension and lump sum are not brought into payment immediately.
- (1A) This rule also applies if a civil servant defers payment of the contributed pension and lump sum under rule 14.18B.
- (2) The civil servant's pension account under rule 14.10 must be closed and an account (or, as the case may be, a further account) must be established under this rule for the civil servant.
- (3) The pension account under this rule must specify the provisional amount of the civil servant's deferred contributed pension (see paragraph (4)).
- (4) The provisional amount of the civil servant's deferred contributed pension is found by -
 - (a) calculating the civil servant's carried forward contributed pension (see paragraph (5)),
 - (b) except in the case of an immediate Scheme leaver, adding the retirement index addition for that pension (see rule 14.14), and
 - (c) in the case of any civil servant who has reached pension age at least one month before the last day of service in respect of which the civil servant's pension will be payable under the 1972 Section ("the relevant last day"), adding the age addition for that pension (see paragraph (9)).
- (5) The civil servant's carried forward contributed pension is the sum of the amounts specified in the civil servant's account under rule 14.10 in accordance with rule 14.10(2) and (4) as at the relevant last day.

- (6) Once the civil servant has become entitled to the immediate payment of a pension under rule 3.10c (early payment of preserved pension and lump sum with actuarial reduction), 3.11 (payment of preserved pension and lump sum at pension age), 3.14 (early payment of preserved pension and lump sum where former civil servant is suffering from ill-health), 3.14b (early payment of preserved pension and lump sum where civil servant who has opted out of the scheme is retired on medical grounds), 3.15 (early payment of preserved pension and lump sum where personal circumstances compel a person to give up employment) or, where a civil servant has exercised the option in rule 14.18B to defer payment of the contributed pension and lump sum, once the civil servant has notified the scheme administrator, in accordance with rule 14.18B(2)(b) that the civil servant wishes to take the contributed pension and lump sum the pension account under this rule must specify in respect of the contributed pension for which there is a provisional amount specified under paragraph (3) -
- (a) the early payment reduction (if applicable) (see paragraph (7)),
 - (b) the commutation amount (if any),
 - (c) the allocation amount (if any), and
 - (d) the inverse commutation addition amount (if any).
- (7) The early payment reduction mentioned in paragraph (6)(a) -
- (a) only applies where—
 - (i) the civil servant has become entitled to payment of a pension under rule 3.10c or the member has exercised the option in rule 14.18B to defer payment of the contributed pension and lump sum and has notified the scheme administrator in accordance with rule 14.18B(2)(b) that the civil servant wishes to take the contributed pension and lump sum before pension age; and
 - (ii) the civil servant has not exercised the option to buy out the actuarial reduction on the civil servant's contributed pension and lump sum under rule 14.18A, and
 - (b) is determined by the same factors as are provided by the Scheme Actuary for the reduction of the pension payable under rule 3.10c.
- (8) For the purposes of this rule a civil servant is an immediate Scheme leaver in relation to the provisional amount of his deferred contributed pension if a transfer value payment is made under section 6 or

Appendix 11 in respect of the civil servant's rights to that pension before the end of the scheme year in which the relevant last day falls.

- (9) In this rule "the age addition" in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme Actuary having regard to -
- (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule 14.10(6) at the beginning of the scheme year following that in which the relevant last day falls ("the last active scheme year") had the civil servant continued to be in pensionable service throughout the last active scheme year, and
 - (b) the proportion of the last active scheme year during which the civil servant was in pensionable service after reaching pension age.
- (10) For the treatment of the pension account under this rule if the civil servant joins the scheme again, see rules 14.10(11), (12) and (13).

14.13 Effect on pension account of civil servant becoming entitled to pension

- (1) This rule applies if a civil servant becomes entitled to immediate payment of a pension under rules 3.1 (ordinary retirement), 3.4 (retirement on medical grounds) or 3.10a (early retirement).
- (2) The civil servant's pension account under rule 14.10 must be closed and a pension account (or, as the case may be, a further pension account) must be established under this rule for the civil servant in respect of the contributed pension.
- (3) The pension account under this rule must specify -
- (a) the civil servant's carried forward contributed pension (as defined in rule 14.12(5)),
 - (b) the early payment reduction (if applicable) in respect of the civil servant's carried forward contributed pension (see paragraph (6)),
 - (c) the retirement index addition in respect of the civil servant's carried forward contributed pension (see rule 14.14),
 - (d) the age addition, if any, in respect of the civil servant's carried forward contributed pension (see paragraph (5)),
 - (e) the civil servant's full retirement contributed pension (see paragraph (4)),

- (f) the commutation amount (if any) for the civil servant's full retirement contributed pension,
 - (g) the allocation amount (if any) for the civil servant's full retirement contributed pension, and
 - (h) the inverse commutation addition amount (if any) for the civil servant's full retirement contributed pension.
- (4) The civil servant's full retirement contributed pension is the sum of -
- (a) the civil servant's carried forward contributed pension (as defined in rule 14.12(5)),
 - (b) the retirement index addition for that pension, and
 - (c) in the case of a civil servant who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (5) In this rule "the age addition" in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme Actuary having regard to -
- (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule 14.10(6) at the beginning of the scheme year following that in which the relevant last day falls ("the last active scheme year") had the civil servant continued to be in pensionable service throughout the last active scheme year, and
 - (b) the proportion of the last active scheme year during which the civil servant was in pensionable service after reaching pension age.
- (6) The early payment reduction for the civil servant's carried forward contributed pension—
- (a) only applies where—
 - (i) the civil servant has become entitled to payment of a pension under rule 3.10a; and
 - (ii) the civil servant has not exercised the option to buy out the actuarial reduction on the civil servant's contributed pension and lump sum under rule 14.18A; and
 - (b) is determined by reference to the same factors as are provided by the Scheme Actuary for the reduction of the pension payable under rule 3.10a.

- (7) In this rule “the relevant last day” means the last day of service in respect of which the civil servant’s pension will be payable under the 1972 Section.

14.13A Effect on pension account of civil servant becoming entitled to pension under rule 3.3b (partial retirement)

- (1) This rule applies if a civil servant becomes entitled to a pension under rule 3.3b (partial retirement).
- (2) If the option under that rule is exercised in respect of the whole of the civil servant’s pension—
- (a) rule 14.13 applies as if the civil servant had ceased to be in service on the day before he becomes entitled to the pension under rule 3.3b, but
- (i) ignoring paragraph (3)(g) (allocation amount), and
- (ii) with the substitution in paragraph (7) for the definition of “the relevant last day” of the following—
- ““the relevant last day” has the same meaning as in rule 3.3b(xiv)”, and
- (b) if the civil servant builds up further contributed pension after he becomes entitled to a pension under rule 3.3b, a new pension account must be established under rule 14.10 for the civil servant.
- (3) If the option under rule 3.3b is exercised in respect of part of the civil servant’s pension, he will not be entitled to payment of any contributed pension under this section 14 until full retirement.

14.14 The retirement index addition

- (1) This rule deals with the way in which, for the purposes of rules 14.12, 14.13 and 14.13A, the retirement index addition is calculated in respect of the civil servant’s carried forward contributed pension for the purposes of calculating -
- (a) in the case of rule 14.12, the provisional amount of the civil servant’s deferred contributed pension, and
- (b) in the case of rules 14.13 and 14.13A, the civil servant’s full retirement contributed pension.
- (2) The retirement index addition is calculated as follows.

Step 1

Calculate the amount to which an annual pension of an amount equal to the carried forward pension which was eligible to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year following the leaving year if the beginning date of that pension were the first day of the leaving year.

Step 2

Calculate the amount to which an annual pension of that amount which was eligible to be increased under that Act would be increased in the scheme year following the leaving year if the beginning date of that pension were the day after the relevant last day.

Step 3

Calculate the increase percentage by –

- (a) dividing the amount found at Step 1 by the amount found at Step 2,
- (b) multiplying the result of sub-paragraph (a) by 100%, and
- (c) subtracting 100% from the result of sub-paragraph (b).

Step 4

Calculate the increase percentage of the carried forward pension .

- (3) In this rule -

“the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act),

“the leaving year” means the scheme year in which the relevant last day falls, and

“the relevant last day” means—

- (i) in a case where the pension is payable under rule 3.3b, the relevant last day as defined in rule 3.3b(xiv), and
 - (ii) otherwise, the last day of service in respect of which the civil servant’s pension is payable.
- (4) Nothing in these rules requires the payment of any part of a contributed pension that is attributable to retirement index addition payable in respect of the scheme year in which the pension becomes payable to be made before the end of that year.

14.15 Closing and adjusting accounts on transfer out

- (1) If a transfer value is paid by the 1972 Section in respect of a civil servant, all pension accounts relating to the civil servant must be closed except as provided in paragraph (2).
- (2) Nothing in paragraph (1) requires any account to be closed if the amounts specified in the account are or include amounts to which the transfer value does not relate or is not attributable, but an account that is not closed because of this paragraph must be adjusted in such manner as the Minister considers appropriate to reflect the extinguishment under rule 6.39 of the rights to any other benefits to which the transfer value payment relates.

Part 4: Payment of contributed pension and lump sum

14.16 Entitlement to contributed pension and lump sum on normal retirement

- (1) A civil servant entitled to a pension under rule 3.1 (normal retirement) is also entitled to a contributed pension and lump sum if the civil servant has a pension account under this section 14.
- (2) The annual amount of the contributed pension is found by -
 - (a) taking the full retirement contributed pension specified in the civil servant's pension account under rule 14.13,
 - (b) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any), and
 - (c) adding the inverse commutation addition amount so specified (if any).
- (3) The amount of the contributed lump sum is found by -
 - (a) taking the amount of the full retirement contributed pension specified in the civil servant's pension account under rule 14.13 and multiplying it by three,
 - (b) subtracting the inverse commutation amount (if any), or
 - (c) adding the commutation addition amount (if any).

14.17 Entitlement to contributed pension and lump sum on a civil servant with a preserved pension and lump sum entitlement reaching pension age

- (1) A civil servant with a preserved pension and lump sum entitlement under rule 3.11 whose preserved pension and lump sum come into payment at pension age is also entitled to a contributed pension and lump sum under this rule if he has a pension account under this section 14.
- (2) The annual amount of the contributed pension is found by -
 - (a) taking the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12,
 - (b) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any), and
 - (c) adding the inverse commutation addition amount so specified (if any).
- (3) The amount of the contributed lump sum is found by -
 - (a) taking the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12 and multiplying it by three, and
 - (b) subtracting the inverse commutation amount (if any), or
 - (c) adding the commutation addition amount (if any).

14.18 Entitlement to contributed pension and lump sum on early payment of pension with actuarial reduction

- (1) A civil servant entitled to immediate payment of a pension and lump sum under rules 3.10a, 3.10c or 3.52 is also entitled to a contributed pension and lump sum under this rule if the civil servant has a pension account under this section 14.
- (2) The annual amount of the contributed pension is found by -
 - (a) taking
 - (i) in the case of a civil servant entitled to a pension under rule 3.10a, the full retirement contributed pension specified in the civil servant's pension account under rule 14.13, or
 - (ii) in the case of a civil servant entitled to a pension under rule 3.10c, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, and

- (b) (where the member has not exercised the option in rule 14.18A), subtracting the early payment reduction so specified in respect of that pension (if any), and
 - (c) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any), and
 - (d) adding the inverse commutation addition amount so specified (if any).
- (3) The amount of the contributed lump sum is found by -
- (a) taking
 - (i) in the case of a civil servant entitled to a pension under rule 3.10a, the amount of the full retirement contributed pension specified in the civil servant's pension account under rule 14.13 and multiplying it by three, or
 - (ii) in the case of a civil servant entitled to a pension under rule 3.10c, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12 and multiplying it by three, and
 - (b) if an early payment reduction was applied to the pension under paragraph (2)(b), subtracting the early payment reduction in respect of that lump sum calculated using the same factors as are provided by the Scheme Actuary for the purposes of rule 3.10a, and
 - (c) subtracting the inverse commutation amount (if any), or
 - (d) adding the commutation addition amount (if any).

14.18A Option to buy out actuarial reduction

- (1) Where a civil servant is entitled to early payment of a pension and lump sum under rule 3.10a or 3.10c and is also entitled to a contributed pension under rule 14.18, the civil servant may buy out the early payment reduction that would otherwise apply under rule 14.18(2)(b) and (3)(b).
- (2) The cost of buying out the early payment reduction is set out in tables prepared by the Minister, after consulting the Scheme Actuary.
- (3) The civil servant must meet the cost of buying out the early payment reduction in one of the ways set out in rule 3.51(iv).

14.18B Option to defer payment of contributed pension

- (1) Where—
- (a) a civil servant is entitled to early payment of a pension and lump sum under rule 3.10a or 3.10c,
 - (b) the civil servant is also entitled to a contributed pension and lump sum under this section 14; and
 - (c) if the civil servant is a civil servant to whom an exclusion in rule 3.10aa(i)-(iii) applies, he has reached the age of 55 years,
- the civil servant may opt not to take the contributed pension and lump sum at the same time as the early pension and lump sum under rule 3.10a or 3.10c (as applicable).
- (2) If a civil servant exercises the option in paragraph (1)—
- (a) rule 14.12 applies (effect on pension account of civil servant resigning or opting out of the scheme) in respect of the civil servant's contributed pension and lump sum; and
 - (b) the civil servant is entitled to a contributed pension and lump sum when the civil servant notifies the scheme administrator in writing, in such form as the Minister requires, that the civil servant wishes to take the contributed pension and lump sum, provided that the civil servant must take the contributed pension and lump sum at or before pension age.
- (3) If a civil servant chooses to take the contributed pension and lump sum under paragraph (2) before pension age—
- (a) the annual amount of the contributed pension is found by applying rule 14.18(2)(a)(ii), (b), (c) and (d); and
 - (b) the amount of the contributed lump sum is found by applying rule 14.18(3)(a)(ii), (b), (c) and (d).
- (4) If the civil servant chooses to take the contributed pension and lump sum under paragraph (2) at pension age—
- (a) the annual amount of the contributed pension is found by applying rule 14.18(2)(a)(ii), (c) and (d); and
 - (b) the amount of the contributed lump sum is found by applying rule 14.18(3)(a)(ii), (c) and (d).

14.19 Entitlement to contributed pension and lump sum on early payment of pension on medical grounds or where personal circumstances prevent future employment

- (1) A civil servant entitled to -
- (a) an ill health pension and lump sum under rule 3.4 (retirement on medical grounds),
 - (b) immediate payment of his preserved pension and lump sum under rule 3.14 (early retirement on medical grounds of former civil servant),
 - (c) immediate payment of his preserved pension and lump sum under rule 3.14b (early retirement on medical grounds of civil servant who has opted out of the scheme), or
 - (d) immediate payment of his preserved pension and lump sum under rule 3.15 (retirement in personal circumstances which prevent future employment)

is also entitled to a contributed pension and lump sum under this rule if the civil servant has a pension account under this section 14.

- (2) The annual amount of the contributed pension is found by -
- (a) taking
 - (i) in the case of a civil servant entitled to an ill health pension and lump sum under rule 3.4, the full retirement contributed pension specified in the civil servant's pension account under rule 14.13, or
 - (ii) in the case of a civil servant entitled to immediate payment of his preserved pension and lump sum under rules 3.14, 3.14b or 3.15, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, and
 - (b) subtracting the commutation amount so specified (if any) and the allocation amount (except in the case of an ill health pension where allocation is not permitted) so specified (if any), and
 - (c) adding the inverse commutation addition amount so specified (if any).
- (3) The annual amount of the contributed lump sum is found by -
- (a) taking

- (i) in the case of a civil servant entitled to an ill health pension and lump sum under rule 3.4, the amount of the full retirement contributed pension specified in the civil servant's pension account under rule 14.13 and multiplying it by three, or
 - (ii) in the case of a civil servant entitled to immediate payment of his preserved pension and lump sum under rules 3.14, 3.14b or 3.15, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12 and multiplying it by three, and
 - (b) subtracting the inverse commutation amount (if any), or
 - (c) adding the commutation addition amount (if any).
- (4) If, in the case of a civil servant to whom rule 3.4 applies, any of the amounts specified in the civil servant's account under rule 14.10 in accordance with rule 14.10(2) and (4), as at the end of the last service day, were, or were attributable to, contributions made under rule 14.3 (civil servant's option to pay additional lump sum contributions to purchase pension and lump sum) made less than 12 months before the relevant day ("recent lump sum contributions"), these rules apply as if the civil servant had left pensionable service in respect of the rights that accrued in the service that is ceasing so far as relating to the recent lump sum contributions. Accordingly -
- (a) rule 14.12 applies as if -
 - (i) the only amounts specified in the civil servant's pension account under rule 14.10 in accordance with rule 14.10(2) and (4) as at the end of the last service day were so much of those amounts as are, or are attributable to, the recent lump sum contributions, and
 - (ii) no other amounts were specified in that account, and
 - (b) rule 14.13 applies as if the only amounts specified in the civil servant's account under rule 14.10 in accordance with rule 14.10(2) and (4) as at the end of the last service day were the amounts so specified, less so much of those amounts as are, or are attributable to, the recent lump sum contributions, and
 - (c) rules 14.17 or 14.18 apply to the payment of contributed pension to the civil servant from the amounts to which rule 14.12 applies, as if the civil servant had been awarded preserved benefits under rule 3.11, provided that he meets the requirements for his preserved benefits to be brought into payment under rule 3.11 or rule 3.10c, and

- (d) this rule and rule 3.4 apply to the payment of contributed pension to the civil servant from the amounts to which rule 14.13 applies.
- (5) In paragraph (4) “the relevant day”, in relation to a civil servant, means -
 - (a) the day on which the civil servant’s employer first requested the Scheme Medical Adviser for the opinion by virtue of which the civil servant is entitled to retire on medical grounds, or
 - (b) if the civil servant was on sick leave on that day and did not return to service from that leave, the day on which that leave began.
- (6) In paragraph (4) “the last service day” means the last day of service in respect of which the civil servant’s pension under rule 3.4 will be payable.
- (7) If the circumstances set out in rule 3.7(i)(a) or (b) apply (civil servant makes false declaration or suppresses a material fact about his health), rule 3.7(ii) applies to any payment made under this section 14.

14.20 Abatement of contributed pension on re-employment of a civil servant

If a person receiving contributed pension under this section 14 or a person with a pension account under rule 14.12 (deferred contributed pension) is re-employed in the Civil Service in circumstances where rules 3.26, 3.28 or 3.29 apply to him, then rules 3.26 to 3.30 apply to suspend or reduce his contributed pension on the same basis as those rules apply to the pension payable to him under section 3.

Contributed pension for dependants and children

14.21 Entitlement to contributed pension for widows, widowers and surviving civil partners

- (1) This rule applies if -
 - (a) a civil servant was entitled to immediate payment of a contributed pension at the date of death or would have become entitled to such a pension had he not died, and
 - (b) the civil servant leaves -
 - (i) an eligible widow entitled to a widow’s pension under rule 4.3,

- (ii) an eligible widower entitled to a widower's pension under rule 4.21, or
 - (iii) a surviving civil partner entitled to a pension under part 8 of section 4.
- (2) Where this rule applies, the civil servant's eligible widow, eligible widower or surviving civil partner (as applicable) is entitled to a dependant's contributed pension under this rule.
- (3) Where a civil servant dies in pensionable service without having opted out of the scheme, the annual amount of the dependant's contributed pension payable under paragraph (2) is 50% of the civil servant's assumed contributed pension.
- (4) For the purposes of paragraph (3), "the civil servant's assumed contributed pension" is -
 - (a) the annual amount of the contributed pension to which the civil servant would have been entitled if immediately before his death the civil servant had become entitled, on normal retirement, to the immediate payment of a contributed pension under rule 14.16, and
 - (b) as if paragraphs (b) and (c) of rule 14.16(2) were omitted.
- (5) On the death of a civil servant or former civil servant with entitlement to a preserved pension and lump sum under rule 3.11, the annual amount of the dependant's contributed pension payable under paragraph (2) is an amount equal to 50% of the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12.
- (6) On the death of a civil servant after retirement, the annual amount of the dependant's contributed pension payable under paragraph (2) is an amount equal to 50% of the annual amount of the civil servant's contributed pension, assuming no subtractions had been made under rules 14.16(2)(b), 14.17(2)(b), 14.18(2)(b) and (c) or 14.19(2)(b) and assuming no additions had been made under rules 14.16(2)(c), 14.17(2)(c), 14.18(2)(d) or 14.19(2)(c).
- (7) In accordance with section 7(4) of the Pensions (Increase) Act 1971, for the purposes of paragraph (6) any increase in the civil servant's contributed pension since the date on which it is treated as beginning for the purposes of that Act is disregarded.
- (8) A dependant's contributed pension under this rule will be paid from the day after the date of the civil servant's death until the date of the widow's, widower's or surviving civil partner's death or, if earlier, until such date as the widow, widower or surviving civil partner remarries,

forms a civil partnership or was living or begins to live with another person as his spouse or civil partner. This paragraph is subject to paragraph (9).

- (9) In any case where a widow's, widower's or surviving civil partner's pension ceases under paragraph (8) the Minister, or if the Minister so directs, the scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if the second marriage or civil partnership comes to an end or if the widow, widower or surviving civil partner ceases to live with another person as his spouse or civil partner.

- (10) In this rule -

“eligible widow” has the meaning given in rule 4.4, and

“eligible widower” has the meaning given in rule 4.21a.

14.22 Surviving children's entitlement to contributed pension

- (1) If -

- (a) a civil servant dies leaving one or more eligible children,
- (b) a children's pension is payable in respect of one or more eligible children under rule 4.25, and
- (c) the civil servant was entitled to immediate payment of a contributed pension at the date of death or would have become entitled to such a pension had he not died,

a children's contributed pension is payable under this rule.

- (2) “Eligible child” has the meaning given in rule 4.26, subject to rules 4.26a to 4.28.
- (3) A children's contributed pension under this rule will be paid for all children who are still eligible and the amount of it will depend on the number of such children. Subject to paragraphs (5) and (6), the annual amount will be -
- (a) in the case of a civil servant who dies in pensionable service without having opted out of the scheme, the appropriate fraction of the civil servant's assumed contributed pension as calculated in accordance with rule 14.21(4),
 - (b) in the case of a civil servant or former civil servant who dies with entitlement to a preserved pension and lump sum under rule 3.11, the appropriate fraction of the provisional amount of the

civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, or

- (c) in the case of a civil servant who dies after retirement, the appropriate fraction of the civil servant's contributed pension calculated using the assumptions set out in rule 14.21(6) and (7).
- (4) In this rule "the appropriate fraction" means -
- (a) one-quarter for each eligible child in the care of the civil servant's widow, widower or surviving civil partner (whether or not the widow, widower or surviving civil partner is receiving a dependant's contributed pension under rule 14.21), or
 - (b) one-third for each eligible child in the care of some other person.
- (5) The total amount of a children's contributed pension under this rule may at no time exceed -
- (a) in the case of a civil servant who dies in pensionable service without having opted out of the scheme, the maximum fraction of the civil servant's assumed contributed pension as calculated in accordance with rule 14.21(4),
 - (b) in the case of a civil servant or former civil servant who dies with entitlement to a preserved pension and lump sum under rule 3.11, the maximum fraction of the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, or
 - (c) in the case of a civil servant who dies after retirement, the maximum fraction of the civil servant's contributed pension calculated using the same assumptions as set out in rule 14.21(6) and (7).

Where the number of eligible children is such that a children's contributed pension under paragraph (3) of this rule would exceed these limits, the part of the pension payable to each child will be scaled down accordingly.

- (6) In this rule "the maximum fraction" means -
- (a) one-half if all of the eligible children are in the care of the civil servant's widow, widower or surviving civil partner or if a dependant's contributed pension under rule 14.21 is in payment;
 - (b) seven-twelfths if there is one eligible child in the care of some other person and if no dependant's contributed pension under rule 14.21 is in payment; or

- (c) two-thirds if there are two or more eligible children in the care of some other person and if no dependant's contributed pension under rule 14.21 is in payment.
- (7) Unless the Minister, or if the Minister so directs the scheme administrator, directs otherwise, a children's contributed pension under this rule will be paid to the civil servant's widow, widower or surviving civil partner if the eligible children are in his care, and to the children's guardian if they are in the care of some other person. If they are in the care of more than one person different parts of the pension will be paid to those persons in the appropriate proportions. In all cases the pension is to be applied for the benefit of the children for whom it is granted.
- (8) If an increase in widow's pension is payable under rules 4.7 or 4.7a or if an increase in widower's pension is payable under rules 4.21d or 4.21e or, if a short term pension is payable under rules 4.8 or 4.21f, a children's contributed pension under this rule will be paid from the day following the date on which the increased or short-term pension ceases. Where an increased or short-term pension is not payable, or where an eligible child is in the care of some person other than the widow, widower or surviving civil partner a children's contributed pension under this rule will be paid, in respect of that eligible child, from the day after the date of the civil servant's death. It will continue until such time as there are no longer any eligible children.
- (9) An eligible child may receive a children's contributed pension under this rule in respect of not more than two civil servants to each of whom this scheme applies. If an eligible child is eligible for children's contributed pension in respect of three or more civil servants to each of whom this scheme applies, the child will count as eligible in respect of only two civil servants, in the way which gives the most favourable overall result.

14.23 Invalidation pension/pension for adult dependants

If a civil servant who opts to pay additional contributions to purchase contributed pension and lump sum under this section 14 is also paying contributions for an invalidity or adult dependant's pension under part 4 or 5 of section 4, his contributions under this section 14 will not include an element for those benefits. No additional invalidity or adult dependant's pension will become payable under this section 14.

Section 15: Employers' contributions

15.1 Employers' contributions

- (1) Each employer of a civil servant in pensionable service in the scheme must make contributions to the scheme in respect of the civil servant at such rate and at such intervals as the Minister may for the time being determine after consultation with the Scheme Actuary.
- (2) This rule is subject to rule B.2(8) of the General Provisions Section.

Appendix 1 (Rule 1.9)

Pensionable emoluments

1. As a general rule only permanent emoluments are pensionable. It is not possible to draw up an exhaustive list of pensionable emoluments, since whether or not an emolument is pensionable often depends on individual circumstances. The following paragraphs list the main emoluments which are regarded as pensionable or non pensionable.

2. The following emoluments are pensionable:

- (i) Substitution pay or deputising allowance.
- (ii) Sunday duty pay.
- (iii) Night duty and shift duty allowances for work performed in the course of normal duty.
- (iv) Additional emoluments paid for extra responsibility and granted on a permanent basis, eg:
 - (a) allowances in lieu of promotion;
 - (b) private secretaries' allowances;
 - (c) typing grade allowances;
 - (d) allowances for supervision;
 - (e) allowances for performing the duties of deputy to the head of a branch.
- (v) Free rations, free laundry and uniforms which are expressly provided on a pensionable basis. (The pensionable value of such uniforms is taken to be 2% of salary, excluding emoluments.)
- (vi) Free official residences or quarters, fuel and light, or allowances in lieu of these, granted to civil servants stationed in the United Kingdom (unless they are expressly granted on a non pensionable basis). But:
 - (a) the pensionable value of a free official residence or quarters (or of cash allowances in lieu of these) may not exceed one sixth of pensionable earnings;
 - (b) the pensionable value of all emoluments under this sub paragraph may not exceed one third of pensionable earnings.

- (vii) Free official residences or quarters abroad are pensionable only if the grade in question or a corresponding grade is employed in the United Kingdom, and if the employee in question would be entitled to similar emoluments if he were serving in such a grade in the United Kingdom.
 - (viii) Recruitment and retention allowance 1.
 - (ix) Non consolidated pay schemes designated in whole or in part as pensionable by the Minister.
3. The following emoluments are not pensionable:
- (i) Gratuities.
 - (ii) Allowances intended to meet special expenses (eg subsistence allowances, cost of living allowances and other foreign service allowances).
 - (iii) Fluctuating emoluments including overtime pay and bonus payments other than those designated as pensionable pursuant to paragraph 2 (ix) above (and see paragraph 5).
 - (iv) Other payments or allowances for casual or intermittent duties.
 - (v) Recruitment and retention allowance 2.
 - (vi) Free uniforms which are expressly provided on a non-pensionable basis.
4. Where there are special circumstances the Minister may agree to count as pensionable an emolument which is normally non pensionable.
5. Where authorised by the Minister, staff appointed before certain dates have reserved rights to count some non pensionable emoluments as pensionable. In particular, certain staff in post on 1 March 1965 may count overtime pay as pensionable if it is drawn continuously and regularly and if they remain in a grade or post in which overtime pay was pensionable on that date.

Appendix 11 (Rules 6.1, 6.23, 6.29, 6.32 and 6.34)

Public service transfer values

Transfer arrangements for civil servants in post from 1 June 1972 to 31 December 1985; and, in certain circumstances, for civil servants in the interim period and for transferees under the public sector transfer arrangements; and for the purposes of calculating a mixed transfer value.

The term 'pension scheme' in this appendix retains the meaning it had as at 31 December 1985, namely a contracted out salary related occupational pension scheme or a not contracted out occupational pension scheme.

Outgoing transfers

1. A person leaving pensionable employment in the Civil Service on or after 1 June 1972 may apply for a transfer value to be paid to his new pension scheme provided the scheme is approved for this purpose by the Inland Revenue and is prepared to accept the transfer value. However, where a person whose pensionable employment in the Civil Service ends on or after 6 April 1978 has a guaranteed minimum in relation to this scheme, a transfer value may be paid to a scheme which is not contracted out under the Pension Schemes Act 1993 in relation to such person's new employment only if a contributions equivalent premium has been paid. (Formerly Rule 6.1.)
2. Transfer values will not be paid in respect of service for which pension or annual compensation payments have been brought into payment under the provisions of sections 3 and 10. They will be paid in other cases only if the civil servant has preserved pension benefits awarded under rules 3.11 or 3.24a(ii) and –
 - (i) application for payment is made within six months of joining his new scheme; or
 - (ii) application is made within six months of being notified that his new scheme, although initially unable to take a transfer value, will, after all, accept one.

The Minister, or if the Minister so directs, the scheme administrator, may, however, allow a longer period than the period specified above in cases where the Minister or the scheme administrator considers that it is fair and reasonable to do so. (Formerly rule 6.2.)

3. The transfer value will be calculated according to the transfer value tables given in the annex. The tables will be applied using the civil servant's age when he left the Civil Service and his preserved pension benefits at that date; ie personal pension, lump sum and, where appropriate, widow's pension or, after 1 January 1986, widower's

pension and any benefit under part 4 or 5 of section 4 and any benefit under section 14 (contributed pension and lump sum). The preserved pension benefits will be calculated under rules 3.11, 3.12 or 3.24a(ii) (whichever is appropriate) and rule 4.6 or rule 4.21c, or rules 4.43 or 4.54, or section 14 as appropriate, except that there will be no minimum period of qualifying service. Where the transfer value tables do not contain factors relating to the benefit to be transferred ie a widower's pension or a benefit under part 4 or 5 of section 4, the factors to be used will be those which are provided from time to time by the Scheme Actuary to the Minister and which are in force at the date of the transfer. However, in certain cases, the civil servant may instead exercise the option conferred by, and in accordance with, paragraph 4. (Formerly rule 6.3.)

4. The option referred to in paragraph 3 is as follows. The option is not available in relation to any benefits built up under section 14 (contributed pension and lump sum), which will be included for the purposes of calculating the transfer value. Where a transfer value is calculated for a civil servant who falls within the scope of rule 4.22(ii) or who has opted for benefits under part 4 or 5 of section 4, any contributions paid, including any element for widower's benefits in contributions for added years under section 7, will not be included in the transfer value unless the civil servant so wishes but will be treated as follows:
 - (i) where the qualifying service is less than 5 years, any contributions paid will be refunded, in the same way as contributions are refunded under rule 4.19, and the civil servant will cease to be eligible for benefits under part 2, 4 or 5 of section 4. Any liability for contributions by deduction from the lump sum will be cancelled.
 - (ii) where the qualifying service is 5 years or more, and the civil servant has paid contributions in respect of service before 6 April 1975 and in respect of service of less than 5 years after 5 April 1975, and he opts for a refund of all contributions paid, the contributions will be refunded to him in the same way as contributions are refunded under rule 4.19 and he will cease to be eligible for benefits under part 2, 4 or 5 of section 4. Any liability for contributions by deduction from the lump sum will be cancelled.
 - (iii) in any other case, the civil servant will be entitled to have the benefits purchased by the contributions paid preserved, any liability for contributions by deduction from the lump sum being cancelled. Alternatively, he may opt to have preserved benefits calculated by reference to the whole of his reckonable service up to the time of transfer, the liability for contributions for deduction from the lump sum being taken into account in the calculation of the preserved personal benefits by reference to

which the transfer value is calculated. In either case, the preserved benefits will be brought into payment on the date on which they would have been brought into payment had the civil servant remained subject to part 2, 4 or 5 of section 4. (Formerly rule 6.4.)

5. (i) To the extent that contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.54, as appropriate, have not been paid before the date of transfer by periodical contributions the balance will, subject to paragraph (ii) below, be deducted from the preserved lump sum before calculation of the transfer value.
- (ii) If contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.54, as appropriate, have not been paid before the date of transfer by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages), these contributions will be treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as an overpayment of salary.
- (iii) Contributions will not be refunded under rule 4.19 or 4.23d, as appropriate, where the civil servant has applied for a transfer value before leaving the Civil Service. However, where contributions for a widow's or widower's pension have been refunded under rule 4.19 or 4.23d, as appropriate, they may be repaid with the addition of compound interest. For the purposes of this rule a reference to compound interest means, in a case where the repayment is made before 6 April 1978, compound interest added to the relevant sum at a rate of 3% a year with yearly rests and, in a case where the repayment is made on or after 6 April 1978, compound interest added to the relevant sum at a rate of 4% a year with yearly rests. Any repayment of refunded contributions must be made within the time limits described in paragraph 2. (Formerly rule 6.5.)
6. (i) A transfer value paid before 1 April 1979 will be increased by 6% compound interest for each completed year of interval between the date of leaving the Civil Service and the date of payment of the transfer value.
- (ii) A transfer value paid on or after 1 April 1979 will be increased by
- (a) 6% compound interest for any completed year of interval between the date of leaving the Civil Service and 1 April 1977, and
- (b) 2¼% compound interest for each completed three months of interval between 1 April 1977 or the date of

leaving the Civil Service, whichever is the later, and the date of payment of the transfer value; except that no interest will be added to a transfer value paid within 6 months of the date of leaving the Civil Service. (Formerly rule 6.6.)

7. Where a civil servant is in the process of buying added years, only the added years he has actually bought in by the time of transfer will reckon for the purpose of the calculation of his preserved pension benefits (and thus his transfer value). (Formerly rule 6.7.)
- 7a If, when a civil servant applies for a cash equivalent transfer value, he has a pension account under section 14 (contributed pension and lump sum), his accrued benefits for the purpose of calculating his transfer value will be increased to take account of the benefits he has built up under section 14.
8. No interest is payable on a short service payment refunded before 1 August 1984. Interest at the rate specified in paragraph 6(ii)(b) will be payable on a short service payment or an ill health payment refunded on or after 1 August 1984, except that no interest will be payable if the refund is made within twelve months of leaving the Civil Service. (Formerly rule 6.8.)

Incoming transfers

9. Subject in the case of a person who takes up service as a prison officer to rule 2.28a, a person taking up pensionable employment in the Civil Service on or after 1 June 1972 and who brings with him a transfer value from his former pension scheme will be credited with such reckonable service as, according to the transfer value tables given in the annex, corresponds to the amount of the transfer value received. Where the transfer value relates to his guaranteed minimum the Minister will have discretion to refuse it if, in his opinion, its amount is inadequate to cover that liability. (Formerly rule 6.9.)
10. Subject to rule 2.28a, the transfer value tables will be applied to the transfer value (irrespective of the particular benefits of the scheme making the payment) to give equal periods of reckonable service for personal pension, lump sum and (for both married and unmarried men) half rate widow's pension. The length of reckonable service credited may, however, be restricted in those circumstances where the limits laid down from time to time by the Inland Revenue for approved occupational pension schemes would otherwise be exceeded. (Formerly rule 6.10.)
11. Subject to rule 2.28a, where a transfer value is received from a scheme approved by the Minister, the pensionable earnings and age in the old scheme at the time of leaving that scheme will be used for calculating reckonable service to be credited. Pensionable earnings is the pay

used by the old scheme in the calculation of the transfer value but shall be increased by the amount of any salary disregard in respect of national insurance modification. Interest added to the transfer value will be ignored in using the transfer value tables. (Formerly rule 6.11.)

12. Where a transfer value is received from a scheme other than one of those referred to in paragraph 11 the starting pay and age on joining the Civil Service will be used in applying the transfer value tables for the purpose of crediting reckonable service. If, however, a transfer value is received more than twelve months after the person took up pensionable employment in the Civil Service the pay and age on the date the transfer value is received will be used in applying the transfer value tables; any interest element in the transfer value will not be distinguished from the rest of it. (Formerly rule 6.12.)
13. Where service is less than service actually served in the old scheme, the previous service will count as to its actual length for the purpose of the five year qualifying period for pension benefits. (Formerly rule 6.13.)
14.
 - (i) Where a person enters the Civil Service before 1 April 1980, service credited in the scheme by means of a transfer value received from a scheme referred to in paragraph 11 will be subject to modification as described in rules 3.19 to 3.23 as if the service had been service as a civil servant, except where the transferee came from such a scheme and his pension was unmodified in respect of flat rate national insurance pension or basic social security pension in that scheme for the whole of his service. In that case, the reduction under rule 3.19 will not apply. If the transferee came from such a scheme with flat rate modification at a rate of £1.70 (or its equivalent) and was unmodified for part of his service in that scheme the reduction under rule 3.19 will apply only to the equivalent proportion of his reckonable service credited under this scheme (see rule 3.20(ii)).
 - (ii) Where a person enters the Civil Service before 1 April 1980, service credited in the scheme by means of a transfer value received from a scheme other than one referred to in paragraph 11 will be modified under rule 3.19.
 - (iii) Where a person, enters the Civil Service on or after 1 April 1980, rules 3.19 to 3.23 will not apply to any reckonable service credited in this scheme as a result of a transfer value from his former pension scheme. (Formerly rule 6.14.)

Miscellaneous

15. The provisions of this section shall not affect the operation of the provisions of Appendix 12 in their application to a person who has left

the Civil Service and for whom a transfer value has been paid before 3 May 1973 or to a person who has entered the Civil Service and for whom a transfer value has been received before that date. (Formerly rule 6.15.)

16. Where, in respect of a transfer which took place before 1 July 1978, a transfer value is paid to, or received from, a scheme still operating the provisions of Appendix 12 the transfer will be dealt with by reference to those provisions. A person transferring to such a scheme before that date may, however, apply to have his pension benefits preserved and converted to a transfer value when the receiving scheme introduces transfer arrangements similar to these rules. (Formerly rule 6.16.)
17. Transfers between this scheme and certain other public service schemes which are a direct charge on the Consolidated Fund or on monies provided by Parliament will be dealt with on the basis described in paragraphs 1 to 14 but, subject to the agreement of the Treasury, the payment and receipt of such transfer values will be waived where:
 - (i) the transfer value amount that would otherwise be paid is notified to the receiving scheme by the sending scheme before 1 April 2000; and
 - (ii) the notification is made after the civil servant has applied for the transfer to be completed.

If the transfer value amount is notified on or after 1 April 2000, the payment of the transfer value must be made. (Formerly rule 6.17.)

18. A transfer value will not be paid in respect of service for which a pension, gratuity or annual compensation payment has become payable under this scheme. (Formerly rule 6.18.)
19. For groups of persons who are transferred out of the Civil Service together with their work there may be paid to another contracted out scheme a transfer value of an amount to be determined by the Scheme Actuary instead of one calculated by reference to the transfer value tables given in the Annex, except that a transfer value so determined by the Scheme Actuary may not be paid in respect of a person who has not consented to the transfer of his accrued rights under this scheme. For groups of persons who transfer to this scheme, the Minister may apply these rules with necessary modifications to those persons if any Ministerial undertaking has been given about the pension position of such staff, or if the transfer is directly or indirectly attributable to an Act of Parliament, or if there are other special circumstances to justify exceptional treatment. (Formerly rule 6.19.)
20. The Minister may apply these rules with necessary modifications in order to comply with the terms of any transfer arrangements concluded

with the European Communities or an overseas pension scheme.
(Formerly rule 6.20.)

21. Guaranteed minimum pensions in the scheme are revalued in accordance with sections 14 and 16 of the Pension Schemes Act 1993. Where, in accordance with section 95 of that Act, a civil servant opts on or after 1 January 1986 to have his transfer value applied to the purchase of an approved insurance policy or annuity contract, any guaranteed minimum pension benefits to be so transferred may be revalued by reference to the fixed rate.

Annex to paragraphs 3 and 9 of Appendix 11**(Formerly Appendix 11)****Public service transfer values****Transfer values per unit of benefit accrued at date of transfer****Table 1 Men**

Age last birthday at date of transfer	Gross pension of £ 1 per annum £	Deduction for national insurance modification of £1 per annum £ flat rate *	Lump sum of £1 £	Widow's pension of £1 per annum £	Deduction for guaranteed minimum pension of £1 per annum £
less than 20	5.00	.25	.60	4.00	1.47
20	5.05	.25	.60	4.00	1.50
21	5.10	.25	.61	4.00	1.53
22	5.15	.30	.61	4.00	1.56
23	5.20	.30	.61	4.00	1.59
24	5.25	.30	.62	4.00	1.62
25	5.30	.35	.62	4.00	1.65
26	5.35	.40	.63	4.00	1.68
27	5.40	.40	.63	4.00	1.71
28	5.45	.45	.63	4.00	1.74
29	5.50	.50	.64	4.00	1.78
30	5.55	.50	.64	4.00	1.81
31	5.60	.55	.65	4.00	1.85
32	5.65	.60	.66	4.00	1.88
33	5.70	.65	.66	4.00	1.92
34	5.75	.70	.67	4.00	1.95
35	5.80	.80	.67	4.00	1.99
36	5.85	.90	.68	4.00	2.02
37	5.90	1.00	.68	4.00	2.06
38	5.95	1.10	.68	4.00	2.10
39	6.00	1.20	.69	4.00	2.14
40	6.05	1.30	.69	4.00	2.18
41	6.10	1.40	.70	4.00	2.22
42	6.15	1.50	.70	4.00	2.26
43	6.20	1.60	.71	4.00	2.30
44	6.25	1.70	.72	4.00	2.34

Age last birthday at date of transfer	Gross pension of £ 1 per annum £	Deduction for national insurance modification of £1 per annum £ flat rate *	Lump sum of £1 £	Widow's pension of £1 per annum £	Deduction for guaranteed minimum pension of £1 per annum £
45	6.30	1.80	.72	4.00	2.39
46	6.40	1.90	.73	4.00	2.44
47	6.50	2.00	.74	4.00	2.48
48	6.60	2.20	.74	4.00	2.53
49	6.70	2.40	.75	4.00	2.58
50	6.80	2.60	.75	4.00	2.62
51	6.90	2.90	.76	4.00	2.67
52	7.10	3.20	.76	4.00	2.72
53	7.30	3.50	.77	4.00	2.78
54	7.50	3.80	.78	4.00	2.84
55	7.70	4.20	.79	4.00	2.90
56	8.00	4.60	.80	4.00	2.97
57	8.30	5.00	.81	4.00	3.04
58	8.60	5.40	.82	4.00	3.12
59	9.00	5.80	.84	4.00	3.20
60	9.50	6.30	.86	4.00	3.28
61	9.50	6.80	.88	4.00	3.36
62	9.50	7.40	.91	4.00	3.44
63	9.50	8.10	.94	4.00	3.53
64	9.50	9.00	.98	4.00	3.64
65	9.50	9.50	1.00	4.00	-
* `Flat-rate' means modification fixed in money terms, such as the modification on account of national insurance and graduated pension applied in the public services.					

Table 2 Women

Age last birthday at date of transfer	Gross pension of £ 1 per annum £	Deduction for national insurance modification of £1 per annum £ flat rate *	Lump sum of £1 £	Deduction for guaranteed minimum pension of £1 per annum £
less than 20	7.00	.50	.60	2.20
20	7.05	.50	.60	2.24
21	7.10	.55	.61	2.28
22	7.15	.60	.61	2.32
23	7.20	.65	.61	2.36
24	7.25	.70	.62	2.40
25	7.35	.75	.62	2.45
26	7.40	.80	.63	2.50
27	7.45	.85	.63	2.55
28	7.50	.90	.63	2.60
29	7.55	.95	.64	2.66
30	7.65	1.05	.64	2.71
31	7.70	1.15	.65	2.77
32	7.80	1.25	.66	2.82
33	7.90	1.35	.66	2.88
34	7.95	1.45	.67	2.93
35	8.05	1.55	.67	2.99
36	8.15	1.65	.68	3.05
37	8.25	1.75	.68	3.11
38	8.35	1.85	.68	3.17
39	8.45	1.95	.69	3.24
40	8.55	2.10	.69	3.31
41	8.65	2.25	.70	3.38
42	8.75	2.45	.70	3.45
43	8.85	2.65	.71	3.52
44	8.95	2.90	.72	3.59
45	9.05	3.15	.73	3.66
46	9.15	3.40	.74	3.74
47	9.25	3.70	.75	3.82
48	9.35	4.00	.76	3.90
49	9.45	4.35	.77	3.98
50	9.55	4.75	.78	4.06
51	9.65	5.15	.79	4.15
52	9.80	5.60	.80	4.24
53	9.95	6.10	.81	4.33
54	10.10	6.65	.82	4.43

Age last birthday at date of transfer	Gross pension of £ 1 per annum £	Deduction for national insurance modification of £1 per annum £ flat rate *	Lump sum of £1 £	Deduction for guaranteed minimum pension of £1 per annum £
55	10.30	7.25	.83	4.53
56	10.50	7.95	.84	4.63
57	10.75	8.75	.85	4.74
58	11.05	9.65	.87	4.85
59	11.40	10.65	.89	4.97
60	11.75	11.75	.91	-
61	11.75	11.75	.93	-
62	11.75	11.75	.95	-
63	11.75	11.75	.97	-
64	11.75	11.75	.99	-
65	11.75	11.75	1.00	-

* `Flat-rate' means modification fixed in money terms, such as the modification on account of national insurance and graduated pension applied in the public services.

Appendix 12 (paragraph 16 of Appendix 11)

Containing the provisions originally set out in section 6

1. For a person leaving or joining the Civil Service on or after 1 June 1972, the provisions of the Statutory Instruments listed in part 1 of Appendix 4, as amended and extended by the Principal Civil Service Pension Scheme (Transfer Scheme) 1972, will apply subject to paragraphs 2 to 6 below as if those provisions formed part of this scheme; and the provisions will apply to persons who joined the Civil Service in an unestablished capacity before 1 June 1972 and who on that date became pensionable civil servants as they apply to persons joining the Civil Service on or after that date.
2. References in the Instruments will be amended as follows:
 - (i) references to the Superannuation Acts will be taken to be references to this scheme;
 - (ii) reference to benefits under the Superannuation Acts will be taken (where appropriate) to be references to the corresponding benefits under this scheme;
 - (iii) references to a 'civil servant' or 'established civil servant' will be taken to be references to a 'civil servant' in the sense defined in rule 1.4;
 - (iv) references to 'established service' will be taken to be references to 'pensionable service' in the sense defined in rule 1.4;
 - (v) references to 'service in an unestablished capacity' will be taken to be references to service as a civil servant to whom this scheme does not apply.
3. Note 1 to Appendix 4 (the revocation of special provisions dealing with medical retirement) will apply.
4. The words 'provided that he has not been dismissed in consequence of an offence of a fraudulent character or of grave misconduct' in the following provisions will be treated as having been revoked:

Rule 6 of SI 1950/1539

Rule 5 of SI 1956/976

Rule 7 of SI 1957/1222

Rule 6 of SI 1957/2229

Rule 5 of SI 1960/819

Rule 3 of SI 1966/769

Rule 4 of SI 1966/1586

Rule 5 of SI 1968/841

Rule 5 of SI 1971/2013

5. The Statutory Instruments listed in part 2 of Appendix 4 continue to have statutory force and apply, subject to paragraph 6, to persons leaving or joining the Civil Service on or after 1 June 1972.
6. Notwithstanding the provisions of the Statutory Instruments listed in Appendix 4:
 - (i) where a person transfers to the Civil Service, and a transfer value is paid to the Minister which takes account of flat-rate modification for part of his service only, the reduction under rule 3.19 on account of flat-rate national insurance pensions will apply only to the equivalent part of his reckonable service under this scheme (see rule 3.20(ii));
 - (ii) where a person transfers to the Civil Service, and a transfer value is paid to the Minister which is reduced on account of equivalent pension benefit purchased by the scheme paying the transfer value, a pension paid to that person under section 3 will be reduced by the amount of the equivalent pension benefit (see rule 3.22).

'Flat rate modification' means a prospective reduction in a pension on account of flat-rate national insurance pensions.

Widows' and dependants' benefits

7. When a transfer value is paid under this section for a person leaving the Civil Service, all contributions which he has paid for widows', widowers' and dependants' benefits under section 4 will be refunded to him, in the same way as contributions are refunded under rules 4.19 and 4.23d, and he will cease to be eligible for any benefits under that section. The whole of any element for family benefits in contributions for added years under section 7 will also be refunded.

Appendix 13 (Rule 2.22)

Reckoning of service pensionable under the Federated Superannuation System for Universities

1. This appendix applies to civil servants in service on 1 April 1975 and who, on that date, were either members of FSSU or had previous periods of FSSU service as defined in the Pension Increase (FSSU) Regulations 1972 (SI 1972 No 877) as amended by the Pensions Increase (FSSU) (Amendment) Regulations 1974 (SI 1974 No 737).
2. If a civil servant to whom this appendix applies elects before 1 April 1977 or before such later date as, in special circumstances and subject to such conditions as may be specified, the Treasury may determine
 - (a) if he is a member of FSSU, to cease to be such a member and to become a member of this Scheme, and
 - (b) in any case, to relinquish his rights in respect of all policies and other assets held by a Minister of the Crown in relation to him for the purpose of a superannuation scheme maintained by the Minister under FSSU,

and consents to those policies and other assets becoming the absolute property of the Minister free and discharged from all the trusts, powers and provisions of that scheme, his period of FSSU service, as defined in Regulation 2(1) of the Pensions Increase (FSSU) Regulations 1972, as amended, shall be treated as reckonable service for the purpose of this scheme.

3. A male civil servant, and a female civil servant to whom rule 4.20 applies, will be deemed to have paid contributions of 1½% of salary for the whole of the reckonable service arising from paragraph 2 of this appendix.
4. Rules 3.19 to 3.21 will apply as though service in the Civil Service started on the date that the period of FSSU service started.
5. Rule 3.22 will apply, with the following modification. A pension under section 3 will be reduced by £3.25 a year for men and £2.70 a year for women for each year of reckonable service between 3 April 1961 and 5 April 1975, and so in proportion for any period of less than a year; except that reckonable service in respect of periods of service outside the United Kingdom during which the civil servant is not required to pay contributions under
 - (a) the National Insurance Acts, or

- (b) any scheme which is the subject of a reciprocal agreement under section 105 of the National Insurance Act 1965,

will not be taken into account for this purpose.

6. Notwithstanding rule 7.8, a civil servant who has opted to buy added years by periodical deductions from salary may, at the time that he makes his election under paragraph 2, change his option to the extent necessary to ensure that his total reckonable service does not exceed the limits set out in rule 2.3 and the deduction from salary may then cease, or be reduced, accordingly. Deductions already made will not be refunded.

Appendix 14

This appendix has been deleted.

Appendix 15

This appendix has been deleted.

Appendix 16

Containing the former section 11 rules in force before 1 October 2002

Part 1: Persons employed in the Civil Service

Qualifying conditions

Eligibility for benefit

Scale of benefits

Review of awards

Temporary service outside the United Kingdom

Widows', widowers' and dependants' benefits

Scale of dependants' benefits

Damages

Apprentices

Part 2: Persons employed for the purposes of HM Government

Part 3: Ministers

Part 1: Persons employed in the Civil Service

11.1 This part of section 11 applies to persons serving in full-time or part-time employment in the Civil Service (except a person in that service who is recruited and employed in a place outside the United Kingdom in which a satisfactory scheme of injury compensation is provided under local legislation which is applicable to, or the provisions of which will be applied to, such a person) who:

- (i) if the Injury Warrants 1952 71 applied to them are injured or contract a disease on or after 29 February 1972;
- (ii) if those Warrants did not apply to them are injured or contract a disease on or after 1 June 1972;

in any of the circumstances set out in rule 11.3. The provisions of section 18 of the Superannuation Act 1965, insofar as they have effect by virtue of section 2(12) of the Superannuation Act 1972 as if they constituted part of the Principal Civil Service Pension Scheme, are hereby revoked.

11.2 This section also applies to persons to whom the Injury Warrants 1952 71 applied who were injured or contracted a disease before 29 February 1972 in circumstances which satisfied the conditions of those Warrants, but whose service had not ended before 29 February 1972.

Qualifying conditions

- 11.3 Except as provided under rule 11.11, benefits in accordance with the provisions of this section may be paid to any person to whom the section applies and
- (i) who suffers an injury in the course of official duty, provided that such injury is solely attributable to the nature of the duty or arises from an activity reasonably incidental to the duty; or
 - (ii) who suffers an injury as a result of an attack or similar act which is directly attributable to his being employed, or holding office, as a person to whom the section applies; or
 - (iii) who contracts a disease to which he is exposed solely by the nature of his duty; or
 - (iv) who, having been recruited in the United Kingdom, is injured while in an area outside the United Kingdom for the purposes of his employment by an injury which is directly attributable to the existence in or near that area of a state of war, revolution, or serious and widespread internal disturbance, or is a direct result of deliberate acts of the local population or of sporadic political disturbances; or

- (v) who, having been recruited in the United Kingdom, but as a result of having been employed outside the United Kingdom suffers an aggravation of a disease from which he is already suffering, being an aggravation to which he was exposed because of his duty outside the United Kingdom:

except that benefits will not be payable if the said injury or disease, or aggravation, is wholly or mainly due to or is seriously aggravated by his own serious and culpable negligence or misconduct.

- 11.4 (i) Subject to paragraph (ii) below, an injury suffered in the course of a journey between the person's place of residence and his place of employment shall not be treated as falling within rule 11.3(i).
- (ii) An injury suffered in the course of a duty journey shall be treated as an injury in the course of official duty. For the purposes of this paragraph, a duty journey includes a journey:
- (a) between the normal place of employment and the detached duty station, and between any two points of detached duty;
 - (b) between the place of residence at the headquarters station and the detached duty station;
 - (c) between the temporary place of residence on the detached duty station and the place of employment on the detached duty station, for the first 30 days only of detached duty;
 - (d) between the place of residence and the place of employment, if required for official purposes and additional to the journeys required for the individual's normal attendance at work.
- (iii) Any injury unrelated to the nature of a person's official duty and suffered during his main meal break, whether or not on official premises, shall not be treated as falling within rule 11.3(i).

- 11.5 Any reference in the following provisions of this section to 'injury' will be taken to include a reference to 'disease', and references to a person being injured and to the date on which an injury is sustained will be construed respectively as including references to his contracting a disease and to the date on which the disease is contracted. In this section in the case of a civil servant whose benefits fall to be calculated under rule 3.1b or 3.4(ii) 'pensionable earnings' means pensionable earnings in his last period of service and 'reckonable service' means the whole of his reckonable service.

Eligibility for benefit

11.6 Subject to the provision of this section, any person to whom this part of this section applies whose earning capacity is impaired because of injury and:

- (i) whose service is ended otherwise than at his own request or for disciplinary reasons before the pension age may be paid an annual allowance and lump sum according to the medical assessment of the impairment of his earning capacity, the length of his service, and his pensionable earnings when his service ends;
- (ii) whose service is ended at his own request or who is discharged for disciplinary reasons, may be eligible on reaching pension age for an annual allowance and lump sum according to the demonstrated impairment of his earning capacity, the length of his service and his pensionable earnings at the date of his resignation or discharge;
- (iii) who is receiving sick pay or sick pay at pension rate for his injury, or whose entitlement to paid sick leave has expired and for whom the total amount of any sick pay or sick pay at pension rate, together with any occupational pension payable from public funds and any annual allowance payable under rule 3.24a(i), or for which all or part of the contributions are payable from public funds, or where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be) and any annual allowance payable under rule 3.24b, and any of the national insurance benefits specified in rule 11.8(iii), amount to less than the amount of guaranteed minimum income provided in rule 11.7 for total incapacity, may be paid a temporary allowance under this section for an amount sufficient to bring the said total up to the guaranteed minimum income for total incapacity;
- (iv) who has not retired but because of his injury is employed in a lower grade or in a different capacity with loss of earnings, may be paid an annual allowance in accordance with the medical assessment of impairment of earning capacity of an amount which when added to the amount of the pension to which he would have been entitled had he retired on ill health grounds at the date of his re-employment with loss of earnings, any of the national insurance benefits specified in rule 11.8(iii) and any occupational pension payable from public funds or for which all or part of the contributions are payable from public funds, or where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be), equals the appropriate guaranteed minimum income provided in rule 11.7; except that for the purposes of this rule the amount of the

annual allowance payable under this rule shall be subject to suspension or abatement in accordance with rules 3.26 and 3.27 as if the allowance were a pension under rule 3.1 and the person had resigned and become re-employed;

- (v) who had retired because of injury and to whom an annual allowance under this section is in payment may, on re-employment in the Civil Service, continue to receive that allowance; except that for the purposes of this rule the amount of such allowance when added to any occupational pension payable from public funds or for which all or part of the contributions are payable from public funds or where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be) shall be subject to suspension or abatement in accordance with rules 3.26 and 3.27 as if that allowance were a pension payable under rule 3.1;
- (vi) who has sustained an injury in circumstances which satisfy the conditions of this section and for which no allowance, other than a temporary allowance under rule 11.6(iii), or a lump sum, has been paid under this section, and who subsequently retires on age grounds, may be paid an annual allowance and lump sum as provided by this section in accordance with the demonstrated impairment of his earning capacity, the length of his service and his pensionable earnings at the date of his retirement.

Scale of benefits

11.7 The annual allowance under rule 11.6 will be the amount which when added to the benefits specified below, will provide an income of not less than the guaranteed minimum shown in the table below and appropriate to the circumstances of the case.

Where a person is employed part-time, his pensionable earnings for the purpose of determining the guaranteed minimum income, will be scaled down by the ratio that hours worked bear to full-time hours.

Where he has opted out of the scheme, his pensionable earnings and reckonable service are calculated as if he had remained a civil servant.

The benefits to be taken into account are:

- (i) any occupational pension payable to him out of public funds or for which all or part of the contributions are so payable, except that
 - (a) no account shall be taken of increases in pension resulting from an election made under rule 3.1a, or rule 5.8(b) of the Compensation Scheme;

- (b) where a civil servant has commuted an ill health pension under rule 3.4b, the pre commutation value of the ill health pension shall be used;
- (ii) any of the national insurance benefits specified in rule 11.8(iii) which are payable to him; and
- (iii) where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be) to which he may be entitled.

In applying this rule no account shall be taken of pensions:

- (a) payable under section 1 or 2 of the Overseas Pensions Act 1973 except for those pensions payable under a scheme which incorporates, replaces or amends the Governors Pensions Acts 1957 and 1967 or the Superannuation Act 1965 so far as it continues to have effect by virtue of section 23(2) of the Superannuation Act 1972; or
- (b) for which Her Majesty's Government in the United Kingdom has accepted, or in the opinion of the Secretary of State with the consent of the Minister would be prepared to accept, responsibility for the whole or part of the cost in pursuance of arrangements made with the Secretary of State under section 1 of the Overseas Aid Act 1966.

Impairment of earning capacity	Guaranteed minimum income			
	Proportion of pensionable earnings			
	Length of service or reckonable service if longer			
	Less than 5 years	5 years and over but less than 15 years	15 years and over but less than 25 years	25 years and over
Slight impairment (more than 10% impaired but not more than 25%)	15%	30%	45%	60%
Impairment (More than 25% impaired but not more than 50%)	40%	50%	60%	70%
Material impairment	65%	70%	75%	80%

(More than 50% impaired but not more than 75%)				
Total impairment	85%	85%	85%	85%
(More than 75% impaired)				

If the total of benefits payable under (i), (ii) and (iii) above exceeds the guaranteed minimum income ascertained from the table, no annual allowance is payable under rule 11.6.

11.8 The pensions and benefits referred to in rule 11.7 are taken to be of the following amounts as at (as the case may be):

the date of retirement, or

the date of commencement of part sick pay or sick pay at pension rate, or

the date of discontinuance of sick pay, or

the date of movement from a higher to a lower substantive grade, or

(in the case of persons to whom part 2 or 3 of this section applies) the date of ceasing to hold office or the date the annual allowance under this section begins:

- (i) the annual amount of any occupational pension payable from public funds, or for which all or part of the contributions are payable from public funds, or the annual amount of any personal pension or state earnings-related pension to which the person may be entitled consequent on his having opted out of the scheme; and any other periodical payment provided for in any section of this scheme other than this section;
- (ii) three-quarters of the annual value of the benefits of the policies or accumulated investments held under the Federated Superannuation System for Universities, the Federated Superannuation Scheme for Nurses, or any other scheme under which the benefits are payable otherwise than as an annual pension;
- (iii) the annuity value or the annual value, as appropriate, of any rights which have accrued or probably will accrue from the injury by way of industrial disablement benefit, sickness benefit, invalidity pension or incapacity benefit; except that no account

will be taken of any increase of the disablement pension payable under section 61 of the Social Security Act 1975 (increase of a disablement pension where constant attendance is needed) or under section 63 of the Social Security Act 1975 (increase of disablement pension in cases of exceptionally severe disablement); and no account will be taken of so much of an unemployability supplement as represents an increase payable under section 59 of the Social Security Act 1975 (early onset of incapacity for work);

- (iv) the annual amount or annuity value of payments made under any insurance for which the premium was paid wholly or partly from public funds (where the premium was partly paid from public funds, the amount of insurance payments taken into account will be proportionate to the amount of the premium so paid).

11.9 The lump sum will be calculated according to the degree of impairment of earning capacity and the amount of pensionable earnings as follows:

Impairment of earning capacity	Proportion of pensionable earnings
Slight impairment	one eighth
Impairment	one quarter
Material impairment	three eighths
Total impairment	one half

Where any person is employed part-time, the pensionable earnings used to determine the lump sum due may be scaled down by the ratio that hours worked bear to full-time hours.

Review of awards

11.10 The annual allowance may be reviewed:

- (i) if the beneficiary's condition attributable to his injury deteriorates and he appeals for such review; or
- (ii) if any change is made in the class of benefit payable to him under the Social Security Acts, such as substitution of retirement pension for sickness benefit or invalidity pension, or cessation of a dependant's allowance; or
- (iii) when re-employment ends; or
- (iv) on modification of pension on account of national insurance pension; or
- (v) when there comes into payment a retirement pension payable wholly or partly out of public funds; or

- (vi) where the beneficiary has opted out of the scheme and there comes into payment any personal pension or state earnings-related pension to which he may be entitled in consequence of having done so.

Temporary service outside the United Kingdom

11.11 If a person to whom this part of this section applies and who is normally employed in the United Kingdom or, in the case of a member of the Diplomatic Service, is normally based in the United Kingdom, is injured while serving outside the United Kingdom he may be paid

- (i) the rate of benefit which would have been payable to him under the Social Security Act 1975; or
- (ii) the award which would have been payable to him under the Criminal Injuries Compensation Scheme; or
- (iii) the benefits which would have been provided by this section

if the injury had been sustained in analogous circumstances in Great Britain, whichever is the most favourable. In calculating the sums payable under this rule no account will be taken of any benefit which would have reduced the sum payable if the injury had been sustained in analogous circumstances in Great Britain unless there is in fact any present or future entitlement to that benefit.

Widows', widowers' and dependants' benefits

11.12 References in this section to an eligible widow shall be construed where applicable as references to an eligible widower as defined in rule 4.21a. If a civil servant to whom this part of this section applies:

- (i) was a person to whom the Injury Warrants 1952 71 applied and is injured on or after 29 February 1972; or
- (ii) was a person to whom the Injury Warrants 1952 71 did not apply and is injured on or after 1 June 1972;

in any of the circumstances set out in rule 11.3, and dies as the direct result of his injury, an annual allowance and a lump sum may be paid in accordance with rules 11.13 to 11.18 as follows:

- (a) An annual allowance may be paid to an 'eligible widow' as defined in rule 4.4. This allowance will begin on the 183rd day after the date of the civil servant's death except that it will begin on
 - (i) the day after the date of his death if this produces a more favourable result for his widow and if, in the case of a civil

servant leaving the Civil Service before 6 April 1978, he dies after leaving the Civil Service; or

- (ii) on the 92nd day where death occurred before 1 January 1986.

The allowance will be paid under the same conditions as those specified in rule 4.5 in respect of a widow's pension or rule 4.21b in respect of a widower's pension.

- (b) An annual allowance may be paid for each 'eligible child' as defined in rules 4.26 to 4.28, up to a maximum of four children at any one time. If there is also an eligible widow, the allowance will begin at the same time as the widow's allowance under (a). If there is no eligible widow and if he dies in service it will begin on the 92nd day after the date of the civil servant's death or (if earlier) on the day after payments under rule 4.8 or rule 4.21f cease or, where death occurred on or after 1 January 1986 on the 183rd day after the date of the civil servant's death; if he dies after leaving the Civil Service it will begin on the day after the date of his death or where death occurred on or after 1 January 1986, on the 183rd day after the date of his death.
- (c) An annual allowance may be paid to the civil servant's mother, or if his mother is dead, his father, provided his mother or his father as the case may be was wholly or mainly dependent on the civil servant at the date of his death.
- (d) An annual allowance may be paid to the civil servant's incapacitated children, brothers and sisters who have ceased to be in the period of childhood and full-time education and who were wholly or mainly dependent on the civil servant at the date of his death. (The limitation to four children in (b) does not apply to incapacitated children.)

11.13 The allowance payable under this section to a widow will be reduced by the annual value of any rights which may accrue to her by way of industrial death benefit under the Social Security Act 1975 at the date when industrial death benefit first comes into payment. The allowance may not thereafter be further reduced because of any subsequent change in the annual value of those rights.

11.14 A lump sum may be paid to an 'eligible widow' as defined in rule 4.4. Where there is no eligible widow a lump sum may be paid for the benefit of any children of the deceased civil servant who are entitled to an allowance under this section, and if there is more than one child the lump sum shall be paid for the benefit of them equally. Where there is neither an eligible widow nor eligible children the lump sum may be paid to a dependent parent. If there is no eligible widow, eligible children, nor dependent parents, the lump sum may be paid to

dependent brothers and sisters, being divided equally between them if there is more than one. In all cases the lump sum may be paid immediately after the civil servant's death. However, no lump sum will be payable under this rule if a lump sum in respect of the injury was previously paid to the civil servant under rule 11.6.

11.15 In rules 11.12 and 11.14

`father' includes the civil servant's step-father and a male person by whom he has been adopted;

`mother' includes his step-mother and a female person by whom he has been adopted;

`brother' includes every male child of his father and of his mother;

`sister' includes every female child of his father and of his mother.

11.16 References in this section to a widow or her husband may be construed as references to a widower or his wife, except that where the deceased civil servant died on or before 30 June 1987 and left a widower no award may be made to him or for his children unless the widower was at the date of the deceased civil servant's death permanently incapacitated and wholly or mainly dependent on her.

11.17 (i) This rule applies where any civil servant referred to below dies on or before 30 June 1987. In such cases a child may not be eligible for an award under this section in respect of more than one deceased civil servant. Where there would otherwise be an eligibility for children's allowance in respect of two or more such civil servants, the child will count as eligible in respect of one of them in the way which, in the opinion of the Minister, gives the most favourable overall result for all the children in question.

(ii) This rule applies provided that at least one civil servant referred to below dies on or after 1 July 1987. An eligible child may receive a children's allowance in respect of not more than two deceased civil servants to each of whom this section applies. If an eligible child is eligible for children's allowances in respect of three or more civil servants to each of whom this section applies, the child will count as eligible in respect of only two civil servants, in the way which gives the most favourable overall result.

Scale of dependants' benefits

11.18 (i) The annual allowance under rule 11.12 will be an amount which, when added to any pension to which the dependant is entitled under section 4 or any occupational pension payable from public funds or for which all or part of the contributions are payable

from public funds, or any personal pension or state earnings-related pension payable as a consequence of the deceased having previously opted out of the scheme, will provide an income not less than the guaranteed minimum income at the rate provided in the following table. Where a person has opted out of the scheme, pensionable earnings will be calculated as if he had remained a civil servant. If any pension in issue exceeds the appropriate guaranteed minimum income, no allowance will be payable under this rule. In applying this rule, no account shall be taken of any increase in a pension under section 4, resulting from an election made under rule 3.1a.

	Guaranteed minimum income.	
	Proportion of pensionable earnings	
Beneficiary		
(a) widow or widower	45%	
	Where there is a widow or widower eligible for benefit	Where there is no widow or widower eligible for benefit
(b) Children during the period of childhood and full-time education up to a maximum of 4 at any one time	10% for each child	20% for each child
(c) Dependent mother or father	20%	45%
(d) Dependent brothers and sisters during the period of childhood and full-time education up to a maximum of 4 inclusive of the children in (b) above	10% for each child	20% for each child
(e) Dependent adult children, brothers and sisters	20% each	45% each

Allowances for incapacitated children may be paid in addition to the maximum number of children's allowance laid down in (b) and (d) above. The total of allowances awarded for the death of a civil servant may not exceed 100% of his pensionable earnings.

- (ii) The lump sum under rule 11.14 will be equal to six months' pensionable earnings except that where the civil servant's death occurred before 1 January 1986, the lump sum will be equal to three months' pensionable earnings.

Damages

- 11.19 (i) Where the Minister for the Civil Service is satisfied that damages have been or will be recovered by any person in respect of an injury for which benefits may be paid under this section, or damages in respect of the death of a person to whom this section applies, the Minister for the Civil Service will take those damages into account against any benefit which might otherwise be payable under this section and will withhold or reduce the allowance and lump sum payable under this section accordingly.
- (ii) (a) Before 6 April 1978 a person shall be regarded as having recovered damages whether they are paid in pursuance of a judgment or order of the Court or by way of settlement or compromise of his claim and whether or not proceedings are instituted to enforce the claim; and if they are recovered for his benefit in respect of a claim under the Fatal Accidents Acts 1846 1959.
- (b) From 6 April 1978 damages will, for the purpose of this rule, include payment received by a person to whom this section applies as a result of a claim in respect of an injury for which benefits may be paid under this section, or received by the estate or dependants of such a person as a result of a claim in respect of his death, whether or not payment is made in pursuance of a judgment or order of a court of any jurisdiction or by way of settlement or compromise of the claim and whether or not proceedings are instituted to enforce the claim.
- (iii) Where compensation is paid
- (a) under a Criminal Injuries Compensation Scheme in the United Kingdom, or
- (b) under a scheme of injury compensation provided under local legislation or otherwise in respect of an injury to, or the death of, a person injured in an area outside the United Kingdom in the circumstances described in rule 11.3(iv), or circumstances resulting in a payment under rule 11.11(ii),

the person to whom or for whose benefit the compensation is paid shall be deemed to recover damages and the compensation paid shall be deemed to be the damages recovered.

Apprentices

- 11.20 If a civil servant to whom this part of section 11 applies is at the date on which he becomes eligible for an allowance under rule 11.6 an apprentice, or because of his youth is receiving pay at a lower rate than

is payable to an adult worker employed in similar work, the allowance payable to him will, for any period after he attains the adult age, be calculated as if at the date of eligibility for an allowance he had been receiving the pay of an adult worker employed in similar work.

Part 2: Persons employed for the purposes of HM Government

11.21 This part of section 11 applies to persons who, although not serving in employment in the Civil Service are employed in a civil capacity, whether temporarily or permanently and whether for reward or not, for the purposes of Her Majesty's Government in the United Kingdom and are injured after 31 May 1972 in any of the circumstances set out in rules 11.3 and 11.4. A person shall not be considered to be employed for the purposes of Her Majesty's Government in the United Kingdom by reason only that he renders or agrees to render services in the ordinary course of his profession, trade or business.

11.22 If the earning capacity of any person to whom this part of this section applies is impaired because of injury he may be paid an allowance and lump sum in accordance with the provisions of rules 11.7, 11.8, 11.9 and 11.19 according to the demonstrated impairment of his earning capacity, the salary and emoluments which would have been payable to a civil servant employed to perform similar duties and, if his normal employment is in the public sector, the length of his service in his normal employment; and if he is in private employment or has no employment, the length of his employment for the purposes of Her Majesty's Government.

If the person to whom this part of this section applies is normally employed in the public sector the allowance and lump sum provided by this rule may be paid on retirement or loss of earnings as if he were a civil servant to whom rule 11.6(i) and (vi) applied.

If the person to whom this part of this section applies is normally in private employment, or has no employment, the allowance and lump sum provided by this rule may be paid when employment for the purpose of Her Majesty's Government ceases.

Exceptionally, if the impairment of earning capacity is of a short-term nature, a temporary allowance may be paid in accordance with the provisions of rule 11.6(iii) applied as appropriate to the circumstances of the particular case.

11.23 If any person to whom this part of this section applies dies as the direct result of injury his spouse and his dependants may be paid an allowance and lump sum in accordance with the provisions of rules 11.12 to 11.19 except that the guaranteed minimum income shall be based on the salary and emoluments of a civil servant who would be employed to perform similar duties. The allowance and lump sum may

be paid on the day following the date of death, or alternatively on the day following the date of cessation of any short-term pension to which the spouse is entitled at a rate higher than the guaranteed minimum income.

Part 3: Ministers

- 11.24 This part of section 11 applies to persons holding office in Her Majesty's Government in the United Kingdom who are injured on or after 29 February 1972 in any of the circumstances set out in rules 11.3 and 11.4.
- 11.25 Any person to whom this part of this section applies, in respect of whose office provision is made by Statute for the payment of a pension or who is entitled to such a pension in respect of past service, and whose earning capacity is impaired because of injury, may on ceasing to hold Ministerial office, and subject to his not holding any office in respect of which the salary is payable out of monies voted by Parliament, be paid an annual allowance and lump sum in accordance with the provisions of rules 11.7, 11.8, 11.9 and 11.19 according to the medical assessment of impairment of earning capacity and the amount of his Ministerial salary. For the purpose of the table in rule 11.7 he will be treated as if the length of his service was between 15 and 25 years.
- 11.26 Any person to whom this part of this section applies in respect of whose office no provision is made by Statute for the payment of a pension and whose earning capacity is impaired because of injury may, on ceasing to hold Ministerial office, be paid an annual allowance and lump sum in accordance with the provisions of rules 11.7, 11.8, 11.9 and 11.19 according to the medical assessment of impairment of earning capacity, the aggregate of his service in Ministerial office and the amount of his Ministerial salary at date of ceasing to hold office or date of injury whichever is the more favourable.
- 11.27 If any person to whom this part of this section applies dies as the result of injury his spouse and his dependants may be paid an allowance and lump sum in accordance with the provisions of rules 11.12 to 11.19, except that the guaranteed minimum income shall be based on Ministerial salary at date of injury or date of death whichever is more favourable. The allowance and lump sum may be paid on the day following date of death.

Appendix 2

This appendix has been deleted.

Appendix 3 (Rule 2.18)

Block transfers into the Civil Service

Service in the employments shown in the following table is treated as reckonable or qualifying service in the Civil Service if the person concerned subsequently became a civil servant. The first column of the table gives the outside employment; the second column gives the dates on which or within which the civil servant must have transferred to the Civil Service; and the third column gives the Statutory Instrument or enactment which set out the conditions on which the earlier service was reckonable.

Rules made under section 33 of the Superannuation Act 1965

Roehampton Hospital	30/4/1935 to 31/8/1953	SI 1957/1723
Wartime Social Survey	on 26/11/1946	SI 1957/1989
Polish Education Committee	on 1/10/1954	SI 1959/191
British Council	1/5/1946 to 27/1/1947	SI 1959/1922
Imperial Institute (Mineral Resources Department or Plant and Animal Products Department)	on 1/4/1949	SI 1959/1923
Imperial Institute (Central Film Library)	1/4/1948 to 1/3/1951	SI 1959/1923
Imperial Institute (Timber Mechanics Staff)	on 1/10/1929	SI 1959/1923
Local Government (and transferred to the Unemployment Assistance Board, Assistance Board or National Assistance Board)	before 1/10/1960, 19/10/1948, 13/7/1948 or 11/7/1950, according to circumstances	SIs 1959/1985 and 1961/1376
Imperial Forestry Institute	1/1/1927 to 1/1/1931	SI 1961/1775
Low Temperature Research Station	1/4/1934 to 1/1/1947	SI 1961/1776
Pest Infestation Laboratory	on 1/4/1940	SI 1961/1777
Hostels Staff	on 1/4/1954, 1/7/1954 or 1/10/1955	SI 1962/158
Agricultural Staff	27/7/1944 to 1/1/1951	SI 1963/1220
Institutes for the Blind	on 1/10/1963	SI 1964/719
Anti-Locust Research Centre	on 1/4/1961	SI 1964/1720
City of London Collectors of Taxes	on 1/4/1946	SI 1965/1558
National Buildings Record	on 1/4/1963	SI 1965/1040
Local Government (and transferred to the National Assistance Board)	30/9/1960 to 2/2/1965	SI 1965/2130
Tropical Research Units	on 1/4/1965	SI 1966/776
Pool of Soil Scientists	1/7/1965 to 30/9/1966	SI 1969/402
Hovercraft Development Ltd	on 1/10/1967	SI 1970/1331

Pest Infestation Laboratory	on 1/11/1970	SI 1971/1726
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Rules made under section 35 of the Superannuation Act 1965

Local Government	before 28/5/1948	SI 1949/1803
Safety in Mines Research Board	before 13/7/1946	SI 1949/1803
War Agricultural Executive	before 17/2/1948 (England and Wales) or 2/12/1947 (Scotland)	SI 1949/1803

Rules made under section 36 of the Superannuation Act 1965

Approved Societies	before 5/7/1949	SI 1948/2434
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Section 37 of the Superannuation Act 1965

Imperial War Graves Commission	before 30/9/1934	S.37 of the Superannuation Act 1965
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Rules made under section 281 of the Government of India Act 1935

India Service	before 2/8/1935	SI 1936/1034 and S.92 of the Superannuation Act 1965
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Rules made under section 51 of the Unemployment Act 1934

Local Government (and transferred to the Unemployment Assistance Board under the Unemployment Act 1934)		SR & O 1935/592
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Rules made under section 2 of the Superannuation (Miscellaneous Provisions) Act 1948

Silicosis Medical Board	on or after 7/4/1948	SI 1949/168
Wheat Commission	before 2/11/1957	SI 1958/1807
(Note: This Instrument provided for service in the Wheat Commission to count as qualifying service only, rather than as reckonable service, in the Civil Service. Paragraph (2) of Rule 1 of the Instrument, which makes special provision for the reckoning of service on medical retirement, is to be treated as having been revoked.)		
General Medical Council	on 1/3/1970	SI 1970/1357

Rules made under section 6(2)(d)(i) to (iii) of the Commonwealth Telegraphs Act 1949 (as amended by section 43 of the Superannuation Act 1949)

Cable and Wireless Limited	on or after 1/4/1950	SIs 1955/1893, 1962/196, 1968/1979 and 1971/61
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Section 2 (7) of the Supreme Court Officers (Pensions) Act 1954

Secretary or clerk to High Court judge, etc.	on 4/6/1954	S.2(7) of the Supreme Court Officers (Pensions) Act 1954
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Appendix 4 (Rule 2.19 and paragraphs 1 and 5 of Appendix 12)

Rules applying to transfers between the Civil Service and other employments

(Except where otherwise stated, the Statutory Instruments listed below were made or were deemed to have been made under section 2 of the Superannuation (Miscellaneous Provisions) Act 1948. The first column of the table shows the Statutory Instrument and the second column shows the outside employment.)

Part 1: Statutory Instruments revoked with effect from 1 June 1972

SI 1950/1539, as amended by SIs 1952/1330, 1954/263, 1955/127, 1955/1427, 1958/2092, 1959/2015, 1960/1466, 1961/377, 1963/1760, 1964/1719, 1964/1800, 1966/454, 1966/705, 1967/89, 1967/1111, 1968/471, 1969/1382, 1970/744, 1970/1563 and 1971/752	Public Boards
SI 1952/917	Fire Service
* SI 1953/337, as amended by SI 1966/453	FSSU
* SI 1954/981	Imperial Institute
SI 1956/976, as amended by SI 1966/450	Jersey Civil Service
SI 1957/1222, as amended by SI 1966/451	Northern Ireland Health Service
SI 1957/2229, as amended by SI 1966/449	Isle of Man Authorities
SI 1960/819, as amended by SIs 1966/452 and 1968/779	Northern Ireland Local Government
* SI 1965/1827, as amended by SI 1966/447	Agricultural Research Organisations
SI 1966/769, as amended by SI 1967/614	Members of the House of Commons
SI 1966/1586	Police
SI 1968/841	Public Transport Services
* SI 1969/34	Territorial and Auxiliary Forces Association
SI 1971/2013	Northern Ireland Teaching Service

Part 2: Statutory Instruments in force after 1 June 1972

SR & O 1936/651, as amended by SR & Os 1940/1076 and 1947/2809	Local Government
Regulation 77 of SI 1961/1441 (made under section 67 of the National Health Service Act 1946)	National Health Service
Regulation 75 of SI 1961/1398 (made under section 66 of the National Health Service (Scotland) Act 1947)	National Health Service (Scotland)
SI 1968/72	Local Government
SI 1970/260	Teaching Service
SI 1970/1464	Teaching Service (Scotland)

Notes

1. Rules marked * provided for the service in the outside employment to count as qualifying service only, rather than as reckonable service in the Civil Service. The following provisions of these rules, which make special provision for the reckoning of service on medical retirement, will be treated as having been revoked:

Rule 5 of SI 1953/337

Rule 5 of SI 1954/981

Rule 3 of SI 1965/1827

Rule 3(4) of SI 1969/34

2. SR & O 1936/651 should be read with section 26 of the Agriculture Act 1937, Part II of the Schedule to the Agriculture (Miscellaneous Provisions) Act 1944 and section 6 of the Food and Drugs (Milk and Dairies) Act 1944; and SR & O 1940/1076 should be read with section 18 of the Old Age and Widows' Pensions Act 1940.
3. On 24 May 1972 several of these rules were extended to other outside employments by the Principal Civil Service Pension Scheme (Transfer Scheme) 1972, as follows:

Rule	Outside employment
SI 1950/1539	British Tourist Authority Lancaster Palatine Court Guernsey Civil Service Welsh National School of Medicine University of East Anglia Inter-University Council
SI 1953/337	University of London (Administrative Staff Pension Scheme)
SI 1968/841	Development Corporations London Transport British Railways British Transport Police British Transport Docks Board British Waterways Board University of London (Superannuation Fund and Pension and Life Assurance Scheme)
SI 1968/841 (modified)	Federation Pension Schemes Employment Jersey Police Jersey Fire Service Jersey Prison Service Overseas Civil Service (Overseas Superannuation Scheme) Open University Gas Council and Area Gas Boards (manual workers) National Freight Corporation Tilling Group

Appendix 5 (Rule 2.26)

Prison Officer grades

Subject to the notes below, rules 2.26 and 2.27 apply to service as a prison officer in one of the following grades or pay bands:

England and Wales	Scotland
Chief Officer I / Grade IV / Governor 4	Chief Prison Officer 1&2 / Grades IV&V / pay band G
Chief Officer II / Grade V / Governor 5	Principal Prison Officer / Grade VI / pay band F
Principal Prison Officer / Grade VI / Principal Officer	Senior Prison Officer / Grade VII / pay band E
Senior Prison Officer / Grade VII / Senior Officer	Prison Officer / Grade VIII / pay bands D or C
Prison Officer / Grade VIII / Officer	Senior Foreman of Works
Senior Foreman of Works	Foreman of Works
Foreman of Works	Engineer Officer
Engineer	Chief Clerk Officer
House Matron / Grade VI / Principal Officer	Principal Clerk Officer
Pharmacist	Clerk Officer
Principal Nursing Sister	Borstal Matron
Nursing Sister	Nursing Sister
Temporary Officer / Grade VIIIA (who joined before 12.12.82)	
Prison Auxiliary (who joined as a Temporary Officer before 18.1.74)	
service in an operational capacity in Grade 3	
service in an operational capacity in Grade 2 band B or C	
service in an operational capacity as	

Manager E, F, or G service in a non-operational capacity as a Manager G if appointed in that capacity before 1 January 2007	
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Note 1. Persons in service as Governor IV, Assistant Governor and Assistant Governor (Trainee) who are, or have been regraded Grade IV or V on or before 30 September 1987 and subsequently graded Governor 4 or 5 are excluded.

Note 2. Persons in service as Prison Officer, who have been recruited through the open competition for governor grades but who have been required by their terms and conditions of service to serve 1 year as a Prison Officer before being regraded Grade V, are excluded.

Appendix 6

Countries and places to which Rule 2.29 applies

Territories are shown under their common or current names as at 1 June 1972. Rule 2.29 applies to service in each country or place after the date shown in the second column and before 1 June 1972. Where the word 'always' appears in the second column, the rule applies to all service in that territory before 1 June 1972.

Place	Date
Admiralty Islands (Pacific Ocean)	3.9.39
Afghanistan	12.8.47
Albania	8.5.45
Angola	always
Arabian Sub-Continent and Islands	always
Australia (West and North of latitude 31.5 degrees South longitude 150 degrees East)	14.7.49
Port Darwin	3.9.39
Bangladesh	3.9.39
Bolivia	always
Brazil Belem (Para), Cidale do Salvador (Bahia), Recife (Pernambuco), Rio de Janeiro and Santos	always
Other places	14.7.49
British Honduras	always
Brunei	always
Bulgaria	8.5.45
Burma(except Rangoon)	14.7.49
Rangoon	always
Cameroon	always
Cape Verde Islands	always
Central African Republic	always
Chad	always
China (except Wei-hai-Wei and Tsingtao)	always
Wei-hai-Wei and Tsingtao	14.7.49
Christmas Island (Pacific Ocean)	6.11.56
Cocos (or Keeling) Islands	3.9.39
Colombia	always
Congo People's Republic (Brazzaville)	always
Costa Rica	14.7.49
Cuba	always
Cyprus	1.5.57 to 31.7.59
Czechoslovakia	8.5.45
Dahomey	always
Dominican Republic	always
Dutch Guiana (Surinam)	always
Ecuador	always
Ethiopia Addis Ababa	1.10.35

Place	Date
Eritrea and Harar	always
Other places	14.7.49
Fernando Po	always
Fiji	always
Formosa (Taiwan)	always
French Guiana	always
French Somaliland	always
Gabon	always
Gambia	always
Ghana	always
Gilbert and Ellice Islands	always
Guatemala	14.7.49
Guyana	always
Guinea	always
Haiti	always
Honduras	14.7.49
Hong Kong	always
Hungary	8.5.45
Iceland	5.9.39
India (except Bombay and Calcutta)	3.9.39
Bombay and Calcutta	always
Indonesia	always
Iraq	always
Israel	15.5.48
Ivory Coast	always
Japan	always
Jordan	14.7.49
Kenya	always
Khmer Republic (Cambodia)	always
Korea	always
Laos	always
Lebanon	always
Liberia	always
Libya	14.7.49
Macao	always
Malagasy Republic	always
Malawi	always
Malaysia	always
Malden Island	6.11.56
Maldives Islands	1.1.57
Mali	always
Martinique	14.7.49
Mauretania	always
Mauritius	always
Mexico (except Vera Cruz)	14.7.49
Vera Cruz	always
Mozambique	always

Place	Date
Nauru	always
Nepal	12.8.47
Netherlands Antilles	3.9.39
New Hebrides	always
Nicaragua	always
Nicobar Islands	14.7.49
Niger	always
Nigeria	always
Norway (Narvik and Tromsø only)	8.5.45
Pakistan	3.9.39
Palestine	8.5.45 to 14.5.48
Panama	always
Paraguay	always
Penrhyn Island	6.11.56
Persia (Iran)	always
Peru	always
Phillipines	always
Poland	8.5.45
Portuguese Guinea	always
Puerto Rico	always
Reunion	always
Roumania	8.5.45
Russia (except Batoum, Poti and Tiflis)	8.5.45
Batoum, Poti and Tiflis	always
Sao Thome	always
Salvador	14.7.49
Samoan Islands	always
Senegal	always
Sierra Leone	always
Singapore	always
Solomon Islands	always
Somalia	always
Spanish possessions in Africa (excluding N.Africa)	always
Sri Lanka (Ceylon)	always
Sudan (except Khartoum and Suakim)	14.7.49
Khartoum and Suakim	always
Sweden (Lulea only)	8.5.45
Syria	always
Tahiti	14.7.49
Tanzania and Zanzibar	always
Thailand	always
Togo	always
Tonga	always
Trinidad and Tobago	always
Turkey in Asia	
Diabekir and Mersin (Icel)	always
Adana and Iskenderun	3.9.39

Place	Date
Other places (excluding Smyrna)	14.7.49
Uganda	always
United Arab Republic (excluding Alexandria)	3.9.39
Upper Volta	always
USA (Houston, New Orleans and St.Louis only)	always
Venezuela	always
Vietnam (North and South)	always
Yugoslavia	8.5.45
Zaire	always
Zambia	always
Ships operated by or on behalf of HM Government in the sea area bounded on the North by the continents of Asia and America and the Arctic Circle, on the East by the continent of America (including the Panama Canal) and longitude 67 degrees West, on the South by the Antarctic Circle, and on the West by the continent of Africa (including Port Said and the Suez Canal) and longitude 18 degrees East	14.7.49

Appendix 7 (Rule 3.25)

Re-employed civil servants whose earlier service ended before 1 June 1972

In this appendix, references to s. eg s.5 are references to sections of the Superannuation Act 1965.

Staff re employed before 1 June 1972

Paragraphs 1 to 3 have been deleted.

4. A civil servant who was re employed before 1 June 1972, and who received a gratuity for his earlier service, may reckon that service with his current service if the gratuity is refunded in accordance with the conditions applying at the time of re employment. These were as follows:
 - (i) Short service gratuity and additional allowance under ss.2 and 3. These could be refunded on re establishment, provided that the service for which they were awarded ended before the pension age. The option to refund had to be taken within three months of the date of re establishment, and repayment had to be made by deductions of not less than 25% of salary. (A civil servant who retired on age grounds with a short service gratuity and additional allowance under ss.2 and 3, and who is re employed in the Civil Service, may reckon service during re employment for a payment of 3/80ths of his pensionable earnings for each year of such service (and so in proportion for any fraction of a year), together with one month's pensionable earnings per year of reckonable service before 1 June 1972 if he was serving in an established capacity on 31 May 1972. His service during re employment may not reckon towards a pension and section 4 will not apply to him; and if he dies during re employment the death benefit payable under rule 3.8 will be reduced by the amount of the short service gratuity and additional allowance under ss.2 and 3.)
 - (ii) Unestablished gratuity or part time gratuity under s.15, 16 or 17. These could be refunded on re employment, provided that:
 - (a) the break in employment was not greater than three years;
 - (b) the option to refund was exercised within two years of re employment;
 - (c) the refund was made in one sum.

If the person concerned was subsequently established, a second option to refund was allowed. This option had to be exercised within six months of establishment or (if later) within 2½ years of re employment. Again the refund had to be made in one sum. The amount to be refunded was increased by 2½% for each complete year in excess of seven between the last day of service for which the gratuity was awarded, and the date of opting to refund.

- (iii) Marriage gratuity under Treasury Minutes of 15 October 1946, 14 September 1949, 30 August 1957 and 3 May 1966. Before 3 May 1966, if re establishment took place within seven years of the last day of continuous full time service (including any unestablished service after resignation on marriage), the refund of a marriage gratuity was a condition of re establishment. After a break of more than 7 years the gratuity could not be refunded. The Minute of 3 May 1966 removed this time limit for those re established on or after that date and made the refund of the gratuity optional. The option to refund had then to be made within three months of the date of re establishment, and the amount of refund was increased by 3% for each year of the interval between the end of the period for which the gratuity was calculated and the date of re establishment.
- (iv) Terminal Grant under s.8 of the Superannuation Act 1965. Under the provisions of TIM (60)5 of 16 February 1960 an industrial civil servant who was re employed and subsequently re established could refund the Terminal Grant provided that the option was exercised within one month of the date of re establishment and the refund was made in one lump sum or by deductions of not less than 25% of pay.

For the purposes of this paragraph, unestablished civil servants who became pensionable on 1 June 1972 will be regarded as having become established on that date. An option under (i) or (iii) to refund the gratuities must be exercised within three months of being notified that the option is available; an option under (ii) to refund the gratuities must be exercised within six months of being notified that the option is available, or (if later) within 2½ years of re employment; and an option under (iv) to refund a Terminal Grant must be exercised within one month of being notified that the option is available.

- 5. A civil servant who was re employed before 1 June 1972, and who had earlier unestablished service or part time service of 18 hours a week or more, may reckon that service (at the appropriate rate) if:
 - (i) the earlier service was ended by voluntary resignation (not being to avoid dismissal) and the break was not more than 31 days long; or

- (ii) the earlier service was ended by voluntary resignation in circumstances which qualified for the payment of an unestablished or part time gratuity and any gratuity paid was refunded in accordance with the provisions applying at the time (see paragraph 4.(ii)) and the break was not more than 3 years long; or
- (iii) the earlier service was ended for reasons other than voluntary resignation or dismissal and the break was not more than 3 years long.

In calculating the length of a break, no account will be taken of part time service of less than 18 hours a week which was continuous with either the earlier or later service of 18 hours a week or more.

6. A woman civil servant who resigned from an established post before 1 June 1972 on marriage or subsequently for reasons connected with her marriage may aggregate her previous service with her current service:
- (i) if she was re established on or after 3 May 1966, provided any marriage gratuity received has been refunded (see paragraph 4.(iii)); or
 - (ii) if she was re established before 3 May 1966 and the interval between the last day of continuous full time employment (including any unestablished service after resignation for marriage) and the date of re establishment did not exceed seven years (refund of the marriage gratuity was then a condition of re establishment); or
 - (iii) if she resigned after 22 March 1965 without sufficient service to qualify for a marriage gratuity.

Staff re employed on or after 1 June 1972

7. This paragraph has been deleted.
8. A civil servant who is re employed on or after 1 June 1972, and who received for his earlier service one of the gratuities described in paragraph 4, may reckon that service with his current service in accordance with the provisions of paragraph 4. For this purpose, he will be treated as having become established on the date that he becomes pensionable under this scheme.
9. Provided the earlier service ended before 1 June 1972, paragraphs 5 and 6 will apply to civil servants re employed on or after 1 June 1972 in the same way as to those re employed before that date.

Appendices 8 to 10

These appendices have been deleted.

Section III

The 2007 Section

Arrangement of rules

Part A

Interpretation etc.

- A.1 Interpretation: general
- A.2 Meaning of “pensionable earnings”
- A.3 Meaning of “assumed pay”
- A.4 The pension limit: general
- A.5 The pension limit: meaning of “appropriate time”
- A.6 The pension limit: meaning of “appropriate percentage” (no previous pensions under the Scheme)
- A.7 The pension limit: meaning of “appropriate percentage” (second or subsequent appropriate time)
- A.8 Meaning of “final pay”
- A.9 Meaning of “final pensionable earnings”
- A.10 Adjustments for inflation in determining final pensionable earnings
- A.11 Restrictions on final pensionable earnings
- A.12 Active membership period
- A.13 Qualifying service
- A.14 Calculation of periods of membership or service
- A.15 Disregard of short breaks in service

Part B

Membership

- B.1 Eligibility: general
- B.2 Persons with other pension arrangements
- B.3 Ineligibility in cases of entitlement to upper tier ill-health pensions
- B.4 Joining the Scheme on starting service: deemed joining terms
- B.5 Option to join the Scheme on starting service
- B.6 Joining the Scheme after service begins
- B.7 Leaving the Scheme

Part C

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Part A

Interpretation etc.

A.1 Interpretation: general

- (1) This Part applies for the interpretation of the Scheme.
- (2) The rules of this Section are to be construed without reference to any other Section of the Scheme (except where they refer to the application of another Section).
- (3) In accordance with section 23 of the Interpretation Act 1978, that Act applies for the interpretation of the rules of this Section as it applies to an Act of Parliament.
- (4) In these rules, unless the context otherwise requires, the following expressions have the following meanings—

“the 1972 Section” means Section II of the Scheme;

“the 2002 Section” means Section I of the Scheme;

“active member” has the meaning given in section 124(1) of the Pensions Act 1995 (treating Section I, Section II and this Section of the Scheme, as if they were themselves each occupational pension schemes) and, except where the context requires, refers to membership of this Section of the Scheme (but see paragraphs (5) and (6));

“active membership period” is to be read in accordance with rule A.12;

“the allocation amount” in the case of any pension means the amount of the pension allocated as a result of the exercise of an election under rule E.20;

“the Armed Forces Pension Scheme” means the Armed Forces Pension Scheme 2005 or the occupational pension scheme arrangements open to members of the armed forces set out in any enactment or in—

- (a) the Order in Council made under the Naval and Marine Pay and Pensions Act 1865,
 - (b) the Army Pensions Warrant 1977, and
 - (c) the Queen’s Regulations for the Royal Air Force,
- or any instrument replacing any of those instruments;

“assumed pay” has the meaning given in rule A.3;

“Civil Service” means the Civil Service of the State;

“Club transfer” means a transfer to or from the Scheme that is made under the public sector transfer arrangements;

“Club transfer pension”, in relation to a member, means a pension calculated by reference to service that the member is entitled to count under rule G.9(4);

“the commutation amount”, in relation to any pension, means the amount of the pension exchanged for a lump sum as a result of the exercise of an election under rule E.16;

“contracted-out employment” is to be construed in accordance with section 8 of the Pension Schemes Act 1993;

“the contribution option period” has the meaning given in rule D.4(9);

“contributed (self only) pension”, in relation to a member, means pension calculated wholly or partly by reference to the member’s carried forward contributed (self only) pension, as defined in rule C.4(8);

“contributed (all beneficiaries) pension”, in relation to a member, means pension calculated wholly or partly by reference to the member’s carried forward contributed (all beneficiaries) pension, as defined in rule C.4(9);

“deferred member” has the meaning given in section 124(1) of the Pensions Act 1995 (treating Section I, Section II and this Section of the Scheme as if they were themselves each occupational pension schemes) and, except where the context requires otherwise, refers to membership of this Section of the Scheme (but see paragraph (5));

“early payment reduction”, in relation to a member, means a reduction applicable because the member has not reached pension age;

“earned pension”, in relation to a member, means pension calculated by reference to the member’s carried forward earned pension, as defined in rule C.4(7);

“eligible child” has the meaning given in rule F.8;

“employment” includes an office or appointment, and related expressions are to be read accordingly;

“final pay” has the meaning given in rule A.8;

“former active member” means an active member who ceased employment before the day immediately before pension age;

“the General Provisions Section” means Section IV of the Scheme;

“the guarantee date” has the meaning given in rule G.2(2);

“the guaranteed cash equivalent transfer value payment” has the meaning given in rule G.3(2);

“guaranteed minimum” means the guaranteed minimum as defined in sections 14 and 17 of the Pension Schemes Act 1993 (minimum pensions for earners, widows and widowers)–

- (a) as increased in accordance with the requirements of section 109 of that Act (annual increase of minimum pensions), and
- (b) in a case where a reduction has been made under section 15A of that Act (reduction of guaranteed minimum in consequence of pension debit), as reduced in accordance with that section;

“ill-health pension” means a pension payable under rule E.7;

“linked service pension”, in relation to a member, means a pension calculated by reference to service that the member is entitled to count under rule H.5(5);

“member”, in relation to this Section, means an active member (including a member to whom H.7(2) and (5) applies), a deferred member, a pensioner member or a pension credit member;

“the Minister” means the Minister for the Civil Service;

“money purchase scheme” has the meaning given in section 181(1) of the Pension Schemes Act 1993;

“normal pension age” has the meaning given by section 180 of the Pension Schemes Act 1993;

“occupational pension scheme” has the meaning given in section 1 of the Pension Schemes Act 1993;

“ordinary adoption leave” means leave under section 75A of the Employment Rights Act 1996;

“ordinary maternity leave” means leave under section 71 of the Employment Rights Act 1996;

“partnership pension account”, in relation to a person in an employment by virtue of which he is eligible for membership of this Section, means

a stakeholder pension scheme or personal pension scheme to which the person's employer is paying contributions;

"paternity leave" means leave under regulation 4 or 8 of the Paternity and Adoption Leave Regulations 2002;

"pay period", in relation to a person, means a period by reference to which the person's earnings in the employment by virtue of which the member is eligible for membership of this Section are payable;

"pension age" means the age of 65;

"pension credit" has the meaning given in section 124(1) of the Pensions Act 1995;

"pension credit member", in relation to this Section, means a person who has rights under this Section which are attributable, directly or indirectly to a pension credit under a pension sharing order following divorce or nullity of marriage;

"pension credit rights" has the meaning given in section 124(1) of the Pensions Act 1995 (treating this Section as if it were itself an occupational pension scheme);

"pension debit" means a debit under section 29(1)(a) of the Welfare Reform and Pensions Act 1999;

"pension debit member" means a person who is a member of this Section whose benefits or future benefits under the Scheme have been reduced under section 31 of the Welfare Reform and Pensions Act 1999 (reduction under pension sharing order following divorce or nullity of marriage), whether before or after the person became a member of this Section;

"pensionable earnings" has the meaning given in rule A.2;

"pensioner member" has the meaning given in section 124(1) of the Pensions Act 1995 (treating Section I, Section II and Section III of the Scheme, as if they were themselves each occupational pension schemes) and, except where the context requires, refers to membership of this Section of the Scheme (but see paragraphs (6) and (7));

"pension limit" has the meaning given by rule A.4;

"pension sharing order" means any provision or order specified in section 28 of the Welfare Reform and Pensions Act 1999;

"permanent pensionable earnings" has the meaning given in rule A.2;

“personal pension scheme” means a personal pension scheme, within the meaning of section 1 of the Pension Schemes Act 1993, that is registered under Chapter 2 of Part 4 of the Finance Act 2004;

“public sector transfer arrangements” means arrangements approved by the Minister as providing reciprocal arrangements for the payment and receipt of transfer values between the Scheme and other occupational pension schemes;

“qualifying service” has the meaning given in rule A.13;

“re-employed active member” has the meaning given by rule H.1(2);

“re-employed 2007 Section member” has the meaning given by rule H.1(4)(a);

“re-employed 1972 or 2002 Section member” has the meaning given by rule H.1(4)(b);

“registered scheme” means a scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004;

“the reserve forces” means those forces specified in section 1(2) of the Reserve Forces Act 1996 and individuals who are liable to be called out or recalled for permanent service under Part 7 of that Act or section 30, 31 or 34 of the Reserve Forces Act 1980;

“retirement index addition” has the meaning given by rule C.9;

“the Scheme” means the Principal Civil Service Pension Scheme;

“the Scheme actuary” means the actuary appointed by the Minister for the time being to provide a consulting service on actuarial matters relevant to this Section;

“the Scheme administrator”, in relation to a member or a function, means the person responsible for the day to day administration of the scheme in relation to the member or in respect of the function, (but see rule K.8 (scheme administrator for purposes of the Finance Act 2004));

“the Scheme medical adviser” means—

- (a) the medical adviser appointed by the Minister for the time being to provide a consulting service on medical matters relevant to this Section, or
- (b) in a case where a function normally exercisable by that adviser is being exercised by another person on an appeal from that adviser’s decision in accordance with procedures that are acceptable to the Minister, that other person;

“scheme year” means a period of one year beginning with 1 April and ending with 31 March;

“special early leaver” has the meaning given in rule E.12(2);

“special early retirement arrangements”, in relation to a member, has the meaning given in rule E.12(2);

“tax year” means a year of assessment for income tax purposes;

“these rules” means the rules of the Scheme set out in this Section;

“this Section” means Section III of the Scheme;

“stakeholder pension scheme” means a scheme which is a stakeholder pension scheme for the purposes of Part I of the Welfare Reform and Pensions Act 1999 (see section 1 of that Act);

“state pension age” means pensionable age, as defined in section 181(1) of the Pension Schemes Act 1993,

“Unreduced Earned Pension” means an Earned Pension, as defined in the Civil Service Compensation Scheme, paid in accordance with rule 12.3.11(b) or 12.4.7(b) of that Scheme;

“weekly rate”, in relation to a guaranteed minimum pension, has the same meaning as in regulation 55(1) of the Occupational Pension Schemes (Contracting-out) Regulations 1996.

- (5) In determining whether a person who is an active member or a pensioner member of this Section is also a deferred member of it, the fact that he is an active member or a pensioner member and his rights as such are to be disregarded.
- (6) In determining whether a person who is an active member of this Section is also a pensioner member of it, the fact that he is an active member and his rights as such are to be disregarded.
- (7) In determining whether a person is a pensioner member of this Section, the fact that he is not entitled to payment of pension because of Part J (abatements) is to be disregarded.

A.2 Meaning of “pensionable earnings”

- (1) In these rules “pensionable earnings”, in relation to a person who is a member, means—
 - (a) permanent pensionable earnings, and
 - (b) fluctuating pensionable earnings,

from the employment in which the person is a member.

This is subject to paragraph (5).

- (2) For the purposes of this rule “permanent pensionable earnings” means—
 - (a) basic pay, and
 - (b) to the extent (if any) that the Minister has determined that they are to be treated as permanent pensionable earnings for the purposes of these rules, allowances granted on a permanent basis to persons in particular posts or kinds of employment.
- (3) For the purposes of this rule “fluctuating pensionable earnings” means—
 - (a) to the extent (if any) that the Minister has determined that they are to be treated as fluctuating pensionable earnings for the purposes of these rules, bonuses, and
 - (b) to that extent (if any) allowances not granted on a permanent basis.
- (4) If anything which is not money falls within paragraph (2) or (3), the amount to be regarded as earnings for the purposes of these rules—
 - (a) in a case where the basis on which it is provided includes provision for the determination of that amount, is to be determined in accordance with that basis, and
 - (b) otherwise is to be such amount as the Minister may determine to be its value.
- (5) Anything which is normally regarded as pensionable earnings is not to be so regarded if—
 - (a) it is expressly provided on a non-pensionable basis, and
 - (b) the Minister has determined that it should not be so regarded.

A.3 Meaning of “assumed pay”

- (1) In the circumstances specified in paragraph (2) a member is treated as receiving or as having received amounts equal to the pensionable earnings that the member would have received if those circumstances had not applied, with such increase, if any, as the Minister considers appropriate; and in these rules the amounts a member is treated as receiving or as having received under this paragraph are referred to as “assumed pay”.

- (2) The circumstances are that the member is an active member who—
- (a) is on secondment to a different employer under an arrangement providing for the member to continue to be an active member of the Scheme in respect of his service although the member is paid for it by that employer,
 - (b) is on sick leave on reduced pay,
 - (c) is receiving statutory maternity pay,
 - (d) is on ordinary maternity leave,
 - (e) is on ordinary adoption leave,
 - (f) is on paternity leave,
 - (g) is on unpaid leave in circumstances that the Minister has agreed can count for the purpose of this paragraph,
 - (h) is absent from duty because of being called out or recalled for permanent service in the reserve forces or the regular forces in pursuance of a call-out order made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996 or under an Order in Council made on 18 May 1982,
 - (i) is receiving pensionable earnings at a reduced rate in accordance with arrangements for members required by the Minister which apply where the members are entitled—
 - (i) to pension benefits under another occupational pension scheme, or
 - (ii) to a payment under the Civil Service Compensation Scheme,in respect of an earlier period of service, or
 - (j) is voluntarily surrendering pensionable earnings in whole or in part.
- (3) For the purposes of paragraph (2)(b), “sick leave on reduced pay” does not include a period of leave during which the member is paid at a rate which his employer has determined to be appropriate because it is equivalent to the rate of the ill-health pension or pensions to which the member would be entitled if he had become entitled to such a pension or pensions on the day on which the leave paid at that rate began (see rule E.7).

- (4) The service mentioned in paragraph (2)(h) does not include a period of absence from duty because of being called out or recalled for service that qualifies the member for benefits under—
- (a) the Armed Forces Pension Scheme, or
 - (b) any occupational pension scheme made under the Reserve Forces Act 1996.

A.4 The pension limit: general

- (1) In these rules “pension limit” in relation to a member’s earned pension, means the appropriate percentage, as at the appropriate time, of the member’s final pay.
- (2) For the meaning of “appropriate percentage” see—
- (a) rule A.6 (meaning of “appropriate percentage”: no previous pensions under the Scheme), and
 - (b) rule A.7 (meaning of “appropriate percentage”: second or subsequent appropriate time).

- (3) For the meaning of “appropriate time” see rule A5.

- (4) In this rule and rules A.5 to A.7—

“deferred pension”, in relation to a Section of the Scheme, means a pension to which a deferred member of that Section becomes entitled, by virtue of his rights as a deferred member of that Section, and

“relevant pension” means the pension referred to in paragraph (1).

- (5) For the purposes of rules A.6 and A.7 it is assumed that—
- (a) the amount of a deferred pension under this Section is calculated when the member ceases to be an active member of this Section and is the amount to which the member would be entitled at that time if the member had claimed payment of the pension and, in any case where it is not so, the member—
 - (i) had ceased to be employed in employment that qualifies the member to belong to this Section, and
 - (ii) was aged 65 (and accordingly no early payment reduction fell to be subtracted), and
 - (b) the amount of a deferred pension under the 2002 Section or 1972 Section is calculated when the member ceases to be an active member of that Section and is the amount to which the

member would be entitled under that Section at that time, assuming in any case where it is not so, that the member—

- (i) had ceased to be employed in employment that qualified the member to belong to that Section, and
- (ii) had reached normal pension age for that Section.

A.5 The pension limit: meaning of “appropriate time”

- (1) In rules A.4, A.6 and A.7 “appropriate time” in relation to a pension means—
 - (a) in the case of a pension under rule E.1, E.7 or E.12, the time when the member ceases to be an active member in the service in respect of which the pension is payable or, if earlier, immediately before the member reaches the age of 75, and
 - (b) in the case of a pension under rule E.4, the time when the option under rule E.4 takes effect.
- (2) For the purposes of paragraph (1)(a), a re-employed 2007 Section member is only treated as having ceased to be an active member on the cessation of the earlier service (as defined in rule H.1) if the member exercises the option under rule H.3.
- (3) Accordingly—
 - (a) in the case of a member who does not exercise that option, a time which is the appropriate time in relation to the member’s deferred pension in respect of the earlier service (as so defined) ceases to be such a time when he enters the current service (as so defined), and
 - (b) in the case of a member who exercises that option, there is a different appropriate time in relation to the pension payable under rule E.1 in respect of the earlier service (as so defined) from the appropriate time in relation to any pension payable in respect of the current service (as so defined).

A.6 The pension limit: meaning of “appropriate percentage” (no previous pensions under the Scheme)

- (1) This rule applies if, as at the appropriate time for the relevant pension of the member—
 - (a) no earlier time has been the appropriate time for any relevant pension of the member, and

- (b) the member has not previously become entitled to a pension (including accrued rights to a deferred pension) under any other Section of the Scheme.
- (2) The appropriate percentage for the relevant pension is 75%, less the deduction percentages specified in the member's case under paragraphs (3) and (4) so far as those paragraphs apply.
- (3) If at the appropriate time for the relevant pension, the member becomes entitled to a Club transfer pension or a linked service pension, the deduction percentage for the Club transfer pension or, as the case may be, the linked service pension is $CS/60 \times 100\%$, where CS is the service by reference to which that pension is calculated in years.
- (4) If one or more transfer value payments have previously been made under Part G in respect of a person's rights under this Section, or under the 2002 Section or the 1972 Section in respect of rights under that Section, the deduction percentage in respect of each of those payments is—
- (a) in the case of a payment under Part G of this Section, the sum of—
- (i) **EP/FP** x 100%, and
- (ii) in respect of any Club transfer pension or linked service pension to which the member would be entitled under rule E.1 at the time the transfer payment was made (on the assumption that a member could become entitled to a pension under that rule at the member's age at that time), **CS/60** x 100%, and
- (b) in the case of a payment under the 2002 Section or the 1972 Section, **RS/60** x 100%,

where—

EP is the earned pension to which the member would be entitled under rule E.1 at the time the transfer payment was made (on the assumption that a member could become entitled to a pension under that rule at the member's age at that time and that no early payment reduction would fall to be subtracted from any such pension),

FP is the member's final pay at the time the transfer payment was made,

CS is the service by reference to which the Club transfer pension or, as the case may be, the linked service pension would be calculated in years, and

RS is the reckonable service by reference to which the transfer payment is calculated.

- (5) If—
- (a) the appropriate time for each of two or more relevant pensions of the member coincides, and
 - (b) as at that time—
 - (i) no earlier time has been the appropriate time for any pension of the member, and
 - (ii) the member has not previously become entitled to a pension (including accrued rights to a deferred pension) under any other Section of the Scheme,

this rule applies to determine the appropriate percentage for both or all of the relevant pensions , but subject to paragraph (6).

- (6) If paragraph (3) applies in the case of one or more of the relevant pensions, paragraph (2) applies in the case of each of them as if the deduction percentage specified in paragraph (3) were the sum of the percentages specified in paragraph (3) in the case of both or all of the relevant pensions.

A.7 The pension limit: meaning of “appropriate percentage” (second or subsequent appropriate time)

- (1) This rule applies if as at the appropriate time for the relevant pension of the member—
- (a) one or more earlier times have been the appropriate time for a relevant pension of the member, or
 - (b) the member has previously become entitled to a pension (including accrued rights to a deferred pension) under any other Section of the Scheme,

and in this rule the pension referred to in sub-paragraph (a) or (b) is referred to as “the previous pension”.

- (2) The appropriate percentage is 75%, less the sum of—
- (a) the deduction percentages specified in the member’s case under paragraphs (3) and (4) so far as those paragraphs apply, and

- (b) the deduction percentages specified in the member's case for each of the previous pensions under paragraphs (5), (6), (7), (8) and (9) so far as those paragraphs apply.
- (3) If at the appropriate time for the relevant pension, the member becomes entitled to a Club transfer pension or a linked service pension, the deduction percentage for the Club transfer pension or, as the case may be, the linked service pension is $CS/60 \times 100\%$, where CS is the service by reference to which that pension is calculated in years.
- (4) If one or more transfer value payments have previously been made under Part G in respect of a person's rights under this Section, or under the 2002 Section or the 1972 Section in respect of rights under that Section, the deduction percentage in respect of each of those payments is—
- (a) in the case of a payment under Part G of this Section, the sum of—
- (i) **EP/FP** x 100%, and
- (ii) in respect of any Club transfer pension or linked service pension to which the member would have been entitled under rule E.1 at the time the transfer payment was made (on the assumption that a member could have become entitled to a pension under that rule at the member's age at that time), **CS/60** x 100%, and
- (b) in the case of a payment under the 2002 Section or the 1972 Section, **RS/60** x 100%,

where **EP**, **FP**, **CS** and **RS** have the same meaning as in rule A.6(4).

- (5) If the previous pension was an earned pension under this Section, the deduction percentage is $P/LP \times 100\%$, where—

P is the amount of that pension (disregarding the subtraction of any commutation amount or allocation amount), and

LP is the member's final pay at the appropriate time for the previous pension.

- (6) If at the appropriate time for the previous pension mentioned in paragraph (5), the member became entitled to a Club transfer pension or a linked service pension, the deduction percentage for the Club transfer pension or, as the case may be, the linked service pension is $CS/60 \times 100\%$, where **CS** is the service by reference to which that pension was calculated in years.

- (7) If the previous pension was a pension under the 2002 Section, the deduction percentage is $\mathbf{RS}/60 \times 100\%$, where **RS** is the reckonable service (as defined in rule A.9 of that Section) by reference to which that pension was calculated in years.
- (8) If the previous pension was a pension under the 1972 Section, the deduction percentage is $\mathbf{RS}/60 \times 100\%$, where **RS** is the reckonable service (as defined for the purposes of that Section) by reference to which that pension was calculated in years.
- (9) If in a case where this rule applies for a relevant pension—
- (a) this rule applies to determine the appropriate percentage for one or more other relevant pensions with coinciding appropriate times, and
 - (b) paragraph (3) applies in the case of one or more of the pensions,

paragraph (2) applies in the case of each of them as if the deduction percentage specified in paragraph (3) were the sum of the percentages specified in paragraph (3) in the case of both or all of the relevant pensions.

A.8 Meaning of “final pay”

- (1) In these rules “final pay”, in relation to a member becoming entitled to a pension (including rights to a deferred pension), means the greatest of—
- (a) the member’s permanent pensionable earnings in the 12 months ending with the last day of the member’s active membership period by reference to which the entitlement to that pension arises,
 - (b) the member’s pensionable earnings—
 - (i) in one of the last 10 complete scheme years ending before or with that last day, or
 - (ii) if the Scheme administrator reasonably considers those earnings cannot be determined for the whole of that period of 10 years, in one of the last such lower number of complete scheme years ending before or with that day as he considers appropriate, and
 - (c) the average annual pensionable earnings in any period of 3 consecutive complete scheme years.

- (2) For the purpose of determining which of the amounts mentioned in paragraph (1) is the greatest—
- (a) the amount of pensionable earnings for each of the complete scheme years mentioned in paragraph (1)(b) and (c), except the last scheme year ending before or with the last day of the member's active membership period, is adjusted for inflation, and
 - (b) the average mentioned in rule paragraph (1)(c) is taken to be the average of those adjusted amounts ("the adjusted average") (except so far as the earnings are those of that last year).
- (3) The reference in paragraph (2) to adjustment for inflation in relation to the amount of pensionable earnings in a scheme year ("the earnings year") is to its increase by the same amount as that by which an annual pension of an amount equal to the amount of those earnings would have been increased under the Pensions (Increase) Act 1971 by the day following that on which the member's active membership period ends if—
- (a) that pension was eligible to be so increased, and
 - (b) the beginning date for that pension were the first day of the next scheme year after the earnings year.
- (3A) If a member's active membership period was less than 12 months then paragraph (1)(a) applies as if the amount calculated under that paragraph were an amount equal to the member's annualised final pay.
- (3B) The member's annualised final pay is $FP \times 365/N$, where—
- (a) **FP** is the member's permanent pensionable earnings during the active membership period by reference to which the entitlement to that pension arises, and
 - (b) **N** is the number of days in that period.
- (3C) But if the active membership period includes the day 29 February, paragraph (6) has effect with the substitution for "365" of "366".
- (4) For the purposes of this rule—
- (a) "deferred pension", means a pension to which a deferred member will become entitled, by virtue of his rights as a deferred member, after ceasing to be an active member, and
 - (b) "the beginning date", in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).

A.9 Meaning of “final pensionable earnings”

- (1) In these rules “final pensionable earnings”, in relation to a member whose active membership is ceasing or a member becoming entitled to the immediate payment of a pension during his active membership period on the exercise of the option under rule E.4 or by virtue of rule E.1(1)(b)(ii), means the greatest of the following amounts—
- (a) the member’s permanent pensionable earnings in the 12 months ending with the last day of that active membership period or, as the case may be, the last day of that period before he becomes so entitled,
 - (b) the member’s permanent pensionable earnings in one of the last 4 complete scheme years ending before or with that day, and
 - (c) the average annual pensionable earnings in any period of 3 consecutive complete scheme years beginning—
 - (i) the period of 13 years ending with that day, or
 - (ii) if the Scheme administrator reasonably considers those earnings cannot be determined for the whole of that period of 13 years, such period of less than 13 years as he considers to be appropriate;

but this is subject to paragraphs (2) to (9) and rules A.10 and A.11.

- (2) If the member was employed part-time during any period the earnings for which are relevant for paragraph (1), his final pensionable earnings are calculated as if he received the full-time rate for that period.
- (3) If the member was not an active member during the whole of the period of 12 months mentioned in paragraph (1)(a), that paragraph applies as if it referred to the member’s annualised permanent pensionable earnings in the active membership period ending with the last day mentioned in that paragraph.
- (4) The member’s annualised permanent pensionable earnings for a period are $PPE \times 365/N$, where—
- (a) **PPE** is the member’s permanent pensionable earnings for the period, and
 - (b) **N** the number of days in the period.
- (5) But if that period includes the date 29 February, paragraph (4) has effect with the substitution for “365” of “366”.

- (6) If at any time during any period that is relevant for paragraph (1) the member is treated under rule A.3(1) as receiving assumed pay, for the purposes of that paragraph his permanent pensionable earnings for that period include that assumed pay.
- (7) In this rule “active membership period”, in relation to a member whose active membership has not been continuous, only refers to the last period of active membership and not to any earlier period separated from it by a break in service.
- (8) Subject to paragraph (9), for the purposes of paragraph (1), only pensionable earnings in the member’s active membership period may be taken into account.
- (9) If the member’s active membership period is separated from an earlier period of service to which rule A.15 applies (disregard of short breaks in service), pensionable earnings in that earlier period of service may be taken into account.

A.10 Adjustments for inflation in determining final pensionable earnings

- (1) For the purpose of determining which of the amounts mentioned in rule A.9(1) is the greatest—
 - (a) the following amounts are adjusted for inflation—
 - (i) the amount of permanent pensionable earnings for each of the complete scheme years mentioned in rule A.9(1)(b) except the year ending before or with the last day mentioned in rule A.9(1)(a) (“the final year”), and
 - (ii) the amount of pensionable earnings for each of the complete scheme years mentioned in rule A.9(1)(c) except the final year, and
 - (b) the average mentioned in rule A.9(1)(c) is calculated on the basis of the amounts for the 3 years in question after those adjustments.
- (2) But if the member’s final pensionable earnings are determined in accordance with paragraph (1) to be the amount mentioned in rule A.9(1)(b) or (c), for all other purposes of this Section the member’s final pensionable earnings are taken to be the unadjusted amount (see paragraphs (3) and (4)).

This is subject to rule A.11 (restrictions on final pensionable earnings).

- (3) In a case where the member’s final pensionable earnings are determined in accordance with paragraph (1) to be the amount

mentioned in rule A.9(1)(b), “the unadjusted amount” means the amount so mentioned before it is adjusted for inflation under paragraph (1)(a).

- (4) In a case where the member’s final pensionable earnings are determined in accordance with paragraph (1) to be the amount mentioned in rule A.9(1)(c), “the unadjusted amount” means the amount which, if it were the annual amount of a pension would, as at the last day mentioned in rule A.9(1)(a), have been increased under the Pensions (Increase) Act 1971 to an amount equal to the average amount used for that determination in accordance with paragraph (1)(b), assuming that—
- (a) that pension were eligible to be so increased, and
 - (b) the beginning date for that pension were the day following the period of 3 scheme years mentioned in rule A.9(1)(c).
- (5) The references in paragraphs (1) and (3) to adjusting for inflation the amount of permanent pensionable earnings or, as the case may be, pensionable earnings for a scheme year (“the earnings year”) are references to increasing it by the same amount as that by which an annual pension of an amount equal to those earnings would have been increased under the Pensions (Increase) Act 1971 as at the last day mentioned in rule A.9(1)(a), assuming that—
- (a) that pension were eligible to be so increased, and
 - (b) the beginning date for that pension were the first day of the next scheme year after the earnings year.
- (6) In this rule—
- “active membership period” has the same meaning as in rule A.9, and
- “the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).

A.11 Restrictions on final pensionable earnings

- (1) If the calculation under rule A.9(1) produces an amount exceeding the permitted maximum, the excess is disregarded.
- (2) But paragraph (1) does not apply to a member if the Minister has so determined before the member becomes eligible for membership of this Section.
- (3) In this rule “permitted maximum” means –

- (a) in relation to any tax year before the tax year 2006-07, the figure specified for that tax year in an order made under section 590C of the Income and Corporation Taxes Act 1988,
 - (b) in relation to the tax year 2006-07, £108,600,
 - (c) in relation to the tax year 2007-08, £112,800, and
 - (d) in relation to any later tax year, the figure found for that year under paragraphs (4) and (5).
- (4) The figure referred to in paragraph (3)(d) is £112,800.

This is subject to paragraphs (5) and (6).

- (5) If the retail prices index for the month of September preceding the tax year 2008-09 or any later tax year is higher than it was for the previous September, the figure for that year is an amount arrived at by –
- (a) increasing the figure for the previous tax year by the same percentage as the percentage increase in the retail prices index, and
 - (b) if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple.
- (6) If the retail prices index for the month of September preceding the tax year 2008-09 or any later tax year is not higher than it was for the previous September, the figure for that year shall be the same as for the previous tax year.

A.12 Active membership period

In these rules references to a person's active membership period, in relation to this Section, the Scheme or to another scheme, —

- (a) are references to the period during which the person has been an active member of this Section, the Scheme or, as the case may be, that scheme, but
- (b) in the case of a member of this Section whose active membership has not been continuous, only refer to the aggregate of two or more periods during which the person has been an active member of this Section if the general rule in rule H.2 applies to the member as respects the earlier period or periods.

A.13 Qualifying service

- (1) In these rules references to a member's qualifying service, in relation to the Scheme, are references to the aggregate of the following periods—

- (a) any period during which the member is in service in respect of which he—
 - (i) receives earnings that are pensionable earnings for the purposes of this Section, or
 - (ii) is treated under rule A.3 as receiving assumed pay,
 - (b) any period of unpaid leave that does not fall within sub-paragraph (a) (other than an unauthorised absence),
 - (c) any period—
 - (i) during which the member has a partnership pension account, and
 - (ii) which would be a period falling within sub-paragraph (a) if the member were an active member of this Section during it,
 - (d) in the case of a person in respect of whom a transfer value in respect of his rights under another pension arrangement has been accepted under Part G (transfers), a period equal to the person's period as an active member in any occupational pension scheme in respect of which the rights accrued ("the previous service") (but see paragraph (2)),
 - (e) in the case of a person who has become an active member of this Section on a transfer without his consent under rule G.13, the whole of the person's active membership period in any scheme to which he belonged in his former employment (but see paragraph (2)), and
 - (f) in the case of a member within rule H.7 (re-employment after ill-health pension awards and awards under the Civil Service Compensation Scheme), the qualifying service he is entitled to count under rule H.7(6)(b).
- (2) If, apart from this paragraph, a person would fall within both paragraph (1)(d) and paragraph (1)(e) in respect of the same transfer, the person may count only the greater of the periods referred to in those paragraphs.
- (3) See also—
- (a) rule H.3 (re-employed 2007 Section members: option not to link earlier service), and
 - (b) rule H.4 (re-employed 1972 or 2002 Section members: general rule (earlier service not linked)).

A.14 Calculation of periods of membership or service

- (1) For the purposes of this Section, periods of membership and service are to be expressed in the first instance in complete years, and days or fractions of a day, and the initial aggregation of periods that require to be aggregated is done in the first instance by reference to periods so expressed.

This is subject to paragraph (3).

- (2) If, when all periods of membership or service that require to be aggregated have been aggregated, there is any excess part day over the number of whole days, that excess is rounded up to a full day.

This is subject to paragraph (3).

- (3) If membership or service is referred to as membership or service in years—

- (a) the days referred to in paragraph (1), and
- (b) the full days referred to in paragraph (2),

are converted into years by dividing the number of days in excess of the period of whole years by 365, and using the result to four decimal places.

- (4) If a period of membership or service is less than one year, this rule applies as if the words “complete years and” were omitted from paragraph (1) and the words “in excess of the period of whole years” were omitted from paragraph (3).

A.15 Disregard of short breaks in service

- (1) If an active member—

- (a) ceases to be employed in the employment that qualifies him to belong to the Scheme, and
- (b) after a period not exceeding 6 months becomes employed again in an employment that qualifies him to belong to it,

any qualifying service for the earlier employment and for the later employment is treated as a single period of qualifying service.

This is subject to paragraph (3).

- (2) If an active member—

- (a) opts to cease to be such a member whilst continuing to be employed in the employment that qualified him to belong to the Scheme, and
- (b) after a period not exceeding 6 months becomes such a member again in that employment,

any qualifying service for the earlier period of active membership and for the later period of such membership is treated as a single period of qualifying service.

This is subject to paragraph (3).

- (3) Paragraphs (1) and (2) do not apply if—
 - (a) the person has received a repayment of contributions under rule D.9 in respect of the earlier period, or
 - (b) the person's rights under the Scheme in respect of that period have been extinguished under rule G.6 because a transfer value payment has been made. (1) This Part applies to the rules of this Section of the Scheme (but not to any other Section).

Part B

Membership

B.1 Eligibility: general

- (1) A person is eligible to be an active member of this Section if—
 - (a) conditions A, B and C are met and, if condition D applies in the person's case, that condition is met, and
 - (b) the person is not prevented by—
 - (i) rule B.2 (persons with other pension arrangements), or
 - (ii) rule B.3 (ineligibility in cases of entitlement to upper tier ill-health pensions).
- (2) Condition A is that the person—
 - (a) is in permanent employment in the Civil Service,
 - (b) holds a permanent employment that is listed for the time being in Schedule 1 to the Superannuation Act 1972, or
 - (c) holds an appointment in the Civil Service for a fixed term or an employment that is so listed for a fixed term.
- (3) Persons engaged under contracts for services and staff engaged locally overseas are not regarded as meeting condition A.
- (4) Condition B is that the terms on which the person holds the employment do not exclude him from being an active member of the Scheme or this Section of the Scheme.
- (5) Condition C is that the person has not reached the age of 75.
- (6) Condition D is that—
 - (a) the person's employment begins on or after 30 July 2007, and
 - (b) the person is not eligible to become an active member of the 2002 Section or the 1972 Section in respect of the employment.
- (7) But the Minister may direct that Condition D does not apply in the case of a person specified in the direction.
- (8) No such direction may be given after 31 October 2007.

B.2 Persons with other pension arrangements

A person is not eligible to be an active member of this Section in respect of service in an employment if the person—

- (a) is an active member of the 2002 Section or the 1972 Section,
- (b) is an inactive member under rule B.7 of the 2002 Section or rule 1.4e of the 1972 Section,
- (c) has a partnership pension account, or
- (d) is a member of another registered scheme to which his employer contributes,

in respect of that service.

B.3 Ineligibility in cases of entitlement to upper tier ill-health pensions

(1) A person who would be eligible to be an active member of this Section under these rules in respect of service in an employment (“the current employment”) is not eligible to be such a member in respect of that service if the person—

- (a) was previously an active member of the Scheme,
- (b) ceased to be employed in the employment that then qualified him to be such a member (“the former employment”),
- (c) ceased to be employed in the former employment in such circumstances that the person became entitled to immediate payment of—
 - (i) a lower tier earned pension and an upper tier top up earned pension under rule E.7 of this Section, or
 - (ii) a lower tier pension and an upper tier top up pension under rule D.4 of the 2002 Section, and
- (d) remains entitled to immediate payment of that upper tier top up earned pension or, as the case may be, that upper tier top up pension.

(2) For the purposes of paragraph (1)(c) and (d), a person is treated as being entitled to immediate payment of a pension if the person would have received payment of it apart from—

- (a) Part J (abatement), or

- (b) Part H of the 2002 Section (which makes similar provision to Part J of this Section for members of that Section).

B.4 Joining the Scheme on starting service: deemed joining terms

- (1) A person who—
 - (a) is eligible to be an active member of this Section because of an employment beginning on or after 30 July 2007, and
 - (b) is engaged on terms specifying that he is treated as becoming such a member on the day on which the employment begins (“the person’s first day”) unless an option to the contrary is exercised,

is treated as becoming such a member on the person’s first day, subject to paragraph (2).
- (2) Paragraph (1) does not apply if before the end of the period of three months beginning with the person’s first day (or such longer period, if any, as the Minister considers appropriate) the person opts—
 - (a) not to belong to this Section, or
 - (b) to have a partnership pension account.
- (3) The option may only be exercised by notice in writing in such form as the Minister requires.
- (4) For the purposes of this rule, the option is treated as having been exercised on the date on which it is received by the Scheme administrator or the person’s employer.
- (5) If a person who exercises the option under paragraph (2) has paid any contributions under this Section, the contributions must be repaid.
- (6) Paragraph (5) does not require the payment to the person of any additional amount which becomes payable by him in respect of national insurance contributions because the person has not after all been a member of this Section during any period.

B.5 Option to join the Scheme on starting service

- (1) A person who—
 - (a) is eligible to be an active member of this Section because of an employment beginning on or after 30 July 2007, and
 - (b) is engaged on terms specifying that he may exercise an option to join this Section, but will not be a member of it otherwise,

may opt to become such a member under this rule within the period of three months beginning with the day on which the person's employment begins ("the person's first day").

- (2) A person who so opts within that period is treated as becoming such a member on the person's first day.
- (3) The option may only be exercised by notice in writing in such form as the Minister requires.
- (4) For the purposes of this rule, the option is treated as having been exercised on the date on which it is received by the Scheme administrator or the person's employer.

B.6 Joining the Scheme after service begins

- (1) A person who is not an active member of this Section but is eligible to be one may opt at any time to become such a member.

This is subject to the following provisions of this rule.

- (2) A person who has exercised the option under paragraph (1) while eligible for membership because of an employment may not exercise it again during that employment.
- (3) The option may only be exercised by the person giving notice in writing in such form as the Minister requires.
- (4) For the purposes of this rule, the option is treated as having been exercised on the date on which it is received by the Scheme administrator.
- (5) In the case of a person who has had a partnership pension account and exercises the option, the person becomes an active member on the first date that is 1 April or 1 October after the period of 3 months beginning with the date on which the option is exercised or such shorter period as the Minister considers appropriate.
- (6) In the case of any other person who exercises the option, the person becomes an active member at the beginning of the first pay period beginning after the date on which the option is exercised or at such other time as the Minister considers appropriate.
- (7) The fact that contributions have been made to a person's partnership pension account by the person's employer does not prevent the person from being able to exercise the option under paragraph (1) by reason of the application of rule B.2(c).

B.7 Leaving the Scheme

- (1) A person who is an active member of this Section may opt to cease to be such a member.
- (2) The option may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member who is to have a partnership pension account after ceasing to be an active member ceases to be such a member on the first date that is 31 March or 30 September after the period of 3 months beginning with the date on which the option is exercised or such shorter period as the Minister considers appropriate.
- (4) In any other case, a member who exercises the option ceases to be an active member at the beginning of—
 - (a) the first pay period beginning on or after the date on which the option is exercised, or
 - (b) if the Minister considers that period inappropriate, such later pay period as the Minister considers appropriate.

Part C

Pension accounts

C.1 Establishment of pension accounts: general

- (1) The scheme administrator must establish and maintain one or more pension accounts for each member of this Section in accordance with this Part.
- (2) A pension account may be kept in any form the scheme administrator considers appropriate.
- (3) A pension account must contain such matters as are required by these rules.
- (4) References in these rules to any amount specified in a pension account are references to the amount that is required by these rules to be so specified and not, if different, the amount actually so specified.

C.2 Pension accounts for active members

- (1) A pension account must be established under this rule for each active member.
- (2) At any time in a scheme year the pension account under this rule must specify—
 - (a) the member's earned pension for that year as at that time,
 - (b) the member's contributed (self only) pension for that year as at that time,
 - (c) the member's contributed (all beneficiaries) pension for that year as at that time, and
 - (d) the member's non-Club transferred pension for that year as at that time.
- (3) At any time in a scheme year—
 - (a) which is not the scheme year in which a pension account under this rule is established, and
 - (b) before the beginning of which the member has reached pension age,

the member's pension account under this rule must specify the age addition awarded under paragraph (6) at the beginning of that year for

- each description of member's pension referred to in paragraph (2)(a), (b), (c) or (d).
- (4) At any time in a scheme year that is not the scheme year in which a pension account under this rule is established, the account must specify—
- (a) the opening balance for member's earned pension for that year and the index addition in respect of it,
 - (b) the opening balance for member's contributed (self only) pension for that year and the index addition in respect of it,
 - (c) the opening balance for member's contributed (all beneficiaries) pension for that year and the index addition in respect of it, and
 - (d) the opening balance for member's non-Club transferred pension for that year and the index addition in respect of it.
- (5) In this rule "the opening balance" for any description of member's pension for a scheme year means the sum of—
- (a) the member's pension of that description for the previous scheme year as at the end of that year, and
 - (b) if paragraph (3) or (4) applied at the beginning of that previous year, the amounts specified in respect of that description of member's pension in accordance with that paragraph.
- (6) The reference in paragraph (3) to the age addition awarded under this paragraph at the beginning of a scheme year for each description of member's pension referred to in paragraph (2)(a), (b), (c) or (d) is a reference to the amount the Minister determines, after consulting the Scheme actuary, in respect of the opening balance for that description of member's pension as at the beginning of the previous scheme year (as specified in accordance with paragraph (4)(a), (b), (c) or (d)).
- (7) In making the determination under paragraph (6) at the beginning of a scheme year, the Minister must have regard to the proportion of the previous scheme year during which the member had reached pension age.
- (8) For the purposes of paragraph (4), the index addition in respect of any description of opening balance for a scheme year is the amount by which an annual pension of an amount equal to that opening balance which was eligible to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year if the beginning date for that pension were the first day of the previous scheme year.

- (9) In paragraph (8) “the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).
- (10) For the meaning of the expressions used in paragraph (2), see rule C.3.
- (11) For the application of this rule in cases where a deferred member becomes an active member again, see rules H.2 and H.3 (re-employed 2007 Section members).

C.3 Meaning of expressions used in rule C.2 (“member’s earned pension” etc)

- (1) For the purposes of rule C.2 a member’s earned pension for a scheme year is 2.3% of the member’s pensionable earnings received in the year.
- (2) For the purposes of rule C.2 a member’s contributed (self only) pension for a scheme year is the sum of—
- (a) the amounts that the member is entitled to count as such pension in respect of contributions in the scheme year under rule D.4(6)(b) (periodical added pension contributions) under an option under rule D.4(1)(a),
 - (b) the amounts that the member is entitled to count as such pension for the scheme year as a result of contributions under rule D.5(6) (lump sum added pension contributions) under an option under rule D.5(1)(a), and
 - (c) the amounts that the member is entitled to count as such pension in respect of contributions in the scheme year under rule D.8(3)(b) or D.8(4A) (payment of additional contributions by employer or third party contributor).
- (3) For the purposes of rule C.2, a member’s contributed (all beneficiaries) pension for a scheme year is the sum of—
- (a) the amounts that the member is entitled to count as such pension in respect of contributions in the scheme year under rule D.4(6)(c) (periodical added pension contributions) under an option under rule D.4(1)(b),
 - (b) the amounts that the member is entitled to count as such pension for the scheme year as a result of contributions under rule D.5(7) (lump sum added pension contributions) under an option under rule D.5(1)(b), or

- (c) the amounts that the member is entitled to count as such pension in respect of contributions in the scheme year under rule D.8(4)(b) or D.8(4B) (payment of additional contributions by employer or third party contributor).
- (4) For the purposes of rule C.2, a member's non-Club transferred pension for a scheme year is the sum of the appropriate pension amounts which the member is entitled to count as such pension under rule G.9(2) for the scheme year.

C.4 Effect of active member becoming deferred member

- (1) This rule applies if an active member becomes a deferred member in respect of the rights that accrued in the service in which he is an active member.
- (2) The member's pension account under rule C.2 must be closed and an account (or, as the case may be, a further account) must be established under this rule for the member.
- (3) The pension account under this rule must specify—
- (a) the provisional amount of the member's deferred earned pension (see paragraph (4)),
 - (b) the provisional amount of the member's deferred contributed (self only) pension (see paragraph (5)), and
 - (c) the provisional amount of the member's contributed (all beneficiaries) pension (see paragraph (6)).
- (4) The provisional amount of the member's deferred earned pension is found by—
- (a) calculating the member's carried forward earned pension (see paragraph (7)),
 - (b) except in the case of an immediate Scheme leaver, adding the retirement index addition for the carried forward earned pension (see rule C.9),
 - (c) in the case of any member who has reached pension age at least one month before the last day of the service in respect of which the member's pension will be payable under this Section ("the relevant last day"), adding the age addition for that pension (see paragraph (14)), and
 - (d) if the resulting amount exceeds the amount of the member's pension limit in relation to the deferred earned pension, substituting the amount of that limit for that resulting amount.

- (5) The provisional amount of the member's deferred contributed (self only) pension is found by—
 - (a) calculating the member's carried forward contributed (self only) pension (see paragraph (8)),
 - (b) except in the case of an immediate Scheme leaver, adding the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, adding the age addition for that pension.
- (6) The provisional amount of the member's deferred contributed (all beneficiaries) pension is found by—
 - (a) calculating the member's carried forward contributed (all beneficiaries) pension (see paragraph (9)),
 - (b) except in the case of an immediate Scheme leaver, adding the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, adding the age addition for that pension.
- (7) Subject to rule E.13C, the member's carried forward earned pension is the sum of the amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(a) and (d) and (4)(a) and (d) as at the end of the relevant last day.
- (8) The member's carried forward contributed (self only) pension is the sum of the amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(b) and (4)(b) as at the relevant last day.
- (9) The member's carried forward contributed (all beneficiaries) pension is the sum of the amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(c) and (4)(c) as at the relevant last day.
- (10) Once the member has become entitled to the immediate payment of the pensions under rule E.1, E.13C or E.15B(2)(b), the pension account under this rule must specify in respect of each of the pensions for which there is a provisional amount specified under paragraph (3)—
 - (a) the early payment reduction (if applicable) (see paragraph (11)),
 - (b) the late payment supplement (if applicable) (see paragraph (12)),

- (c) the commutation amount (if any), and
 - (d) the allocation amount (if any).
- (11) The early payment reduction mentioned in paragraph (10)(a)—
- (a) only applies if—
 - (i) the member has not reached pension age at the time when the member becomes entitled to the immediate payment of the pension under rule E.1, E.13C or E.15B(2)(b), and
 - (ii) the member has not exercised the option to buy out the early payment reduction under rule E.15A, and
 - (b) is such amount as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension under rule E.1, E.13C or E.15B(2)(b) before that age.
- (12) The late payment supplement mentioned in paragraph (10)(b)—
- (a) only applies if the member has reached pension age before the time when the member becomes entitled to the immediate payment of the pension under rule E.1, E.13C or E.15B(2)(b), and
 - (b) is such amount as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension under rule E.1, E.13C or E.15B(2)(b) after that age.
- (13) For the purposes of this rule a member is an immediate Scheme leaver in relation to the provisional amount of a deferred pension if a transfer value payment is made under Part G in respect of the member's rights to that pension before the end of the scheme year in which the relevant last day falls.
- (14) In this rule "the age addition" in respect of a carried forward pension means such additional amount as the Minister determines after consulting the Scheme actuary having regard to—
- (a) the amount by which the amount of the carried forward pension would have been increased by virtue of an award under rule C.2(6) at the beginning of the scheme year following that in which the relevant last day falls ("the last active scheme year") had the member continued to be an active member throughout the last active scheme year, and

- (b) the proportion of the last active scheme year during which the member was an active member who had reached pension age.
- (15) For the treatment of the pension account under this rule if the deferred member becomes an active member again, see rule H.2(2) and H.3(3) (re-employed 2007 Section members).

C.5 Effect of members becoming entitled to pensions: general

- (1) This rule applies if an active member becomes entitled to immediate payment of a pension under rule E.1, E.7, E.12 or E.13C.
- (2) The member's pension account under rule C.2 must be closed and a pension account (or, as the case may be, a further pension account) must be established under this rule for the member in respect of the pension.
- (3) The pension account under this rule must specify—
 - (a) the member's carried forward earned pension (as defined in rule C.4(7)),
 - (b) the member's carried forward contributed (self only) pension (as defined in rule C.4(8)),
 - (c) the member's carried forward contributed (all beneficiaries) pension (as defined in rule C.4(9)),
 - (d) the early payment reduction (if applicable) in respect of each of those carried forward pensions (see paragraph (8)),
 - (e) the retirement index addition in respect of each of those carried forward pensions (see rule C.9),
 - (f) the age addition, if any, in respect of each of those carried forward pensions (see paragraph (7)),
 - (g) the member's full retirement basic earned pension (see paragraph (4)),
 - (h) the member's full retirement basic contributed (self only) pension (see paragraph (5)),
 - (i) the member's full retirement basic contributed (all beneficiaries) pension (see paragraph (6)),
 - (j) the commutation amount (if any) for each of those full retirement basic pensions, and

- (k) the allocation amount (if any) for each of those full retirement basic pensions.
- (4) The member's full retirement basic earned pension is the sum of—
- (a) the member's carried forward earned pension (as defined in rule C.4(7)),
 - (b) the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (5) The member's full retirement basic contributed (self only) pension is the sum of—
- (a) the member's carried forward contributed (self only) pension (as defined in rule C.4(8)),
 - (b) the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (6) The member's full retirement basic contributed (all beneficiaries) pension is the sum of—
- (a) the member's carried forward contributed (all beneficiaries) pension (as defined in rule C.4(9)),
 - (b) the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (7) In this rule "the age addition" in respect of a carried forward pension means such additional amount as the Minister determines after consulting the Scheme actuary having regard to—
- (a) the amount by which the amount of the carried forward pension would have been increased by virtue of an award under rule C.2(6) at the beginning of the scheme year following that in which the relevant last day falls ("the last active scheme year") had the member continued to be an active member throughout the last active scheme year, and

- (b) the proportion of the last active scheme year during which the member was an active member who had reached pension age.
- (8) The early payment reduction for a carried forward pension—
- (a) only applies—
 - (i) if the member has not reached pension age on the relevant last day,
 - (ii) if the pension is not a pension under rule E.7,
 - (iii) in the case of a pension under rule E.12, if the terms offered by the member's employer provide for the pension to be paid with a proportion of the reduction that would otherwise apply (see rule E.13(4)), and
 - (iv) if the member has not exercised the option to buy out the early payment reduction under rule E.15A, and
 - (b) is such amount as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension in question before pension age (but in the cases mentioned in sub-paragraph (a)(iii), subject to the reduction provided for in rule E.13(4)(a)).
- (9) In this rule “the relevant last day” means the last day of the service in respect of which the member's pension will be payable under this Section.

C.6 Effect of members becoming entitled to pensions under rule E.4

- (1) This rule applies if a member becomes entitled to a pension under rule E.4 (partial retirement: members aged at least 55).
- (2) If the option under that rule is exercised in respect of the whole of the member's pensions to which that rule relates—
- (a) rule C.5 applies as if the member had ceased to be an active member on the day before that on which the option takes effect, but with the substitution in paragraph (9) of that rule for the definition of “the relevant last day” of the following definition—

““the relevant last day” means the day before the day on which the option under rule E.4 takes effect”.
 - (b) a new pension account must be established under rule C.2 for the member, and

- (c) rule C.2 applies in relation to the member as if the member had joined this Section on the day on which the option under rule E.4 takes effect.
- (3) If the option under rule E.4 is exercised in respect of a proportion of the member's pensions to which that rule relates—
- (a) a pension account must be established under this rule for the member in his capacity as a pensioner member, and
 - (b) the member's pension account under rule C.2 must be adjusted by reducing each amount specified in the member's account in accordance with rule C.2 by a proportion of that amount equal to the proportion specified in the option under rule E.4 ("the option proportion"), and
 - (c) after that adjustment rule C.2 applies in relation to the member as if the amounts specified in the member's account in accordance with that rule had always been reduced by the option proportion.
- (4) The pension account referred to in paragraph (3)(a) must specify—
- (a) the member's carried forward earned pension (see paragraph (5)),
 - (b) the member's carried forward contributed (self only) pension (see paragraph (6)),
 - (c) the member's carried forward contributed (all beneficiaries) pension (see paragraph (7)),
 - (d) the early payment reduction (if applicable) in respect of each of those carried forward pensions (see paragraph (11)),
 - (e) the retirement index addition in respect of each of those carried forward pensions (see rule C.9),
 - (f) the age addition (if any) in respect of each of those carried forward pensions (see paragraph (12)),
 - (g) the member's partial retirement basic earned pension (see paragraph (8)),
 - (h) the member's partial retirement basic contributed (self only) pension (see paragraph (9)),
 - (i) the member's partial retirement basic contributed (all beneficiaries) pension (see paragraph (10)),

- (j) the commutation amount (if any) for each of those partial retirement basic pensions, and
 - (k) the allocation amount (if any) for each of those partial retirement basic pensions.
- (5) The member's carried forward earned pension is the option proportion of the sum of the amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(a) or (d) or (4)(a) or (d) as at the end of the day before that on which the option under rule E.4 takes effect ("the relevant last day").
- (6) The member's carried forward contributed (self only) pension is the option proportion of the sum of the amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(b) or (4)(b) as at the relevant last day.
- (7) The member's carried forward contributed (all beneficiaries) pension is the option proportion of the sum of the amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(c) or (4)(c) as at the relevant last day.
- (8) The member's partial retirement basic earned pension is the sum of—
- (a) the member's carried forward earned pension,
 - (b) the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (9) The member's partial retirement basic contributed (self only) pension is the sum of—
- (a) the member's carried forward contributed (self only) pension,
 - (b) the retirement index addition for that pension, and
 - (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (10) The member's partial retirement basic contributed (all beneficiaries) pension is the sum of—
- (a) the member's carried forward contributed (self only) pension,
 - (b) the retirement index addition for that pension, and

- (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (11) The early payment reduction for a carried forward pension only applies if the member has not reached pension age on the relevant last day, and is such amount as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension under rule E.4 before that age.
- (12) In this rule “the age addition” in respect of a pension means such additional amount as the Minister determines after consulting the Scheme actuary having regard to—
- (a) the amount by which the amount of the carried forward pension would have been increased by virtue of an award under rule C.2(6) at the beginning of the scheme year following that in which the relevant last day falls (“the last active scheme year”) had the member not exercised the option under rule E.4 and had continued to be an active member throughout the last active scheme year, and
 - (b) the number of days in that year falling before the day on which the option takes effect when the member was an active member who had reached pension age.

C.7 Pension accounts for pension credit members

- (1) A pension account must be established under this rule for each pension credit member.
- (2) The pension account of a pension credit member must specify—
- (a) the credited pension,
 - (b) if the member has become entitled to a pension attributable to the pension credit in question and has exercised the option under rule E.16, the commutation amount, and
 - (c) if the member has become entitled to early payment of a pension attributable to the pension credit in question under rule E.6(2B), the early payment reduction (if applicable) (see paragraph (6)).
- (3) In this rule “credited pension” means an amount such that the value of the pension credit member’s rights under this Section (as calculated in accordance with regulations made under paragraph 5(b) of Schedule 5 to the Welfare Reform and Pensions Act 1999) equals the member’s pension credit under section 29(1)(b) of that Act.

- (4) If a pension credit member is also an active member, a deferred member or a pensioner member, the account under this rule is in addition to the other account or accounts to be established under this Part in respect of the member in the other capacity.
- (5) If a pension credit member has rights under this Section which are attributable, directly or indirectly, to pension credit derived from the rights of more than one pension debit member of this Section, a separate account is to be established under this rule in respect of the pension credit attributable to the rights of each such pension debit member.
- (6) The early payment reduction mentioned in paragraph (2)(c)—
 - (a) only applies if—
 - (i) the member has not reached 60 at the time when the member becomes entitled to the immediate payment of the pension under rule E.6, and
 - (ii) the member has not exercised the option to buy out the early payment reduction under rule E.15A, and
 - (b) is such amount as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension under rule E.6 before age 60.”

C.8 Pension debit members

- (1) This rule applies where a pension sharing order is made.
- (2) The amounts specified in the accounts kept under this Part in respect of the pension debit member at the time that order takes effect must be reduced by such amounts as in the opinion of the Minister, after consultation with the scheme actuary, are appropriate having regard to the amount of the cash equivalent transfer value of the pension credit member.
- (3) This rule is subject to such modifications as the Minister may think appropriate in order to give effect to—
 - (a) section 31 of the Welfare Reform and Pensions Act 1999, and
 - (b) any particular pension sharing order or arrangements.

C.9 The retirement index addition

- (1) This rule deals with the way in which, for the purposes of rules C.4, C.5 and C.6, the retirement index addition is calculated in respect of a carried forward pension for the purposes of calculating—

- (a) in the case of rule C.4, the provisional amount of a deferred pension, and
 - (b) in the case of rule C.5, a full retirement basic pension, and
 - (c) in the case of rule C.6, a partial retirement basic pension.
- (2) In this rule the pensions referred to in paragraph (1)(a), (b) and (c) are referred to as “the derived pension”.
- (3) The retirement index addition is calculated as follows.

Step 1

Calculate the amount to which an annual pension of an amount equal to the carried forward pension which was eligible to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year following the leaving year if the beginning date of that pension were the first day of the leaving year.

Step 2

Calculate the amount to which an annual pension of that amount which was eligible to be increased under that Act would be increased in the scheme year following the leaving year if the beginning date of that pension were the day after the relevant last day.

Step 3

Calculate the increase percentage by—

- (a) dividing the amount found at Step 1 by the amount found at Step 2,
- (b) multiplying the result of sub-paragraph (a) by 100%, and
- (c) subtracting 100% from the result of sub- paragraph (b).

Step 4

Calculate the increase percentage of the carried forward pension.

- (4) In this rule—

“the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act),

“the leaving year” means the scheme year in which the relevant last day falls, and

“the relevant last day” means—

- (a) in a case where the pension is payable under rule E.4, the day before the day on which the option under that rule takes effect, and
- (b) otherwise, the last day of the service in respect of which the member’s pension is payable.

C.10 Closing and adjusting accounts on transfer out

- (1) If a transfer value is paid by this Section in respect of a member, all pension accounts relating to the member must be closed, except as provided in paragraphs (2) and (3).
- (2) Nothing in paragraph (1) requires any account to be closed if the amounts specified in the account are or include amounts to which the transfer value does not relate or is not attributable, but an account that is not closed because of this paragraph must be adjusted in such manner as the Minister considers appropriate to reflect the extinguishing under rule G.6 of the rights to any other benefits to which the transfer value payment relates.
- (3) In particular, but without prejudice to the generality of paragraph (2)—
 - (a) if any benefits are excluded from the transfer value payment under rule G.4(4), paragraph (1) does not apply to any account so far as it relates to those benefits, but it must be adjusted under paragraph (2), and
 - (b) if the transfer value is paid in respect of a member who is both—
 - (i) a pension credit member, and
 - (ii) an active member, a deferred member or a pensioner member,

paragraph (1) does not apply to the member’s account under rule C.7.

Part D

Contributions

D.1 Members' contributions

- (1) Each active member must make contributions to this Section on his pensionable earnings at such intervals as the Minister may determine.

This is subject to paragraphs (2) to (6) and rule H.7(5) (under which this rule is disapplied in certain cases for a period in cases of re-employment after ill-health pension awards and awards under the Civil Service Compensation Scheme).

- (2) A member's employer—
- (a) may make the contributions on the member's behalf in such circumstances as the Minister may determine, and
 - (b) must do so for any period in respect of which the member is treated as receiving assumed pay under rule A.3(2)(g) (unpaid leave).
- (3) For the purposes of paragraph (1), for any period during which a member is treated as receiving assumed pay under rule A.3(1), a member is treated as receiving pensionable earnings equal to the member's assumed pay.

This is subject to paragraphs (4) and (5).

- (4) A member treated as receiving assumed pay under rule A.3(2)(b) (member on sick leave on reduced pay) is treated for the purposes of paragraph (1) as receiving pensionable earnings equal to the member's pay at the reduced rate.
- (5) A member on ordinary maternity leave, ordinary adoption leave or paternity leave is only required to pay contributions on the contractual remuneration or statutory pay actually paid to or for the member in respect of that period of leave.
- (6) Accordingly, a member on unpaid ordinary maternity leave, unpaid ordinary adoption leave or unpaid paternity leave is not required to pay contributions.

D.2 The members' contribution rate

- (1) Contributions under rule D.1(1) must be paid at the rate of 3.5% or such other rate as the Minister determines after consultation with the Scheme actuary.

- (2) Before determining a rate under paragraph (1) the Minister must consult such bodies appearing to him to be representative of active members of this Section as he considers appropriate.

D.3 Employers' contributions

- (1) Each employer of an active member must make contributions to this Section in respect of the member at such rate and at such intervals as the Minister may for the time being determine after consultation with the Scheme actuary.
- (2) Paragraph (1) is subject to rule H.7(5) (re-employment after ill-health pension awards and awards under the Civil Service Compensation Scheme) under which this rule is disapplied in certain cases for a period.
- (3) Paragraph (1) is also subject to rule B.2(8) of the General Provisions Section.

Buying contributed (self only) or contributed (all beneficiaries) pension

D.4 Member's option to pay additional periodical contributions to purchase pension

- (1) An active member may opt to make additional periodical contributions to this Section during the contribution option period to increase—
 - (a) the benefits payable to the member under Part E of this Section (retirement benefits), or
 - (b) the benefits so payable and the benefits payable under Part F of this Section (death benefits).
- (2) The option may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member may exercise the option under paragraph (1) more than once.
- (4) If a member exercises an option under paragraph (1), the additional contributions are payable by deduction from the member's earnings—
 - (a) in the case of a member joining the Scheme under rule B.4 or B.5 who exercises the option within the period of the period of 3 months beginning with the date on which the member becomes a member of this Section, for the first pay period the Scheme administrator considers appropriate that begins on or after the

date on which the Scheme administrator receives the member's application to exercise the option ("the receipt date"), and

- (b) in any other case, for the first pay period of the scheme year beginning on or after the receipt date that the Scheme administrator considers appropriate, and
 - (c) for all subsequent pay periods beginning during the contribution option period.
- (5) Paragraph (4) is subject to rules D.6 (cancellation of options to make additional periodical payments) and D.7 (special cases).
- (6) If a member exercises an option under paragraph (1)—
- (a) the additional contributions payable may be expressed as a percentage of the member's pensionable earnings for the time being or as a fixed sum,
 - (b) in the case of an option under paragraph (1)(a), the amount that the member is entitled to count as member's contributed (self only) pension for the scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contributions are paid of making provision for providing benefits under this Section for a person of the member's age and sex, and
 - (c) in the case of an option under paragraph (1)(b), the amount that the member is entitled to count as member's contributed (all beneficiaries) pension for the scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contributions are paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person.

This is subject to paragraph (7).

- (7) The total pension amounts included in the member's pension account under rule C.2 as a result of contributions made under this rule, taken together with—
- (a) any pension amounts so included as a result of—

- (i) contributions made under rule D.5 (member's option to pay additional lump sum contributions to purchase pension), or
 - (ii) contributions made under rule D.8 (payment of additional contributions by employer) other than contributions made by virtue of paragraph (2) of that rule, and
- (b) any pension amounts included in any other pension account established at any time under rule C.2 in respect of the member as a result of—
- (i) contributions made under this rule,
 - (ii) contributions made under rule D.5, or
 - (iii) contributions made under rule D.8 (other than contributions made by virtue of paragraph (2) of that rule),

may not exceed such amount as the Minister may for the time being determine.

- (8) A member may not make additional contributions under this rule of less than such amount as the Minister may for the time being determine.
- (9) In these rules "the contribution option period", in relation to an option under this rule, means—
- (a) the period beginning with the pay period in respect of which the first contribution is made under the option and ending when the member ceases to be an active member, or
 - (b) such shorter period as may be specified in the option.

D.5 Member's option to pay additional lump sum contributions to purchase pension

- (1) An active member who has been such a member for a period exceeding 12 months may opt to make a single lump sum contribution to this Section to increase—
- (a) the benefits payable to the member under Part E of this Section (retirement benefits), or
 - (b) the benefits so payable and the benefits payable under Part F of this Section (death benefits).
- (2) A member may not make a contribution under this rule of less than such amount as the Minister may for the time being determine.

- (3) The option—
- (a) may only be exercised by notice in writing to the Scheme administrator in such form and subject to such conditions as the Minister requires, and
 - (b) in particular, if the Minister so requires, may only be exercised if the member has first requested a statement of the amount of pension that the member will be entitled to count under this rule if the payment of the lump sum is received by the Scheme administrator before the end of the period of one month beginning with the date of the statement.
- (4) A member may exercise the option under paragraph (1) more than once, but it may only be exercised once in any scheme year.
- (5) If a member exercises an option under paragraph (1), the additional contribution is payable immediately by the member to the Scheme administrator by deduction from the member's earnings or otherwise.
- (6) If a member exercises an option under paragraph (1)(a), the amount that the member is entitled to count as member's contributed (self only) pension for the relevant scheme year is—
- (a) in the case of a payment made before the end of the period of one month beginning with the date of a statement given to the member in accordance with such a request as is mentioned in paragraph (3)(b) in connection with the option, the amount specified in that statement, and
 - (b) otherwise, such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost as at the relevant day of making provision for providing benefits under this Section for a person of the member's age and sex.

This is subject to paragraph (8).

- (7) If a member exercises an option under paragraph (1)(b), the amount that the member is entitled to count as member's contributed (all beneficiaries) pension for the relevant scheme year is—
- (a) in the case of a payment made before the end of the period of one month beginning with the date of a statement given to the member in accordance with such a request as is mentioned in paragraph (3)(b) in connection with the option, the amount specified in that statement, and
 - (b) otherwise, such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after

consultation with the Scheme actuary, having regard to the cost as at the relevant day of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person.

This is subject to paragraph (8).

- (8) The total pension amounts included in the member's pension account under rule C.2 as a result of contributions made under this rule, taken together with—
- (a) any pension amounts so included as a result of—
 - (i) contributions made under rule D.4 (member's option to pay additional periodical contributions to purchase pension), or
 - (ii) contributions made under rule D.8 (payment of additional contributions by employer) other than contributions made by virtue of paragraph (2) of that rule, and
 - (b) any pension amounts included in any other pension account established at any time under rule C.2 in respect of the member as a result of—
 - (i) contributions made under this rule,
 - (ii) contributions made under rule D.4, or
 - (iii) contributions made under rule D.8 (other than contributions made by virtue of paragraph (2) of that rule),

may not exceed such amount as the Minister may for the time being determine.

- (9) A statement given to the member in pursuance of a such a request as is mentioned in paragraph (3)(b)—
- (a) in the case of an option under paragraph (1)(a), must specify such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost of making provision for providing benefits under this Section for a person of the member's age and sex —
 - (i) so far as any factors relating to the member's circumstances are concerned, by reference to the relevant day, and

- (ii) so far as any other relevant factors are concerned, by reference to the date of the statement,
 - (b) in the case of an option under paragraph (1)(b), must specify such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person—
 - (i) so far as any factors relating to the member's circumstances are concerned, by reference to the relevant day, and
 - (ii) so far as any other relevant factors are concerned, by reference to the date of the statement, and
 - (c) must inform the member of the effect of paragraph (8) generally and, in any case where it appears to the Scheme administrator that that rule will apply so as to restrict the amount that the member will be entitled to count under this rule, the effect of paragraph (8) in the member's case.
- (10) In this rule—
- “the relevant day” means—
- (a) in a case where such a request as is mentioned in paragraph (3)(b) is made in connection with the option, the first day after the period of one month mentioned in that paragraph, and
 - (b) otherwise, the day on which the payment is received by the Scheme administrator; and

“the relevant scheme year” means the scheme year in which the relevant day falls.

D.6 Cancellation of options to make additional periodical contributions

- (1) A member may cancel an option under rule D.4(1) by giving the Scheme administrator notice in writing.
- (2) If a member cancels such an option, the additional periodical contributions cease to be payable in respect of the member's pensionable earnings for all pay periods falling in any scheme year after that in which the Scheme administrator receives the notice.
- (3) If it appears to the scheme administrator that the requirement in rule D.4(7) will not be met if the member continues to make periodical

contributions under rule D.4, he may cancel the option under rule D.4(1) by giving the member notice in writing.

- (4) If the scheme administrator cancels such an option, the additional periodical contributions cease to be payable in respect of the member's pensionable earnings for all pay periods beginning after the date specified in the notice.

D.7 Periodical contributions: special cases

- (1) If a member who has exercised an option under rule D.4(1) has a period of absence from work, the member may—
 - (a) cease to pay the additional periodical contributions payable under the option, or
 - (b) pay the same amounts of contributions as would be payable if he were receiving pensionable earnings at the full-rate.
- (2) But if a member is receiving statutory maternity pay or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave—
 - (a) paragraph (1)(b) does not apply to the contributions payable under the option, and
 - (b) the member may pay the contributions on the member's actual pay in respect of the period of leave.

D.8 Payment of additional contributions by employer or third party contributor

- (1) The employer of an active member or a third party contributor in relation to an active member may, if the Minister approves, make one or more additional contributions to this Section—
 - (a) to increase the benefits payable to the member under Part E of this Section (retirement benefits), or
 - (b) to increase the benefits so payable and the benefits payable under Part F of this Section (death benefits).
- (2) If an active member opts for the whole or part of any lump sum payable to the member under the Civil Service Compensation Scheme to be so used, the employer may make an additional contribution under paragraph (1) using the whole or, as the case may be, that part of the lump sum.
- (3) If the employer makes an additional contribution under paragraph (1)(a) to increase the amount specified in the member's pension

account under rule C.2(2)(b) as the amount of the member's contributed (self only) pension for the scheme year in which the contribution is paid by a particular amount—

- (a) the amount to be paid in order to increase it by that amount is such amount as is indicated as appropriate for the amount of that increase in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under this Section for a person of the member's age and sex, and
 - (b) the pension amount that the member is entitled to count as member's contributed (self only) pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for that amount of contribution in those tables.
- (4) If the employer makes an additional contribution under paragraph (1)(b) to increase the amount specified in the member's pension account under rule C.2(2)(c) as the amount of the member's contributed (all beneficiaries) pension for the scheme year in which the contribution is paid by a particular amount—
- (a) the amount to be paid in order to increase it by that amount is such amount as is indicated as appropriate for the amount of that increase in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person, and
 - (b) the pension amount that the member is entitled to count as member's contributed (all beneficiaries) pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for that amount of contribution in those tables.

This is subject to paragraph (5).

- (4A) If a third party contributor makes an additional contribution under paragraph (1)(a), the pension amount that the member is entitled to count in respect of that contribution as member's contributed (self only) pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under this Section for a person of the member's age and sex.

- (4B) If a third party contributor makes an additional contribution under paragraph (1)(b), the pension amount that the member is entitled to count in respect of that contribution as member's contributed (all beneficiaries) pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person.
- (5) The total pension amounts included in the member's pension account under rule C.2 as a result of contributions made under this rule other than by virtue of paragraph (2) or contributions made by a third party contributor, taken together with—
- (a) any pension amounts so included as a result of—
 - (i) contributions made under rule D.4 (member's option to pay periodical contributions to purchase pension), or
 - (ii) contributions made under rule D.5 (member's option to pay additional lump sum contributions to purchase pension), and
 - (b) any pension amounts included in any other pension account established at any time under rule C.2 in respect of the member as a result of—
 - (i) contributions made under this rule other than by virtue of paragraph (2),
 - (ii) contributions made under rule D.4, or
 - (iii) contributions made under rule D.5,
- may not exceed such amount as the Minister may for the time being determine.
- (6) A contribution under this rule must be paid in such manner as the Minister may require after consultation with the Scheme actuary.
- (7) In this rule "third party contributor" means a third party approved by the Minister to pay contributions in respect of an active member of this Section.

Repayment of contributions

D.9 Repayment of contributions

- (1) The contributions made by a member under this Part are not repayable in any circumstances except if—
 - (a) paragraph (2) applies, or
 - (b) Chapter 5 of Part 4 of the Pension Schemes Act 1993 (early leavers: cash transfer sums and contribution refunds) applies and the payment is made in accordance with that Chapter.
- (2) This paragraph applies if—
 - (a) a person who is not a pensioner member ceases to be an active member of this Section, and
 - (b) the person does not fall within paragraph (1)(b) or rule E.1(2)(a) to (d).
- (3) If paragraph (1)(b) applies, the person is entitled to be paid the amount to which the person is entitled under Chapter 5 of Part 4 of the Pension Schemes Act 1993, less—
 - (a) such part of any contributions equivalent premium paid in respect of the person as is permitted by or under section 61 of the Pension Schemes Act 1993, and
 - (b) an amount equal to the income tax payable under section 205 of the Finance Act 2004 (short service refund lump sum charge) as a result of the repayment.
- (4) If paragraph (2) applies, the person is entitled to be paid an amount equal to the sum of the contributions made by the person under this Part, less the sum of the amounts mentioned in paragraph (3)(a) and (b).
- (5) If a repayment is made under this rule, the member's rights under this Section are extinguished.

Part E

Retirement

Entitlement to benefits

E.1 Normal full retirement (members aged at least 55)

- (1) The general rule is that a member is entitled to an earned pension calculated in accordance with rule E.2(1) that is payable for life and, depending on the member's circumstances, may be entitled to one or more other pensions that are so payable (see paragraph (3)) if the member—
 - (a) has reached the age of 55, and
 - (b) either—
 - (i) has ceased to be employed in the employment that qualified the member to belong to this Section and has claimed payment of the pension, or
 - (ii) will reach the age of 75 on the next day.
- (2) But a former active member is not entitled to a pension under this rule unless—
 - (a) the member has at least two years' qualifying service (see rule A.13),
 - (b) a transfer value payment has been accepted by this Section under Part G (transfers) otherwise than from an occupational pension scheme,
 - (c) the employment of the member was transferred without the member's consent to a new employer and on that transfer the member ceased to be eligible to be an active member of this Section, or
 - (d) the member has reached pension age.
- (3) A member entitled to an earned pension under this rule—
 - (a) is entitled to a contributed (self only) pension—
 - (i) in the case of a deferred member becoming a pensioner member, if the member's pension account under rule C.4 specifies a carried forward contributed (self only) pension, and

- (ii) in the case of an active member becoming a pensioner member, if the member's pension account under rule C.5 specifies a carried forward contributed (self only) pension,
 - (b) is entitled to a contributed (all beneficiaries) pension if—
 - (i) in the case of a deferred member becoming a pensioner member, if the member's pension account under rule C.4 specifies a carried forward contributed (all beneficiaries) pension, and
 - (ii) in the case of an active member becoming a pensioner member, if the member's pension account under rule C.5 specifies a carried forward contributed (all beneficiaries) pension,
 - (c) is entitled to a Club transfer pension if the member is entitled to count service under rule G.9(4), and
 - (d) is entitled to a linked service pension if the member is entitled to count linked service under rule H.5(5).
- (4) A pension to which a member is entitled under this rule becomes payable immediately the member becomes entitled to it.
- (5) A claim under paragraph (1)(b)(i) must be made by notice in writing in such form as the Minister requires and takes effect from the date specified in the claim as the date on which the pension is to become payable.
- (6) For the amount of the pensions to which member may be entitled under this rule, see—
- (a) rule E.2 (earned pension, contributed (self only) pension and contributed (all beneficiaries) pension for active members becoming pensioner members),
 - (b) rule E.3 (earned pension, contributed (self only) pension and contributed (all beneficiaries) pension for deferred members becoming pensioner members),
 - (ba) rule E.13C (remaining earned pension for certain members who leave service with benefits under the Civil Service Compensation Scheme),
 - (c) rule E.14 (Club transfer pension), and
 - (d) rule E.15 (linked service pension).

E.2 Amount of pensions under rule E.1 (full retirement of active members): general

- (1) This rule deals with the annual amount of the earned pension, the contributed (self only) pension and the contributed (all beneficiaries) pension payable under rule E.1 to an active member who becomes a pensioner member.
- (2) The amount of the earned pension so payable is found by—
 - (a) taking the full retirement basic earned pension specified in the member's pension account under rule C.5,
 - (b) subtracting the early payment reduction so specified in respect of that pension (if any),
 - (c) if the resulting amount exceeds the amount of the member's pension limit in relation to the pension, substituting the amount of that limit for that resulting amount, and
 - (d) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).
- (3) The amount of the contributed (self only) pension payable as mentioned in paragraph (1) is found by—
 - (a) taking the full retirement basic contributed (self only) pension specified in the member's pension account under rule C.5,
 - (b) subtracting the early payment reduction so specified in respect of that pension (if any), and
 - (c) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).
- (4) The amount of the contributed (all beneficiaries) pension payable as mentioned in paragraph (1) is found by—
 - (a) taking the full retirement basic contributed (all beneficiaries) pension specified in the member's pension account under rule C.5,
 - (b) subtracting the early payment reduction so specified in respect of that pension (if any), and
 - (c) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).

- (5) For the amounts of the Club transfer pension and linked service pension payable as mentioned in paragraph (1), see rules E.14 and E.15 respectively.

E.3 Amount of pensions under rule E.1 (full retirement of deferred members): general

- (1) This rule deals with the annual amount of the earned pension, the contributed (self only) pension and the contributed (all beneficiaries) pension payable under rule E.1 to a deferred member who becomes a pensioner member.
- (2) The amount of the earned pension so payable is found by—
- (a) taking the provisional amount of the member's deferred earned pension specified in the member's pension account under C.4,
 - (b) adding the late payment supplement so specified for that pension (if any),
 - (c) subtracting the early payment reduction so specified for that pension (if any), and
 - (d) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).
- (3) The amount of the contributed (self only) pension payable as mentioned in paragraph (1) is found by—
- (a) taking the provisional amount of the member's deferred contributed (self only) pension specified in the member's pension account under C.4,
 - (b) adding the late payment supplement so specified for that pension (if any),
 - (c) subtracting the early payment reduction so specified for that pension (if any), and
 - (d) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).
- (4) The amount of the contributed (all beneficiaries) pension payable as mentioned in paragraph (1) is found by—
- (a) taking the provisional amount of the member's deferred contributed (all beneficiaries) pension specified in the member's pension account under C.4,

- (b) adding the late payment supplement so specified for that pension (if any),
 - (c) subtracting the early payment reduction so specified for that pension (if any), and
 - (d) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).
- (5) For the amounts of the Club transfer pension and linked service pension payable as mentioned in paragraph (1), see rules E.14 and E.15 respectively.

E.4 Partial retirement (members aged at least 55)

- (1) This rule applies if—
- (a) an active member has not ceased to be employed in the employment that qualifies the member to belong to this Section,
 - (b) the member would be entitled to one or more pensions for life by virtue of rule E.1(1)(b)(i) and not rule E.1(1)(b)(ii) if the member had so ceased and had claimed payment of the pension,
 - (c) the terms on which the member holds the employment change,
 - (d) as a result the amount of the annual rate of the member's permanent pensionable earnings is reduced to 80% of their amount before the change or less, and
 - (e) the member opts for this rule to apply.
- (2) The option may only be exercised by notice in writing in such form as the Minister requires.
- (3) The option must specify—
- (a) whether the member requires payment of the whole or part of the member's pensions to which this rule relates to begin, and
 - (b) if only part of the pensions, the proportion required.
- (4) A member who exercises the option under this rule is entitled to an earned pension calculated in accordance with rule E.5 that is payable for life and, depending on the member's circumstances, one or more other pensions that are so payable (see paragraph (5)) .
- (5) If the member exercises the option in respect of the whole of the member's pensions to which this rule relates, the member—

- (a) is entitled to a contributed (self only) pension if the member's pension account under rule C.5 specifies a carried forward contributed (self only) pension,
 - (b) is entitled to a contributed (all beneficiaries) pension if the member's pension account under rule C.5 specifies a carried forward contributed (all beneficiaries) pension,
 - (c) is entitled to a Club transfer pension if on the day before that on which the option under this rule takes effect ("the relevant last day") the member is entitled to count service under rule G.9(4), and
 - (d) is entitled to a linked service pension if on the relevant last day the member is entitled to count linked service under rule H.5(5).
- (6) If the member exercises the option in respect of only part of the member's pensions to which this rule relates, the member—
- (a) is entitled to a contributed (self only) pension if the member's account under rule C.6 specifies a carried forward contributed (self only) pension,
 - (b) is entitled to a contributed (all beneficiaries) pension if the member's account under rule C.6 specifies a carried forward contributed (all beneficiaries) pension,
 - (c) is entitled to a Club transfer pension if on the relevant last day the member is entitled to count service under rule G.9(4), and
 - (d) is entitled to a linked service pension if on the relevant last day the member is entitled to count linked service under rule H.5.
- (7) For the amount of the pensions to which a member may be entitled under paragraph (5) or (6), see—
- (a) rule E.5(2) and (3) (contributed (self only) pension and contributed (all beneficiaries) pension),
 - (b) rule E.14 (Club transfer pension), and
 - (c) rule E.15 (linked service pension).
- (8) A pension to which a member is entitled under this rule becomes payable immediately the member becomes entitled to it.
- (9) The option under this rule—
- (a) may only be exercised once, and

- (b) may only be exercised in the period of three months beginning with the day on which the reduction in permanent pensionable earnings by virtue of which it is exercisable takes effect.
- (10) For the purposes of this rule, the option is treated as having been exercised on such date in that period as the member and the Scheme administrator agree.

E.5 Amount of pensions under rule E.4: general

- (1) This rule deals with the annual amount of the earned pension, the contributed (self only) pension and the contributed (beneficiaries) pension payable under rule E.4.
- (2) In a case where the member exercises the option under that rule in respect of the whole of the member's pensions to which that rule relates, the annual amounts of those pensions are found in the same way as the annual amounts of those pensions payable under rule E.1 are found under rule E.2 by reference to the member's pension account under C.5, as applied by rule C.6(2).
- (3) In a case where the member exercises that option in respect of only part of the member's pensions to which rule E.4 relates, the amounts of those pensions are found in the same way as the annual amount of those pensions payable under rule E.1 are found under rule E.2, but—
- (a) substituting for the word "full", wherever it occurs in that rule, the word "partial", and
 - (b) taking references to rule C.5 as references to rule C.6
- (4) For the amounts of the Club transfer pension and linked service pension payable under rule E.4, see rules E.14 and E.15 respectively.

E.6 Pension credit members' pensions

- (1) The general rule is that a pension credit member is entitled to a pension for life derived from the member's pension credit rights if the member has reached 60.
- (2) The pension becomes payable—
- (a) when the member reaches 60, or
 - (b) if it is later, when the pension sharing order under which the member is entitled to the pension credit takes effect.
- (2A) A pension credit member who has reached 55 but not reached 60 may claim early payment of the pension before age 60, by notice in writing in such form as the Minister requires.

- (2B) Where a pension credit member claims early payment of the pension under paragraph (2A), the pension becomes payable on the date specified in the claim as the date on which the pension is to become payable, provided that the Minister is reasonably satisfied on that date that the requirements of regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 have been met.
- (3) The amount of the annual pension is found by—
- (a) taking the member's credited pension (as defined in rule C.7(3)),
 - (b) subtracting the early payment reduction (if any), and
 - (c) subtracting the commutation amount (if any).

E.7 Early payment of pensions: ill-health

- (1) An active member who has not reached pension age is entitled to immediate payment of an lower tier earned pension that is payable for life and, depending on the member's circumstances, one or more other pensions that are so payable (see paragraphs (5) and (6)) if—
- (a) in the opinion of the Scheme medical adviser the member has suffered a permanent breakdown in health involving incapacity for employment,
 - (b) the member has at least two years' qualifying service (see rule A.13), and
 - (c) the Minister has agreed to the member becoming so entitled.
- (2) For the purposes of these rules a member's breakdown in health is "permanent" if, in the opinion of the Scheme medical adviser, it will continue until the member reaches pension age.
- (3) For the purposes of these rules a member's breakdown in health involves incapacity for employment if, in the opinion of the Scheme medical adviser, as a result of the breakdown the member—
- (a) is incapable of doing the member's own or a comparable job, or
 - (b) is incapable of gainful employment.
- (4) A member who—
- (a) falls into paragraph (3)(a) but not paragraph (3)(b) when the pension becomes payable, or

- (b) falls into paragraph (3)(a) and (b) when the pension becomes payable and has previously exercised the option under rule E.4, is entitled to a lower tier earned pension calculated in accordance with E.9.
- (5) A member who—
 - (a) falls into paragraph (3)(a) and (b) when the pension becomes payable, and
 - (b) has not previously exercised the option under rule E.4, is entitled to a lower tier earned pension (calculated in accordance with E.9) and an upper tier top up earned pension.
- (6) A member entitled to a lower tier earned pension under this rule—
 - (a) is entitled to a contributed (self only) pension if the member's pension account under rule C.5 specifies a carried forward contributed (self only) pension,
 - (b) is entitled to a contributed (all beneficiaries) pension if the member's pension account under rule C.5 specifies a carried forward contributed (all beneficiaries) pension,
 - (c) is entitled to a Club transfer pension if the member is entitled to count service under rule G.9(4), and
 - (d) is entitled to a linked service pension if the member is entitled to count linked service under rule H.5(5).
- (7) This rule is subject to rule E.8.

E.8 Deferment of pensions payable under rule E.7: recent contributions and transfers

- (1) If, in the case of a member within rule E.7(1), any of the amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(b) or (c) and (4)(b) or (c), as at the end of the last service day, were, or were attributable to, contributions made under rule D.5 (lump sum added pension contributions) made less than 12 months before the relevant day —
 - (a) these rules apply as if the member had become a deferred member in respect of the rights that accrued in the service that is ceasing so far as relating to those contributions,
 - (b) accordingly, rule C.4 applies as if—

- (i) the only amounts specified in the member's pension account under rule C.2 in accordance with rule C.2(2)(b) or (c) and (4)(b) or (c) as at the end of the last service day were so much of those amounts as are, or are attributable to, those contributions, and
 - (ii) no other amounts were specified in that account (except any treated as being so specified under paragraph (3)(b)), and
 - (c) rule C.5 applies as if the only amounts specified in the member's account under rule C.2 in accordance with rule C.2(2)(b) or (c) and (4)(b) or (c) as at the end of the last service day were the amounts so specified, less so much of those amounts as are, or are attributable to, those contributions, and
 - (d) rules E.1, E.3, E.7 and E.9 to E.11 apply accordingly.
- (2) In paragraph (1) "the relevant day", in relation to a member, means —
- (a) the day on which the member's employer first requested the Scheme medical adviser for the opinion referred to in rule E.7(1) by virtue of which the member is entitled to the ill-health pension, or
 - (b) if the member was on sick leave on that day and did not return to service from that leave, the day on which that leave began.
- (3) If, in the case of a member within rule E.7(1), any of the amounts specified in the member's account under C.2 in accordance with rule C.2(2)(d) and (4)(d), as at the end of the last service day, were, or were attributable to, the amount of a transfer payment under Part G in respect of the member made less than 24 months before that last day and the Minister so directs—
- (a) these rules apply as if the member had become a deferred member in respect of the rights that accrued in the service that is ceasing so far as relating to that transfer,
 - (b) accordingly, rule C.4 applies as if—
 - (i) the only amounts specified in the member's pension account under C.2 in accordance with rule C.2(2)(d) or (4)(d) as at the end of the last service day were so much of those amounts as are, or are attributable to, that transfer payment, and
 - (ii) no other amounts were specified in that account (except any treated as being so specified under paragraph (1)(b)),

- (c) rule C.5 applies as if the only amounts specified in the member's account under C.2 in accordance with C.2(2)(d) or (4)(d) as at the end of the last service day were the amounts so specified, less so much of those amounts as are, or are attributable to, that transfer payment, and
 - (d) rules E.1, E.3, E.7 and E.9 to E.11 apply accordingly.
- (4) In this rule "the last service day" means the last day of the service in respect of which the member's pension under rule E.7 will be payable.

E.9 Amount of pensions payable under rule E.7: general

- (1) This rule deals with the annual amount of the lower tier earned pension, the contributed (self only) pension and contributed (all beneficiaries) pension payable under rule E.7.
- (2) The annual amounts of the lower tier earned pension, the contributed (self only) pension and the contributed (all beneficiaries) pension are calculated in accordance with rule E.2(2), (3) and (4) respectively, but omitting paragraphs (2)(b), (3)(b) and (4)(b).
- (3) The annual amount of the upper tier top up pension is calculated in accordance with rule E.2(2) but—
- (a) taking the references to the member's full retirement basic earned pension as references to the enhancement fraction of the earnings-related part of that pension, and
 - (b) omitting paragraph (2)(b).
- (4) In paragraph (3) "the enhancement fraction" means the fraction of which—
- (a) the numerator is the member's assumed active membership period (expressed in years), and
 - (b) the denominator is the shorter of—
 - (i) the number of years of the member's active membership period (expressed in years), and
 - (ii) the number of scheme years for which (or for parts of which) amounts within rule C.2(2)(a) were specified in the member's pension account under C.2.
- (5) For the purposes of paragraph (3), the earnings-related part of the member's full retirement basic earned pension means so much of that pension as bears the same proportion to the whole of that pension as—

- (a) the sum of the amounts specified in the member's account under C.2 in accordance with rule C.2(2)(a) and (4)(a) as at the end of the last day of the service in respect of which the member's pension under rule E.7 will be payable, bears to
 - (b) the sum of the amounts so specified in accordance with rule C.2(2)(a) and (d) and (4)(a) and (d) as at that time.
- (6) In paragraph (4) "the member's assumed active membership period" means the period —
- (a) beginning with the day after the member's service ceased, and
 - (b) ending with—
 - (i) except in a case within paragraph (ii), the day before the day on which the member will reach pension age (assuming that he lives until that age), and
 - (ii) in the case of a member employed for a fixed term, the day with which that term ends,
- expressed in years.
- (7) For the amounts of the Club transfer pension and linked service pension payable under rule E.7, see rules E.14 and E.15 respectively.

E.10 Periodical review of ill-health awards

- (1) This rule applies if a member is entitled to an upper tier top up pension under rule E.7 (early payment of pensions: ill-health).
- (2) The Scheme medical adviser must review the question whether, as a result of the breakdown in the member's health the member is incapable of gainful employment—
 - (a) at any time if the Minister so directs, and
 - (b) in any event—
 - (i) before the fifth anniversary of the day on which the member became entitled to the pension, and
 - (ii) subsequently at intervals not exceeding five years.
- (3) No review is to be made under paragraph (2) after the member has reached pension age.
- (4) If on any such review the Scheme medical adviser is of the opinion that the member is no longer incapable of gainful employment, the member

ceases to be entitled to the upper tier top up pension under rule E.7 at the end of the period of 3 months beginning on the date on which that opinion is given.

E.11 Provisional ill-health awards

- (1) This rule applies if the Scheme medical adviser is unable to form an opinion whether—
 - (a) a member has suffered a permanent breakdown in health involving incapacity for employment, or
 - (b) a member's breakdown in health involves incapacity for employment within rule E.7(3)(a) or rule E.7(3)(b).
- (2) The Scheme medical adviser may recommend—
 - (a) that the member be treated—
 - (i) as having suffered such a permanent breakdown, or
 - (ii) as having suffered such a breakdown involving incapacity for employment within one or other of those rules, and
 - (b) that the member's case should be reviewed after a period specified in the recommendation (which must not exceed 5 years).
- (3) If such a recommendation is made and the member's employer agrees, the member is treated for the purposes of these rules as being entitled to pensions under rule E.7 as a member within rule E.7(3)(a) or rule E.7(3)(b) in accordance with the recommendation, subject to review under this rule.
- (4) If a member is so treated—
 - (a) at the end of the period specified in the recommendation the Scheme medical adviser must give an opinion on the question or questions to which the recommendation related, and
 - (b) on and after the date on which that opinion is given ("the opinion date") rule E.7 applies to the member accordingly, subject to paragraph (5).
- (5) If as a result of the opinion the member ceases to be entitled to any pension, for a period of 3 months beginning with the opinion date the member is treated for the purposes of these rules—
 - (a) as being entitled to that pension, and

- (b) as continuing to be so entitled as a member within rule E.7(3)(a) or E.7(3)(b), as the case may be.

E.12 Early payment of pensions: special early retirement arrangements

- (1) This rule applies if—
 - (a) an active member who has reached the age of 55, but has not reached pension age, applies to the member's employer to leave the employment by virtue of which the member is eligible for membership of this Section under special early retirement arrangements as a member to whom those arrangements apply (whether at the invitation of the employer or not),
 - (b) the member's employer, with the consent of the Minister, grants the application,
 - (c) the member's employer makes such payments to the Scheme administrator in respect of the cost of the member leaving the employment under the arrangements as the Minister requires, and
 - (d) the member ceases to be employed in the employment.
- (2) In these rules—
 - (a) a member to whom this rule applies is referred to as a "special early leaver", and
 - (b) "special early retirement arrangements", in relation to a member, means arrangements approved by the Minister for the purposes of this rule in relation to the member or to members of the member's description.
- (3) A special early leaver is entitled to an earned pension that is payable for life and, depending on the member's circumstances, one or more other pensions that are so payable (see paragraph (4)).
- (4) The member—
 - (a) is entitled to a contributed (self only) pension if the member's pension account under C.5 specifies a carried forward contributed (self only) pension,
 - (b) is entitled to a contributed (all beneficiaries) pension if the member's pension account under C.5 specifies a carried forward contributed (all beneficiaries) pension,
 - (c) is entitled to a Club transfer pension if the member is entitled to count service under rule G.9(4), and

- (d) is entitled to a linked service pension if the member is entitled to count linked service under rule H.5(5).
- (5) The pensions become payable immediately the special early leaver becomes entitled to them.

E.13 Amount of pensions payable under rule E.12: general

- (1) This rule deals with the annual amount of the earned pension, the contributed (self only) pension and contributed (beneficiaries) pension payable under rule E.12.
- (2) The annual amount of the pensions depends on the terms of the special early retirement arrangements that apply to them.
- (3) If the arrangements provide for any of the pensions to be paid without any reduction by reason of its payment before pension age—
 - (a) in the case of the earned pension, the annual amount of the pension is calculated in accordance with rule E.2(2), but omitting paragraph (2)(b),
 - (b) in the case of the contributed (self only) pension, the annual amount of the pension is calculated in accordance with rule E.2(3), but omitting paragraph (3)(b),
 - (c) in the case of the contributed (all beneficiaries) pension, the annual amount of the pension is calculated in accordance with rule E.2(4), but omitting paragraph (4)(b).
- (4) If the arrangements provide for the pension to be paid with only a proportion of the reduction by reason of its payment before pension age that would otherwise apply (“the SER proportion”)—
 - (a) the early payment reduction that would otherwise be specified in the account under rule C.5 in the case of the pension in question is reduced to the SER proportion for that pension of that amount, and
 - (b) the annual amount of the pension is calculated in accordance with E.2(2), (3) or (4) (as the case may be) without omitting sub-paragraph (b) of those rules (but taking into account the reduction by virtue of sub-paragraph (a) of this paragraph).
- (5) For the amounts of the Club transfer pension and linked service pension payable under rule E.12, see rules E.14 and E.15 respectively.

E.13A This rule has been deleted

E.13B This rule has been deleted

E.13C Remaining earned pension

- (1) This rule applies where a member is entitled to immediate payment of an Unreduced Earned Pension and the member is entitled to any one or more of the following—
 - (a) to count non-Club transferred pension under rule G.9(2);
 - (b) to a Club transfer pension;
 - (c) to a linked service pension.
- (2) If the member is entitled to count non-Club transferred pension under rule G.9(2)—
 - (a) the member's carried forward earned pension as defined in rule C.4(7), for the purpose of determining the Unreduced Earned Pension to which the member is entitled ("the first earned pension"), is calculated as if the references to rule C.2(2)(d) and (4)(d) (non-Club transferred pension) were omitted; and
 - (b) the member is entitled to a further earned pension ("the remaining earned pension") under rule E.1, in respect of which the member's carried forward earned pension as defined in rule C.4(7) is calculated as if the references to rule C.2(2)(a) and (4)(a) were omitted.
- (3) A member to whom this rule applies must—
 - (a) claim any remaining earned pension, Club transfer pension and linked service pension to which the member is entitled by giving notice in writing, in such form as the Minister requires, at the same time as the first earned pension becomes payable or at such later date as the member chooses;
 - (b) take any remaining earned pension, Club transfer pension and linked service pension to which the member is entitled before the member's 75th birthday; and
 - (c) take any remaining earned pension, Club transfer pension and linked service pension to which the member is entitled at the same time as each other.
- (4) The member becomes entitled to payment of any remaining earned pension, Club transfer pension and linked service pension to which the

member is entitled at the date specified in the claim as the date on which the pension is to become payable.

- (5) If the member claims any remaining earned pension, Club transfer pension and linked service pension to which the member is entitled pension at the same time as the first earned pension becomes payable, the annual amount of any remaining earned pension is found by applying rule E.2(2) (subject to paragraph (2)(b)).
- (6) If the member claims any remaining earned pension, Club transfer pension and linked service pension to which the member is entitled at a later date than the date on which the first earned pension becomes payable—
 - (a) rule C.4 applies in respect of that pension (active member becoming deferred member); and
 - (b) the annual amount of any remaining earned pension is found by applying rule E.3(2) (subject to paragraph (2)(b)).

E.14 Club transfer pension

- (1) The amount of a Club transfer pension to which a member is entitled under rule E.1, E.4, E.7 or E.12 is calculated by—
 - (a) multiplying the relevant number of years of service by the member's final pensionable earnings,
 - (b) dividing the result by 60, and
 - (c) subtracting—
 - (i) the early payment reduction (if applicable),
 - (ii) the commutation amount (if any), and
 - (iii) the allocation amount (if any).
- (2) In this rule “the relevant number of years of service” means—
 - (a) in a case where the entitlement is under rule E.4 and the option under that rule E.4 is exercised in respect of only a proportion of the member's pensions to which that rule relates, that proportion of the number of years of service the member is entitled to count under rule G.9(4),
 - (b) in a case where the entitlement is under rule E.7 or E.12, the number of years of service the member is entitled to count under rule G.9(4), less such period as the Minister determines, after

consulting the Scheme actuary, to be appropriate by reason of the payment of the pension before pension age, and

- (c) otherwise the full number of years of that service.
- (3) The early payment reduction—
- (a) only applies if—
 - (i) the member has not reached pension age at the time when the member becomes entitled to the immediate payment of the pension,
 - (ii) the pension is a pension under rule E.1 or E.4, and
 - (iii) the member has not exercised the option to buy out the early payment reduction under rule E.15A, and
 - (b) is such amount as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension in question before pension age.

E.15 Linked service pension

- (1) The amount of a linked service pension to which a member is entitled under rule E.1, E.4, E.7 or E.12 is calculated by—
- (a) multiplying the relevant number of years of service by the member's final pensionable earnings,
 - (b) dividing the result by 60, and
 - (c) subtracting—
 - (i) the early payment reduction (if any),
 - (ii) the commutation amount (if any), and
 - (iii) the allocation amount (if any).
- (2) In this rule “the relevant number of years of service” means—
- (a) in a case where the entitlement is under rule E.4 and the option under that rule E.4 is exercised in respect of only a proportion of the member's pensions to which that rule relates, that proportion of the number of years of service the member is entitled to count under rule H.5(5),
 - (b) in a case where the entitlement is under rule E.7 or E.12, the number of years of service the member is entitled to count under

rule H.5(5), less such period as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension before pension age, and

- (c) otherwise the full number of years of that service.
- (3) The early payment reduction—
- (a) only applies if—
 - (i) the member has not reached pension age at the time when the member becomes entitled to the immediate payment of the pension,
 - (ii) the pension is a pension under rule E.1 or E.4, and
 - (iii) the member has not exercised the option to buy out the early payment reduction under rule E.15A, and
 - (b) is such amount as the Minister determines, after consulting the Scheme actuary, to be appropriate by reason of the payment of the pension in question before that age.

E.15A Option to buy out early payment reduction

- (1) This rule applies where—
- (a) a member is entitled to immediate payment of a pension—
 - (i) under rule E.1, E.4, E.12 or E.13C and has not reached pension age, or
 - (ii) under rule E.6 and has not reached 60, and
 - (b) the member wishes to buy out the early payment reduction that would otherwise apply to that pension.
- (2) If this rule applies the member may buy out the actuarial reduction that would otherwise apply to the member's—
- (a) earned pension, Club transfer pension and linked pension;
 - (b) contributed (self only) pension;
 - (c) contributed (all beneficiaries) pension; or
 - (d) credited pension (as defined in rule C.7(3)).
- (3) The cost of buying out the early payment reduction is set out in tables prepared by the Minister, after consulting the Scheme actuary.

- (4) The member must meet the cost of buying out the actuarial reduction by—
- (a) paying a special contribution to this Section; or
 - (b) in the case of a member who is not a pension credit member—
 - (i) opting for the whole or part of any lump sum payable to the member under the Civil Service Compensation Scheme to be paid by the member's employer to this Section by way of special contribution; or
 - (ii) such combination of the options described in paragraphs (a) and (b)(i) as the member decides.
- (5) Where a member buys out the actuarial reduction that would otherwise apply to one or more of the member's pensions under this rule, the annual amount of the pension in respect of which the member has bought out the reduction is calculated under rule E.2, E.3, E.6, E.13, E.13C, E.14 or E.15 (as applicable) as if the reference to subtracting an early payment reduction in respect of that pension were omitted.

E.15B Option to defer payment of contributed pension

- (1) A member entitled to a contributed (self only) pension or a contributed (all beneficiaries) pension under rules E.1 or E4, where the member is entitled to an earned pension before pension age, may opt not to take the contributed (self only) pension or contributed (all beneficiaries) pension at the same time as the member's earned pension under rule E.1 or E.4 (as applicable).
- (2) If a member exercises the option under this rule—
- (a) rule C.4 (Effect of active member becoming deferred member) applies in respect of the contributed (self only) pension or contributed (all beneficiaries) pension;
 - (b) the member is entitled to payment of the contributed (self only) pension or contributed (all beneficiaries) pension when the member gives notice in writing, in such form as the Minister requires, that the member wishes to take the contributed (self only) pension or contributed (all beneficiaries) pension, provided that the member must take those pensions before the member's 75th birthday;
 - (c) the annual amount of the contributed (self only) pension is calculated in accordance with rule E.3(3); and

- (d) the annual amount of the contributed (all beneficiaries) pension is calculated in accordance with rule E.3(4).

Options to exchange pension for lump sum

E.16 General option to exchange part of pension for lump sum

- (1) A member may opt to exchange part of a pension to which the member would otherwise be entitled for a lump sum.
- (2) If a member so opts, for every £1 by which the member's annual pension is reduced, the member is to be paid a lump sum of £12.
- (3) A member may not exchange pension for lump sum under this rule to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of the Finance Act 2004 (see section 241 of that Act).
- (4) This rule does not apply to a pension derived from pension credit rights if the pension debit member from whose rights the pension is derived has received a lump sum under this rule before the date on which the pension sharing order takes effect.
- (5) If—
- (a) the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to the whole or part of a pension either—
- (i) as a result of a transfer payment being accepted by this Section in respect of rights in respect of service under another scheme in respect of which the member had such a guaranteed minimum, or
- (ii) as a result of an entitlement to service under rule H.5(5) in respect of rights in respect of service under another Section of the Scheme in respect of which the member had such a guaranteed minimum,

paragraph (1) only applies to so much of the pension (after the subtraction of the allocation amount, if any), as exceeds that guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the Scheme actuary.

- (6) The option under this rule may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires before the time when the first payment in respect of the pension is made.

E.17 Option for members in serious ill-health to exchange whole pension for lump sum

- (1) An active member, a deferred member or a pension credit member may opt to exchange the whole of the member's pensions under this Part for a lump sum if the Scheme medical adviser certifies that the member has a life-expectancy of less than 12 months.
- (2) The option may only be exercised—
 - (a) in the case of a pension payable under rule E.6 (pension credit members' pensions) or a pension payable under rule E.7 (early payment of pensions: ill-health), before or at the time when the pension becomes payable,
 - (b) in the case of any other pension, before the pension becomes payable, and
 - (c) in any case before the member's 75th birthday.
- (3) A member who exercises the option is to be paid, as soon as is reasonably practicable and before his 75th birthday, an amount equal to the total annual amount of each of the pensions, multiplied by 5.
- (4) In paragraph (3) "annual amount", in relation to a pension, means the amount of the annual pension to which the member would be entitled under this Part apart from the option, together with any increases payable under the Pensions (Increase) Act 1971, calculated—
 - (a) in the case of a pension under rule E.7, as at the time payment would otherwise first be due,
 - (b) in any other case as at the time when the option is exercised, and
 - (c) on the basis that no early payment reduction falls to be made.
- (5) The option under this rule may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.

Pension debit members and pension credit members**E.18 Reduction in pension debit member's benefits**

The benefits to which a pension debit member is entitled under this Part are subject to the reduction to be made under section 31 of the Welfare Reform and Pensions Act 1999.

E.19 Pension credit member's rights

- (1) If regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (early or deferred retirement) applies, the Minister must be reasonably satisfied that the requirements of that regulation have been met.
- (2) Section 68A(2)(a) of the Pension Schemes Act 1993 (safeguarded rights) applies to the safeguarded rights of pension credit members.
- (3) Benefits that are attributable to a pension credit may not be aggregated with any other benefits to which the pension credit member is entitled under this Section.

Allocation

E.20 Election to allocate pension

- (1) An active member or deferred member may elect to allocate a part of the annual amount of any of the member's pensions under this Section to another person.
- (2) But no election may be made in respect of a pension under rule E.7 (early payment of pensions: ill-health).
- (3) The member may not elect to allocate an amount that would result in the member's annual pensions under this Section being less than the aggregate of the pensions to be paid in respect of the member under rules F.1, F.2 and this rule ("the relevant rules").
- (4) For the purposes of determining whether the restriction in paragraph (3) is met, it is assumed that—
 - (a) the member will have become a pensioner member before death,
 - (b) the member will exercise the option under rule E.16 so as to exchange for lump sum the maximum amount possible of all pensions to which he is entitled under the Section,
 - (c) the member's marital or civil partnership status at the time of the election under this rule will not change before death,
 - (d) the persons who are contingent beneficiaries under the relevant rules at the time of the election will survive the member; and
 - (e) any contingent beneficiary who would have been a dependant of the member for the purposes of paragraph 15(2) or (3) of Schedule 28 to the Finance Act 2004 if the member had died

when the election was made will be such a dependant when the member dies.

- (5) If a member wishes to allocate pension to more than one person—
- (a) a separate election must be made in respect of each of them, and
 - (b) the limit under paragraph (3) applies to the total amount allocated.
- (6) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to the whole or part of a pension either—
- (a) as a result of a transfer payment being accepted by this Section in respect of rights in respect of service under another scheme in respect of which the member had such a guaranteed minimum, or
 - (b) as a result of an entitlement to service under rule H.5(5) in respect of rights in respect of service under another Section of the Scheme in respect of which the member had such a guaranteed minimum,

the election under paragraph (1) may only allocate so much of the member's annual pension (after the subtraction of the commutation amount, if any) as exceeds that guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the Scheme actuary.

- (7) If—
- (a) an election does not comply with paragraph (3) or (6), or
 - (b) taken together the member's elections do not so comply,

the Scheme administrator may treat the election or, as the case may be, each of the elections, as allocating such smaller amount as would result in the election, or the elections taken together, so complying.

E.21 Procedure for election under rule E.20

- (1) An election under rule E.20 must be made no later than the date advised to the member by the Scheme administrator ("the closing date").
- (2) A member may at any time before the closing date—
- (a) revoke an election, or

- (b) amend an election by altering the amount allocated by it.
- (3) An election and any revocation or amendment of an election must be made in writing in such form as the Minister requires and be lodged with the Scheme administrator.
- (4) Subject to paragraphs (5) and (7), an election takes effect on the closing date.
- (5) An election has no effect if—
- (a) the member dies before the closing date, or
 - (b) the person in whose favour it is made (“the beneficiary”) dies before that date, or
 - (c) the Minister is not satisfied that at the time when the election is made the beneficiary is the member’s spouse or civil partner or a person who in the opinion of the Minister meets one of the conditions specified in paragraph (6).
- (6) They are—
- (a) that the person is financially wholly or mainly dependent on the member, or
 - (b) that the member and the person are financially interdependent.
- (7) An election has no effect unless—
- (a) before the closing date the member has made a declaration about the member’s state of health in such form and, if required, has provided such evidence relating to his health, as the Scheme medical adviser has requested, and
 - (b) the Scheme medical adviser is satisfied that at the date on which the member makes the declaration the member is in good health.

E.22 Effect of allocation

- (1) If an election under rule E.20 for the allocation of a member’s pension to another person (“the beneficiary”) has taken effect—
- (a) the member’s pension is reduced accordingly (even if the beneficiary predeceases the member), and
 - (b) if the beneficiary survives the member, on the member’s death the beneficiary becomes entitled to the payment of a pension for

life of such amount as the Minister may determine, after consultation with the Scheme actuary, having regard—

- (i) to the amount of the allocation to the beneficiary, and
 - (ii) to the beneficiary's age and sex.
- (2) But the Minister may withhold payment from the beneficiary if—
- (a) the member dies before the expiry of the period of two years beginning with the date on which the election takes effect, and
 - (b) the Minister is satisfied that the member made a false declaration about the member's state of health in connection with making the election.
- (3) An allocation is disregarded for the purposes of this rule if it would result in a pension being paid under this rule to a beneficiary who is neither—
- (a) the member's spouse or civil partner on the date when the member becomes entitled to the pension or dies, nor
 - (b) a dependant of the member for the purposes of paragraph 15(2) or (3) of Schedule 28 to the Finance Act 2004 when the member dies.
- (4) References in these rules to pensions under this Part do not include pensions under this rule except where the context otherwise requires.

E.23 Adjustment of allocated benefits for the Finance Act 2004 where members die over 75

- (1) This rule applies if—
- (a) a member dies after reaching the age of 75, and
 - (b) apart from this rule, any part of a pension to which any person becomes entitled under E.20 to E.22 on the member's death would not qualify as a dependants' scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules) (see paragraphs 16 to 16C of Schedule 28 to that Act).
- (2) The benefit payable to the person may be adjusted in such manner as is determined by the Minister.

Contracting-out obligations (GMPs etc.)

E.24 Guaranteed minimum pensions etc

- (1) If a member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to benefits under this Section—
- (a) nothing in these rules permits or requires anything that would cause requirements made by or under that Act in relation to such a member and such a member's rights under the Scheme not to be met in the case of the member,
 - (b) nothing in these rules prevents anything from being done which is necessary or expedient for the purposes of meeting such requirements in the case of the member, and
 - (c) the following provisions are without prejudice to the generality of this paragraph.

- (2) If apart from this rule—

- (a) no pension would be payable to the member under this Section, or
- (b) the weekly rate of the pensions payable would be less than the guaranteed minimum,

a pension at a weekly rate equal to the guaranteed minimum is payable to the member for life from the date on which the member reaches state pension age or, as the case may be, pensions the aggregate weekly rate of which is equal to the guaranteed minimum are so payable.

- (3) If—

- (a) on reaching state pension age the member is still in employment (whether or not it is scheme employment), and
- (b) if it is not scheme employment, the member consents to a postponement of the member's entitlement under paragraph (2),

paragraph (2) does not apply until the member leaves employment.

This is subject to paragraph (4).

- (4) If the member continues in employment for a further 5 years after reaching state pension age and does not then leave employment, the member is entitled from the end of that period to so much of the member's pension under this Part as equals the member's guaranteed minimum (or, as the case may be, to so much of the member's pensions under this Part as together have a weekly rate equal to the member's guaranteed minimum), unless the member consents to a further postponement of the entitlement.

- (5) If paragraph (3) or (4) applies, the amount of the guaranteed minimum to which the member is entitled under this rule is increased in accordance with section 15 of the Pension Schemes Act 1993.
- (6) If—
- (a) before state pension age the member becomes entitled to the immediate payment of a pension, and
 - (b) the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to the whole or part of the pension either—
 - (i) as a result of a transfer payment being accepted by this Section in respect of rights in respect of service under another scheme in respect of which the member had such a guaranteed minimum, or
 - (ii) as a result of an entitlement to service under rule H.5(5) in respect of rights in respect of service under another Section of the Scheme in respect of which the member had such a guaranteed minimum,
- the weekly rate of the pension, so far as attributable to that service, must not be less than that guaranteed minimum, multiplied by such factor as is indicated in tables provided by the Scheme actuary for a person of the member's age and sex at the date on which the pension becomes payable.
- (7) This paragraph applies if a person has ceased to be in employment that is contracted-out by reference to this Section, and either—
- (a) all the person's rights to benefits under this Section, except the person's rights in respect of the person's guaranteed minimum or rights under section 9(2B) of the Pension Schemes Act 1993 ("the person's contracting-out rights"), have been transferred under Part G (transfers), or
 - (b) the person has no rights to benefits under this Section apart from the person's contracting-out rights.
- (8) If paragraph (7) applies—
- (a) from the date on which the person reaches state pension age the person is entitled to a pension payable for life at a weekly rate equal to his guaranteed minimum, if any, and
 - (b) from the date on which the person reaches pension age the person is entitled to a lump sum and pension in respect of his rights under section 9(2B) of the Pension Schemes Act 1993,

but a person falling within paragraph (7) is not to be regarded as a pensioner for the purposes of Part F (death benefits).

- (9) Paragraphs (2) to (8) do not apply to—
- (a) a pension that is forfeited—
 - (i) as a result of a conviction for treason, or
 - (ii) in a case where rule K.3(1)(a) (Official Secrets Acts offences) applies,
 - (b) a pension that is commuted under rule E.17 (option for members in serious ill-health to exchange whole pension for lump sum), or
 - (c) a pension that is commuted under rule K.5 (commutation of small pensions) where the conditions in regulation 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996⁽¹⁾ are met,

but if any other provision of this Section is inconsistent with this rule, this rule prevails.

- (10) In this rule—
- (a) “scheme employment”, in relation to a member, means employment in the employment by virtue of which he is eligible for membership of this Section, and
 - (b) references to the amount of a pension are to its amount after the subtraction of the commutation amount, if any, (but before the subtraction of the allocation amount, if any (see rule E.20(6))).

E.25 Dual capacity membership

- (1) This paragraph applies if the member is—
- (a) a member of this Section of the Scheme of two or more of the kinds specified in paragraph (2),
 - (b) a pensioner member of this Section in respect of two or more pensions,
 - (c) a deferred member of this Section in respect of two or more pensions, or
 - (d) a member of this Section of the Scheme and a member of the 2002 Section or the 1972 Section.

¹ S.I. 1996/1172

- (2) The kinds of member are—
 - (a) an active member,
 - (b) a deferred member,
 - (c) a pensioner member, and
 - (d) a pension credit member.
- (3) If paragraph (1)(a), (b) or (c) applies, the general rule is that—
 - (a) benefits are payable to the member under this Part as if the member were two or more members of the kinds in question (so that two or more pensions or lump sums are payable in respect of the one member), and
 - (b) the amounts payable are determined accordingly.
- (4) If paragraph (1)(d) applies, the general rule is that benefits are payable to the member under this Part regardless of the member's membership of the 2002 Section or the 1972 Section.
- (5) The rules in paragraphs (3) and (4) are subject to any indication to the contrary and, in particular, do not affect the interpretation of—
 - (a) rules A.4 to A.7 (the pension limit),
 - (b) rule E.4 in a case where a member is both an active member and a pensioner member by virtue of that rule, or
 - (c) Part J (abatement).
- (6) If a person who is a pension credit member is entitled to two or more pension credits—
 - (a) benefits are payable to the person under this Section as if the person were two or more persons, each being entitled to one of the pension credits (so that two or more pensions or lump sums are payable to the one pension credit member), and
 - (b) the amounts of those benefits are determined accordingly.

Part F

Death benefits

Pensions for adult dependants

F.1 Surviving spouses' and civil partners' pensions

(1) If an active member, a deferred member or a pensioner member dies leaving a surviving spouse or civil partner, the surviving spouse or civil partner—

- (a) is entitled to a dependant's earned pension or in some cases a dependant's lower tier earned pension that is payable for life, and
- (b) depending on the deceased member's circumstances, may be entitled to one or more other pensions that are so payable (see paragraphs (3) to (6))

but in the case of a member whose active membership period was less than 12 months, this is subject to paragraphs (5) to (7).

(2) Paragraph (1) does not apply if the member—

- (a) is an active member who has not been an active member for at least 12 months, or
- (b) does not fall within rule E.1(2) on the date of death.

(3) A person is entitled to a dependant's earned pension under this rule if—

- (a) the member was entitled to immediate payment of an earned pension at the date of death or
- (b) the member would have become entitled to an earned pension had he not died.

(4) A person is entitled to a dependant's lower tier earned pension if the member was entitled to immediate payment of a lower tier earned pension at the date of death.

(5) A person is entitled to a dependant's upper tier top up pension under this rule if the member was entitled to immediate payment of an upper tier top up pension at the date of death.

(6) A person entitled to a dependant's earned pension or a dependant's lower tier earned pension under this rule—

- (a) is entitled to a dependant's contributed pension if the member was entitled to immediate payment of a contributed (all beneficiaries) pension at the date of death or would have become entitled to such a pension had he not died,
 - (b) is entitled to a dependant's Club transfer pension if the member was entitled to immediate payment of a Club transfer pension at the date of death or would have become entitled to such a pension had he not died, and
 - (c) is entitled to a dependant's linked service pension if the member was entitled to immediate payment of a linked service pension at the date of death or would have become entitled to such a pension had he not died.
- (7) The Minister may withhold the pension or pensions—
- (a) where the pension or pensions would be payable to a surviving spouse, if the member and the surviving spouse married less than six months before the member's death, and
 - (b) where the pension or pensions would be payable to a surviving civil partner, if the civil partnership was formed less than six months before the member's death.
- (8) Paragraph (7) is subject to rule F.23 (guaranteed minimum pensions for surviving spouses and civil partners).
- (9) The annual amount of the pension or pensions payable under this rule is calculated by reference to the deceased member's own pension rights.
- (10) See—
- (a) rule F.3 (amount of pensions under rules F.1 and F.2: pensioner members),
 - (b) rule F.4 (amount of pensions under rules F.1 and F.2: deferred members), and
 - (c) rule F.5 (amount of pensions under rules F.1 and F.2: active members).

F.2 Other adult dependants' pensions

- (1) If an active member, a deferred member or a pensioner member dies leaving a surviving adult dependant and no surviving spouse or civil partner, the Minister may award the surviving adult dependant—

- (a) a dependant's earned pension that is payable for life or in some cases a dependant's lower tier earned pension that is so payable, and
 - (b) depending on the deceased member's circumstances, one or more other pensions that are so payable (see paragraphs (3) to (5)).
- (2) Paragraph (1) does not apply if the member—
 - (a) is an active member who has not been an active member for at least 12 months, or
 - (b) does not fall within rule E.1(2) on the date of death.
- (3) A person is entitled to a dependant's earned pension under this rule if—
 - (a) the member was entitled to immediate payment of an earned pension at the date of death, or
 - (b) the member would have become entitled to an earned pension had he not died.
- (4) A person is entitled to a dependant's lower tier earned pension under this rule if the member was entitled to immediate payment of a lower tier top up pension at the date of death.
- (5) A person entitled to a dependant's earned pension or a dependant's lower tier earned pension under this rule may be awarded the following other pensions—
 - (a) if the member was entitled to immediate payment of an upper tier top up pension at the date of death, a dependant's upper tier top up earned pension,
 - (b) if the member was entitled to immediate payment of a contributed (all beneficiaries) pension at the date of death or would have become entitled to such a pension had he not died, a dependant's contributed pension,
 - (c) if the member was entitled to immediate payment of a Club transfer pension at the date of death or would have become entitled to such a pension had he not died, a dependant's Club transfer pension, and
 - (d) if the member was entitled to immediate payment of a linked service pension at the date of death or would have become entitled to such a pension had he not died, a dependant's linked service pension.

- (6) A person is a surviving adult dependant in relation to a member for the purposes of this rule if—
- (a) the person and the member jointly made and signed a declaration in such form as the Minister requires, and
 - (b) the person satisfies the Minister that at the time of the member's death—
 - (i) the person and the member were cohabiting as partners in an exclusive, committed long-term relationship,
 - (ii) the person and the member were not prevented from marrying or entering a civil partnership, and
 - (iii) either the person was financially dependent on the member or the person and the member were financially interdependent.
- (7) A declaration for the purposes of paragraph (6)(a) may be revoked at any time by the member or other person by a signed notice in writing to the Scheme administrator in such form as the Minister may require or is willing to accept.
- (8) The annual amount of the pension or pensions payable under this rule is calculated by reference to the deceased member's own pension rights.
- (9) See—
- (a) rule F.3 (amount of pensions under rules F.1 and F.2: pensioner members),
 - (b) rule F.4 (amount of pensions under rules F.1 and F.2: deferred members), and
 - (c) rule F.5 (amount of pensions under rules F.1 and F.2: active members).

F.3 Amount of pensions under rules F.1 and F.2: pensioner members

- (1) This rule deals with the annual amount of the pensions payable under rule F.1 (surviving spouses' and civil partners' pensions) and rule F.2 (other adult dependants' pensions) on the death of a pensioner member.
- (2) The annual amount of the dependant's earned pension is an amount equal to 37.5% of the annual amount of the member's earned pension, assuming no subtractions had been made under rule E.2(2)(b) or (d) or, as the case may be, rule E.3(2)(c) or (d) when it was calculated.

- (3) The annual amount of the dependant's lower tier earned pension is an amount equal to 37.5% of the annual amount of the member's lower tier earned pension, assuming no subtractions had been made under rule E.2(2)(d) when it was calculated.
- (4) The annual amount of the dependant's upper tier top up earned pension is an amount equal to 37.5% of the notional annual amount of the member's upper tier top up earned pension, assuming no subtractions had been made under rule E.2(2)(d) when it was calculated.
- (5) For the purpose of paragraph (4) the notional annual amount of the member's upper tier top up earned pension is the lesser of—
- (a) the annual amount of the member's upper tier top up earned pension, assuming no subtractions had been made under rule E.2(2)(d) when it was calculated, and
 - (b) the amount that would have been the annual amount of the member's earned pension if the amounts specified in the member's account under rule C.5 were those that they would have been had the carried forward earned pension (as defined in rule C.4(7)) only included an amount equal to the lesser of —
 - (i) an amount equal to the total of the sums included in that pension (as so defined) that are attributable to amounts within C.2(2)(a) or (4)(a), and
 - (ii) the enhancement fraction of the amount referred to in paragraph (i), andassuming no subtractions had been made under rule E.2(2)(d) when it was calculated.
- (6) In paragraph (5) "the enhancement fraction" means the fraction of which—
- (a) the numerator is the lower of the number of the years in the member's assumed active membership period and 10, and
 - (b) the denominator is the lower of—
 - (i) the number of years in the member's active membership period (expressed in years), and
 - (ii) the number of scheme years for which (or for parts of which) amounts within rule C.2(2)(a) were specified in the pension account maintained for the member under C.2 that was closed when the member became entitled to the upper tier top up earned pension.

- (7) In paragraph (6) “the member’s assumed active membership period” means the period —
- (a) beginning with the day after the member’s last day of service, and
 - (b) ending with—
 - (i) except in a case within paragraph (ii), the day before the day on which the member would have reached pension age if he had lived until that age, and
 - (ii) in the case of a member employed for a fixed term, the day with which that term would have ended,expressed in years.
- (8) The annual amount of the dependant’s contributed pension is an amount equal to 37.5% of the annual amount of the member’s contributed (all beneficiaries) pension, assuming no subtractions had been made under rule E.2(4)(b) or (c) or, as the case may be, rule E.3(4)(c) or (d) when it was calculated.
- (9) The annual amount of the dependant’s Club transfer pension is an amount equal to 37.5% of the annual amount of the member’s Club transfer pension, assuming no subtractions had been made under rule E.14(1)(c) when it was calculated.
- (10) The annual amount of the dependant’s linked service pension is an amount equal to 37.5% of the annual amount of the member’s linked service pension, assuming no subtractions had been made under rule E.15(1)(c) when it was calculated.
- (11) In accordance with section 7(4) of the Pensions (Increase) Act 1971, for the purposes of this section any increase in any pension since the date on which it is treated as beginning for the purposes of that Act is disregarded.

F.4 Amount of pensions under rules F.1 and F.2: deferred members

- (1) This rule deals with the annual amount of the pensions payable under rule F.1 (surviving spouses’ and civil partners’ pensions) and rule F.2 (other adult dependants’ pensions) on the death of a deferred member.
- (2) The annual amount of the dependant’s earned pension is an amount equal to 37.5% of the provisional amount of the member’s deferred earned pension specified in the member’s pension account under rule C.4.

- (3) The annual amount of the dependant's contributed pension is an amount equal to 37.5% of the provisional amount of the member's deferred contributed (all beneficiaries) pension specified in the member's pension account under rule C.4.
- (4) The annual amount of the dependant's Club transfer pension is found by—
 - (a) multiplying 37.5% of the member's final pensionable earnings by the number of years of service that the member was entitled to count under rule G.9(4) (and in respect of which he was not entitled to immediate payment of a Club transfer pension at the date of death), and
 - (b) dividing the result by 60.
- (5) The annual amount of the dependant's linked service pension is found by—
 - (a) multiplying 37.5% of the member's final pensionable earnings by the number of years of service that the member was entitled to count under rule H.5(5) (and in respect of which he was not entitled to immediate payment of a linked service pension at the date of death), and,
 - (b) dividing the result by 60.

F.5 Amount of pensions under rules F.1 and F.2: active members

- (1) This rule deals with the annual amount of the pension payable under rule F.1 (surviving spouses' and civil partners' pensions) and rule F.2 (other adult dependants' pensions) on the death of an active member.
- (2) The annual amount of those pensions is 37.5% of the member's assumed pension in the case of the relevant member's pension.
- (3) For the purposes of paragraph (2), the relevant member's pension—
 - (a) in the case of the dependant's earned pension, is the member's earned pension,
 - (b) in the case of the dependant's contributed pension, is the member's contributed (all beneficiaries) pension,
 - (c) in the case of the dependant's Club transfer pension, is the member's Club transfer pension, and
 - (d) in the case of the dependant's linked service pension, is the member's linked service pension.

- (4) The member's assumed pension in the case of any relevant pension is the annual amount of the relevant pension to which the member would have been entitled if immediately before his death the member had become entitled to the immediate payment of a pension under rule E.1.
- (5) That pension is to be calculated in accordance with rule E.2 or, as the case may be, rule E.14 or rule E.15 but, except in the case of a member who was entitled to the immediate payment of a pension under rule E.4 before his death, for this purpose those rules have effect with the modifications specified in paragraphs (6) to (8).
- (6) The amounts specified in the account under rule C.5 are taken to be those that they would have been had the carried forward earned pension (as defined in rule C.4(7)), included an additional amount equal to the lesser of —
 - (a) an amount equal to the total of the sums included in that pension (as so defined) that are attributable to amounts within C.2(2)(a) or (4)(a), and
 - (b) the enhancement fraction of the amount referred to in subparagraph (a) (see paragraph (9)).
- (7) Rule E.2 applies with the omission of paragraphs (2)(b) and (d) and (4)(b) and (c).
- (8) Rules E.14 and E.15 apply with the omission of paragraph (1)(c).
- (9) In paragraph (6) "the enhancement fraction" means the fraction of which—
 - (a) the numerator is the lower of the member's assumed active membership period (expressed in years) and 10, and
 - (b) the denominator is the lower of—
 - (i) the number of years in the member's active membership period (expressed in years), and
 - (ii) the number of scheme years for which (or for parts of which) amounts within rule C.2(2)(a) were specified in the pension account maintained for the member under C.2 at the date of death.
- (10) In paragraph (9) "the member's assumed active membership period" means the period —
 - (a) beginning with the day after the member's death, and
 - (b) ending with—

- (i) except in a case within paragraph (ii), the day before the day on which the member would have reached pension age if he had lived until that age, and
- (ii) in the case of a member employed for a fixed term, the day with which that term would have ended,

expressed in years.

F.6 Reduction in pensions under rules F.1 and F.2 in cases of wide age disparity

- (1) If on the death of a member a pension is payable under rule F.1 or F.2 to a person (“the beneficiary”) who is more than 12 years younger than the member, the annual amount of the pension calculated in accordance with rule F.3, F.4 or F.5 is reduced by the appropriate amount.
- (2) That amount is the lower of—
 - (a) 50% of the annual amount of the pension so calculated, or
 - (b) $2.5 \times (N - 12)\%$ of that pension,

where N is the number of whole years by which the beneficiary is younger than the member.

Pensions for eligible children

F.7 Surviving children’s pensions

- (1) If a member dies leaving an eligible child, a child’s earned pension or in some cases a child’s lower tier earned pension and, depending on the deceased member’s circumstances, one or more other pensions (see paragraphs (4) to (7)) are payable in respect of the child.
- (2) If the child ceases to be an eligible child after the date of death, the pension ceases to be payable unless and until the child becomes an eligible child again, but, if the child does not cease to be an eligible child, the pension is payable for life.
- (3) This rule is subject to rule F.10 (children born after the member’s death).
- (4) A child’s earned pension is payable under this rule if—
 - (a) the member was entitled to immediate payment of an earned pension at the date of death, or

- (b) the member would have become entitled to an earned pension had he not died.
- (5) A child's lower tier earned pension is payable under this rule if the member was entitled to immediate payment of a lower tier earned pension at the date of death.
- (6) A child's upper tier top up pension is payable under this rule if the member was entitled to immediate payment of an upper tier top up pension at the date of death.
- (7) If a child's earned pension or a child's lower tier earned pension is payable under this rule—
 - (a) a child's contributed pension is payable under this rule if the member was entitled to immediate payment of a contributed (all beneficiaries) pension at the date of death or would have become entitled to such a pension had he not died,
 - (b) a child's Club transfer pension is payable under this rule if the member was entitled to immediate payment of a Club transfer pension at the date of death or would have become entitled to such a pension had he not died, and
 - (c) a child's linked service pension is payable under this rule if the member was entitled to immediate payment of a linked service pension at the date of death or would have become entitled to such a pension had he not died.
- (8) The annual amount of the pension or pensions payable under this rule is calculated by reference to the deceased member's own pension rights.
- (9) For the amount of those pensions, see rule F.9.

F.8 Meaning of "eligible child"

- (1) In these rules "eligible child", in relation to a deceased member, means—
 - (a) a natural or adopted child of the member who meets any of conditions A to C, or
 - (b) any other child or young person who—
 - (i) meets any of those conditions, and
 - (ii) was financially dependent on the member at the date of death.

- (2) Condition A is that the person is aged under 18.
- (3) Condition B is that person is in full-time education or vocational training and has not reached the age of 23.
- (4) Condition C is that the person is unable to engage in gainful employment because of physical or mental impairment and either—
 - (a) the person has not reached the age of 23, or
 - (b) that impairment is in the opinion of the Scheme medical adviser likely to be permanent and the person is dependent on the member at the date of the member's death because of physical or mental impairment.
- (5) A person who is aged under 19 on the date when he ceases to be in full-time education is treated as being in such education until the first of the following dates after he so ceases—
 - (a) the second Monday in January,
 - (b) the second Monday after Easter Monday,
 - (c) the second Monday in September,
 - (d) the date on which he becomes engaged full-time in gainful employment,
 - (e) his 19th birthday.
- (6) A person who at the date of the member's death is aged under 22 and taking a break from full-time education or vocational training not exceeding 15 months is assumed to be continuing in such education or training during the break for the purpose of determining—
 - (a) whether the person is an eligible child at that date (but not at any later date), and
 - (b) in respect of how many eligible children pensions are payable under rule F.7(1) immediately after that date.
- (7) Nothing in paragraph (6) requires a pension to be paid in respect of a person during the break in his education or training.

F.9 Amount of children's pension under rule F.7

- (1) This rule applies for determining the annual amount of a pension payable under rule F.7 (surviving children's pensions).

- (2) The amount of such a pension is determined by reference to the annual amount of the corresponding surviving adult's pension (disregarding any reduction falling to be made under rule F.6).
- (3) In this Part "the corresponding surviving adult's pension" means the corresponding pension to which a person entitled to a pension under rule F.1 or F.2 in respect of the deceased's death would be entitled (whether or not there is actually any such person).
- (4) For the purposes of this Part—
 - (a) the corresponding pension to a child's earned pension is a dependant's earned pension,
 - (b) the corresponding pension to a child's lower tier earned pension is a dependant's lower tier earned pension,
 - (c) the corresponding pension to a child's upper tier top up earned pension is a dependant's upper tier top up pension,
 - (d) the corresponding pension to a child's contributed pension is a dependant's contributed pension,
 - (e) the corresponding pension to a child's Club transfer pension is a dependant's Club transfer pension, and
 - (f) the corresponding pension to a child's linked service pension is a dependant's linked service pension.
- (5) In a case where any pensions are payable under rule F.1 or F.2 immediately after the date of the member's death—
 - (a) if pensions are payable at that time under rule F.7(1) in respect of only one eligible child, the annual amount of each pension payable under rule F.7(1) is equal to 80% of the annual amount of the corresponding surviving adult's pension, and
 - (b) if pensions are payable at that time under rule F.7(1) in respect of two or more eligible children, the annual amount of each of the pensions payable under rule F.7(1) is equal to the appropriate fraction of 80% of the annual amount of the corresponding surviving adult's pension.
- (6) In a case where no pensions are payable under rule F.1 or F.2 immediately after the date of the member's death—
 - (a) if pensions are payable at that time under rule F.7(1) in respect of only one eligible child, the annual amount of each pension payable under rule F.7(1) is equal to the annual amount of the

corresponding surviving adult's pension multiplied by 4 and divided by 3, and

- (b) if pensions are payable at that time under rule F.7(1) in respect of two or more eligible children, the annual amount of each of the pensions payable under rule F.7(1) is equal to the appropriate fraction of the annual amount of the corresponding surviving adult's pension multiplied by 4 and divided by 3,
- (7) In paragraph (5)(b) and (6)(b) "the appropriate fraction" means the fraction—
- (a) of which the numerator is 2, and
 - (b) the denominator is the number of pensions payable under rule F.7(1) immediately after the date of the member's death.

F.10 Children born after the member's death

- (1) For the purposes of rule F.7(1), a member is only treated as leaving a child who is born after the member's death if the child's mother is pregnant with the child on the date of the member's death.
- (2) No pension is payable under that rule in respect of any period before the child's birth.
- (3) But in determining the number of pensions payable immediately after the date of the member's death for the purposes of rule F.9(5) to (7), a pension in respect of a child born after the member's death is treated as so payable.

Lump sum death benefits

F.11 Death of a member: lump sum benefit

- (1) If a member dies before reaching the age of 75, the Minister may pay a lump sum to—
 - (a) the person or persons nominated by the member in accordance with rule F.17,
 - (b) the member's personal representatives, or
 - (c) both the person or persons so nominated and the member's personal representatives.
- (2) If the Minister decides to pay all or part of the lump sum to persons so nominated and more than one individual has been so nominated then—

- (a) the payment is to be made to them in such proportions as the member has specified in the nomination, or
 - (b) if no proportions are so specified, in such proportions as the Minister considers appropriate.
- (3) If the Minister decides to pay the lump sum to the person or persons so nominated and to the personal representatives, the payment is to be made to them in such proportions as he considers appropriate.
- (4) This rule does not apply if—
- (a) the member is—
 - (i) a pensioner member who is not also a deferred member or an active member, or
 - (ii) a pension credit member who dies after any benefits attributable to his pension credit have become payable and is not also an active member, a deferred member or a pensioner member, and
 - (b) the death takes place more than five years after the member's pension becomes payable.
- (5) A lump sum that is paid under this rule in respect of a pension to which the member was entitled at the date of the member's death (subject to the deduction under paragraph (7) where that applies) is treated for the purposes of the Finance Act 2004 as a pension protection lump sum death benefit if and to the extent that—
- (a) the member has specified in writing to the Scheme administrator that any such lump sum is to be so treated, and
 - (b) any other conditions that require to be met for the lump sum to be so treated are met (see paragraph 14 of Schedule 29 to the Finance Act 2004).
- (6) Paragraph (7) applies if the Cabinet Office is liable for tax under section 206 of the Finance Act 2004 in respect of a pension protection lump sum death benefit.
- (7) The tax payable in respect of the pension protection lump sum death benefit may be deducted from the lump sum paid under this rule.
- (8) For the treatment of members who die after reaching the age of 75, see rule F.15 (deaths of members after 75: pensions in lieu of lump sums).

F.12 Amount of lump sum benefit under rule F.11: active members

- (1) In the case of a deceased active member the amount of the lump sum payable under rule F.11 (death of a member: lump sum benefit) is equal to the greater of the following amounts—
- (a) an amount equal to—
 - (i) twice the amount that would have been the member's final pay if he had ceased to be in service at the time of death and rule A.8 had applied with the omission of paragraph (1)(c), less
 - (ii) any lump sum paid to the member before death under any Section of the Scheme and any lump sum payable in respect of the member by reason of his death under any Section of the Scheme or from the partnership pension account death benefits scheme, and
 - (b) an amount equal to—
 - (i) the member's pension, multiplied by 5, less
 - (ii) the total amount of any pension payments made to the member as such under this Section.
- (2) The reference in paragraph (1)(b)(i) to the member's pension is to the sum of the following amounts—
- (a) in the case of each of the annual pensions to which the member would have been entitled under this Section if the member had become so entitled under rule E.1 on the date of death, the sum of —
 - (i) the amount of the pension, calculated in accordance with rule E.2 (omitting paragraphs (2)(b), (3)(b) and (4)(b)) or, as the case may be, rule E.3 (omitting paragraph (2)(c), (3)(c) and (4)(c)) as at the beginning date for that pension, and
 - (ii) the increases (if any) in the pension under the Pensions (Increase) Act 1971 payable as at the date of death, and
 - (b) if the member was entitled to immediate payment of any pensions under this Section at the date of death, the sum of—
 - (i) the annual amount of each such pension as at the beginning date for that pension, and

- (ii) the increases (if any) in each such pension under the Pensions (Increase) Act 1971 payable as at the date of death.
- (3) For the purposes of this rule any amounts paid or payable to or in respect of the member in his capacity as a pension credit member are disregarded.
- (4) In this rule “the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).
- (5) If a member’s active membership period was less than 12 months then paragraph (1)(a)(i) applies as if the amount calculated under that paragraph were an amount equal to twice the member’s annualised final pay.
- (6) The member’s annualised final pay is $FP \times 365/N$, where-
 - (a) **FP** is the member’s permanent pensionable earnings during the active membership period, and
 - (b) **N** is the number of days in that period.
- (7) But if the active membership period includes the date 29 February, paragraph (6) has effect with the substitution for “365” of “366”.

F.13 Amount of lump sum benefit under rule F.11: deferred members and pensioner members

- (1) In the case of a deceased deferred member who does not fall within rule F.12 or a deceased pensioner member who does not fall within rule F.12, the amount of the lump sum payable under rule F.11 (death of a member: lump sum benefit) is equal to—
 - (a) the member’s pension, multiplied by 5, less
 - (b) the total amount of any pension payments made to the member as such under this Section.
- (2) The reference in paragraph (1)(a) to the member’s pension is to the sum of the following amounts—
 - (a) if the member was entitled to immediate payment of any pensions under this Section at the date of death, the sum of—
 - (i) the annual amount of each such pension as at the beginning date for that pension, and

- (ii) the increase (if any) in each such pension under the Pensions (Increase) Act 1971 payable as at the date of death, and
- (b) if the member would have become entitled to any pensions calculated under rule E.3 had he not died, the sum of—
 - (i) the annual amount of each such pension to which the member would have become so entitled if the member had become so entitled on the date of death and paragraphs (2)(c), (3)(c) and (4)(c) of that rule had been omitted, as at the beginning date for that pension, and
 - (ii) the increases (if any) in each such pension under the Pensions (Increase) Act 1971 that would have been payable as at the date of death.
- (3) For the purpose of this rule any amounts paid or payable to or in respect of the member in his capacity as a pension credit member are disregarded.
- (4) In this rule “the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).

F.14 Amount of lump sum benefit under rule F.11: pension credit members

- (1) In the case of a pension credit member who dies before any benefits derived from his pension credit have become payable, the amount of the lump sum payable under rule F.11 (death of a member: lump sum benefit) is equal to 25% of the cash equivalent that would have been payable under Chapter 2 of Part 4A of the Pension Schemes Act 1993 in respect of the member’s benefits under the Scheme if—
 - (a) the member had been entitled to require the payment of such an amount, and
 - (b) it had been payable on the date of death.
- (2) In the case of a pension credit member who dies after the pension under rule E.6 becomes payable, the amount of the lump sum payable under rule F.11 is equal to the amount of the pension that would have been payable to the member during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death.
- (3) For the purposes of paragraph (2) the annual amount of the pension is taken to be the sum of—

- (a) the annual amount of the pension as at the beginning date for that pension, and
 - (b) the increase (if any) in that annual amount under the Pensions (Increase) Act 1971 payable as at the date of death.
- (4) In this rule “the beginning date”, in relation to a pension, has the meaning given by section 8(2A) of the Pensions (Increase) Act 1971.

F.15 Deaths of members over 75: pensions in lieu of lump sums

- (1) This rule applies if a member dies—
- (a) after reaching the age of 75, and
 - (b) before the fifth anniversary of the date on which a pension became payable.
- (2) The Minister may pay the pension to any person or persons referred to in rule F.11(1).
- (3) If the Minister decides to pay all or part of the pension to persons within rule F.11(1)(a) and two or more individuals have been nominated, the payment is to be made to them in such proportions as the Minister considers appropriate.
- (4) If the Minister decides to pay the pension to the person or persons within rule F.11(1)(a) and to the member’s personal representatives, the payment is to be made to the relevant parties in such proportions as the Minister considers appropriate.
- (5) The pension payable under this rule—
- (a) is payable for the pension protection period, and
 - (b) must be equal to the pension that would have been payable to the member had the member lived until the end of the pension protection period, together with the increases (if any) payable in respect of that pension under the Pensions (Increase) Act 1971 during that period.
- (6) In this rule “the pension protection period” means the period from the date of the member’s death until the fifth anniversary of the date on which the member’s pension became payable.

F.16 Members affected by court orders to former spouses and civil partners on death

- (1) This rule applies if on a member's death the Minister is required under a court order to pay any part of any amount payable under rule F.11 to the member's former spouse or civil partner.
- (2) The amount payable under that rule is first determined as if no such order had been made, and then this Part applies as if the amount payable under rule F.11 were reduced by the amount payable under the court order.

F.17 Nominations for lump sum death benefits

- (1) For the purposes of rule F.11 (death of a member: lump sum benefits) a member may nominate—
 - (a) one or more individuals,
 - (b) one incorporated or unincorporated body, or
 - (c) one or more individuals and one incorporated or unincorporated body.
- (2) If the member nominates—
 - (a) two or more individuals or
 - (b) one or more individuals and one incorporated or unincorporated body

he may indicate in the nomination how he wishes the payments to be apportioned between them.
- (3) The member must make his nomination by notice in writing to the Scheme administrator in such form as the Minister may require or is willing to accept.
- (4) A member may revoke or alter a nomination by a further notice in writing to the Scheme administrator in such form as the Minister may require or is willing to accept.
- (5) The nomination of a person is invalid—
 - (a) if—
 - (i) the person nominated is an individual who was the spouse or civil partner of the member at the date the nomination was made and is not the spouse or civil partner of the member immediately before the member's death, and

- (ii) the member did not confirm the nomination by notice in writing to the Scheme administrator after the marriage or civil partnership ended, or
- (b) if the person nominated is an individual who predeceases the member.
- (6) If a person nominated is convicted of the offence of murder of the member, the person's nomination is to be treated as invalid from the member's death.
- (7) If a person nominated is convicted of manslaughter or any other offence (apart from murder) of which the unlawful killing or wounding of the member is an element, the Minister may determine that the nomination is to be treated as invalid from the member's death.

General provisions

F.18 Dependants' pensions and children's pensions: suspension and recovery

- (1) This rule applies if—
 - (a) on a member's death a pension has been awarded and paid under this Part, and
 - (b) subsequently it appears to the Minister that the member or the person to whom the pension has been paid made a false declaration or deliberately suppressed a material fact in connection with the award.
- (2) The Minister may—
 - (a) cease paying the pension, and
 - (b) recover any payment made under the award.
- (3) Paragraph (2) does not affect the Minister's right to recover a payment or overpayment in any case where he considers it appropriate to do so.

F.19 Recovery of lump sum payments made to nominees

- (1) If—
 - (a) payment is made to a person under rule F.11 (death of a member: lump sum benefit) or F.15 (deaths of members after 75: pensions in lieu of lump sums) because of the person's nomination by a member, and

- (b) the person's nomination is subsequently found to be invalid under rule F.17(5) to (7),

the Minister may recover the payment.

- (2) Paragraph (1) does not affect the Minister's right to recover a payment or overpayment in any case where he considers it appropriate to do so.

F.20 Provisional awards of children's pensions: later adjustments

- (1) This rule applies where after the death of an active member, a deferred member or a pensioner member—

- (a) a pension is paid in respect of one or more persons under this Part on the basis that they were eligible children at the date of the member's death and that there were then no other eligible children, and

- (b) subsequently it appears—

- (i) that a person in respect of whom such a pension has been paid was not then an eligible child,
- (ii) that a further person was then an eligible child, or
- (iii) that a child who was born after the member's death is an eligible child.

- (2) The Minister may make such adjustments in the amount of the pensions payable in respect of the children in question as are required in view of the facts as they subsequently appear.
- (3) Paragraph (2) does not affect the Minister's right to recover a payment or overpayment in any case where he considers it appropriate to do so.

F.21 Payments under this Part

- (1) Except where specified otherwise in this Part, a pension under this Part is payable from the day after the date of the death of the member.
- (2) Payment of a lump sum payable under this Part must be made before the expiry of the period of two years beginning with the earlier of—
 - (a) the day on which the scheme administrator first knew of the member's death, and
 - (b) the day on which the scheme administrator could reasonably be expected to have known of the member's death.

- (3) A pension payable under this Part in respect of an eligible child aged under 18 must be paid—
- (a) if the child is in the care of the member's surviving spouse or civil partner or a person who is the member's surviving adult dependant for the purposes of rule F.2, to the surviving spouse or civil partner or the adult dependant, and
 - (b) in any other case, to the child's guardian,
- unless the Minister directs otherwise.

F.22 Dual capacity membership

- (1) This paragraph applies if the deceased member was—
- (a) a member of this Section of the Scheme of two or more of the kinds specified in paragraph (2),
 - (b) a pensioner member of this Section in respect of two or more pensions,
 - (c) a deferred member of this Section in respect of two or more pensions, or
 - (d) a member of this Section of the Scheme and a member of the 2002 Section or the 1972 Section.
- (2) The kinds of member are—
- (a) an active member,
 - (b) a deferred member,
 - (c) a pensioner member, and
 - (d) a pension credit member.
- (3) If paragraph (1)(a), (b) or (c) applies, the general rule is that—
- (a) benefits are payable in respect of the member under this Part as if two or more members of the kinds in question had died (so that two or more pensions or lump sums are payable in respect of the one deceased member), and
 - (b) the amounts payable are determined accordingly.
- (4) But subject to rule F.12(3), paragraph (3) does not prevent—

- (a) the calculation under rule F.12 of the lump sum payable in respect of the death of an active member being made by reference to amounts that are relevant to the active member in another capacity, or
 - (b) the calculation under rule F.13 of the lump sum payable in respect of the death of a pensioner member or a deferred member being made by reference to amounts that are relevant to the member in both of those capacities or, in the case of a pensioner member, as a pensioner member in respect of more than one pension.
- (5) If paragraph (1)(d) applies, the general rule is that benefits are payable in respect of the member under this Part regardless of the member's membership of the 2002 Section or the 1972 Section.
- (6) But subject to rule F.12(3), paragraph (5) does not prevent the calculation under rule F.12 of the lump sum payable in respect of the death of an active member being made by reference to amounts that are relevant to the active member as a member of another Section (see rule F.12(1)(a)(ii)).
- (7) If a person who is a pension credit member is entitled to two or more pension credits—
- (a) benefits are payable in respect of the person under this Section as if the person were two or more persons, each being entitled to one of the pension credits (so that two or more pensions or lump sums are payable in respect of the one pension credit member), and
 - (b) the amounts of those benefits are determined accordingly.

F.23 Guaranteed minimum pensions for surviving spouses and civil partners

- (1) If a person who is the surviving spouse or civil partner of a deceased active, deferred or pensioner member has a guaranteed minimum under section 17 of the Pension Schemes Act 1993 in relation to benefits in respect of the deceased member under this Section—
- (a) nothing in these rules permits or requires anything that would cause requirements made by or under that Act in relation to such a person and such a person's rights under a scheme not to be met in the case of the person,
 - (b) nothing in these rules prevents anything from being done which is necessary or expedient for the purposes of meeting such requirements in the case of the person, and

- (c) paragraph (2) is without prejudice to the generality of this paragraph.
- (2) If apart from this rule—
- (a) no pension would be payable to the surviving spouse or civil partner under this Part, or
 - (b) the weekly rate of the pensions payable would be less than the guaranteed minimum,

a pension the weekly rate of which is equal to the guaranteed minimum is payable to the surviving spouse or civil partner for life or, as the case may be, pensions the aggregate weekly rate of which is equal to the guaranteed minimum are so payable.

- (3) Paragraph (2) does not apply to a pension that is forfeited—
- (a) as a result of a conviction for treason, or
 - (b) in a case where rule K.3(1)(a) (Official Secrets Acts offences) applies.

F.24 Adjustment of benefits to comply with the Finance Act 2004 where members die over 75

- (1) This rule applies if—
- (a) a member dies after reaching the age of 75, and
 - (b) apart from this rule, any part of a pension to which any person becomes entitled under this Part on the death would not qualify as a dependants' scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules) (see paragraphs 16 to 16C of Schedule 28 to that Act).
- (2) The benefit payable to the person may be adjusted in such manner as is determined by the Minister.

Part G

Transfers

Transfers out

G.1 Introduction: rights to transfer value payment

- (1) This Part supplements the rights conferred by or under Chapter 4 of Part 4 of the Pension Schemes Act 1993 (transfer values).
- (2) This Part is without prejudice to that Chapter or Chapter 5 of that Part² (early leavers: cash transfer sums and contribution refunds).
- (3) Accordingly—
 - (a) a member to whom Chapter 4 of that Part applies (see section 93(1)(a) of that Act) is entitled to require the payment of a transfer value in respect of the rights to benefit that have accrued to or in respect of the member under this Section, and
 - (b) a member to whom Chapter 5 of that Part applies (see section 101AA(1) of that Act) is entitled to a cash transfer sum or a contribution refund in accordance with that Chapter.
- (4) Paragraph (3) does not apply to rights that are directly attributable to a pension credit.

G.2 Applications for statements of entitlement

- (1) A member who requires a transfer value payment to be made must apply in writing to the Scheme administrator for a statement of the amount of the cash equivalent of the member's accrued benefits under this Section at the guarantee date (a "statement of entitlement").
- (2) In these rules, "the guarantee date" means any date that—
 - (a) falls within the required period,
 - (b) is chosen by the Scheme administrator,
 - (c) is specified in the statement of entitlement, and
 - (d) is within the period of 10 days ending with the date on which the member is provided with the statement of entitlement.

² Chapter 5 (sections 101AA to 101AI) is inserted by section 264 of the Pensions Act 2004 (c. 35).

In counting the period of 10 days referred to in sub-paragraph (d), Saturdays, Sundays, Christmas Day, New Year's Day and Good Friday are excluded.

- (3) In paragraph (2) "the required period" means—
- (a) the period of 3 months beginning with the date of the member's application for a statement of entitlement, or
 - (b) such longer period beginning with that date (but not exceeding six months) as may reasonably be required if, for reasons beyond the control of the Scheme administrator, the requisite information cannot be obtained to calculate the amount of the cash equivalent.
- (4) The member may withdraw the application for a statement of entitlement by notice in writing at any time before the statement is provided.
- (5) A member who—
- (a) has made an application for a statement of entitlement under this rule, and
 - (b) has not withdrawn it,

may make only one other such application in the period of twelve months beginning with the date of the first application.

G.3 Applications for transfer value payments

- (1) A member who has applied for and received a statement of entitlement under rule G.2 may apply in writing to the Scheme administrator for a transfer value payment to be made.
- (2) On making such an application a member becomes entitled to a payment of an amount equal, or amounts equal in aggregate, to the amount specified in the statement of entitlement (or such other amount as may be payable by virtue of paragraph (10)).

In these rules such a payment is referred to as "the guaranteed cash equivalent transfer value payment".

- (3) An application under paragraph (1) must be made before the end of the period of 3 months beginning with the guarantee date, and the payment must be made no later than—
- (a) 6 months after that date, or

- (b) if it is earlier, the date on which the member reaches normal pension age.
- (4) The application must specify the pension scheme or other arrangement to which the payment or payments should be applied.
- (5) The application must meet such other conditions as the Minister may require.
- (6) An application for a transfer value payment to be made under the public sector transfer arrangements may only be made before the first anniversary of the day on which the member becomes eligible to be an active member of the scheme to which the transfer is to be made.
- (7) In the case of a person who is not within rule E.1(2), an application under paragraph (1) may only be made on or before the date that is 3 months after the date on which the Scheme administrator gives the person written notice of his options in accordance with section 101AC of the Pension Schemes Act 1993.
- (8) The Minister may direct that any time limit applying to an application under paragraph (1) should be extended if he considers it reasonable to do so in the circumstances.
- (9) An application under this rule may be withdrawn by notice in writing, unless an agreement for the application of the whole or part of the guaranteed cash equivalent transfer value payment has been entered into with a third party before the notice is given.
- (10) If the payment is made later than 6 months after the guarantee date, the amount of the payment to which the member is entitled must be increased by—
 - (a) the amount by which the amount specified in the statement of entitlement falls short of the amount it would have been if the guarantee date had been the date on which the payment is made, or
 - (b) if it is greater and there was no reasonable excuse for the delay in payment, interest on the amount specified in the statement of entitlement, calculated on a daily basis over the period from the guarantee date to the date when the payment is made at an annual rate of 1% above the Bank of England base rate.
- (11) In this rule “Bank of England base rate” means—
 - (a) except where sub-paragraph (b) applies, the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which

the Bank is willing to enter into transactions for providing short term liquidity in the money markets, and

- (b) if an order under section 19 of the Bank of England Act 1998 (Treasury's reserve powers) is in force, any equivalent rate determined by the Treasury under that section.

G.4 Ways in which transfer value payments may be applied

- (1) A member may only require the Minister to apply the guaranteed cash equivalent transfer value payment in one or more of the ways permitted under section 95 of the Pension Schemes Act 1993.
- (2) Paragraph (1) applies whether or not the member is entitled to a guaranteed cash equivalent transfer value payment under Chapter 4 of Part 4 of that Act.
- (3) The whole of the guaranteed cash equivalent transfer value payment must be applied, unless paragraph (4) applies.
- (4) The benefits attributable to—
 - (a) the member's accrued rights to a guaranteed minimum pension, or
 - (b) the member's accrued rights attributable to service in contracted-out employment on or after 6 April 1997,

may be excluded from the guaranteed cash equivalent transfer value payment if section 96(2) of the Pension Schemes Act 1993 applies (trustees or managers of certain receiving schemes or arrangements able and willing to accept a transfer payment only in respect of the member's other rights).

- (5) A transfer payment may only be made to—
 - (a) a pension scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004, or
 - (b) an arrangement that is a qualifying recognised overseas pension scheme for the purposes that Part (see section 169(2) of that Act).

G.5 Calculating amounts of transfer value payments

- (1) The amount of the guaranteed cash equivalent transfer value payment is to be calculated in accordance with guidance and tables determined by the Minister for use at the guarantee date after consultation with the Scheme actuary.

This is subject to paragraphs (3) and (5).

- (2) In preparing those tables the Minister, after consultation with the Scheme actuary, must use such factors as he considers appropriate, having regard to section 97 of the Pension Schemes Act 1993 and regulations made under that Act (whether or not the payment is in respect of a person entitled to a guaranteed cash equivalent transfer value payment under that Act).
- (3) If the amount calculated in accordance with paragraph (1) is less than the member's minimum transfer value (if any), the amount of the guaranteed cash equivalent transfer value payment is to be equal to that value instead.

This is subject to paragraph (5).

- (4) For the purposes of paragraph (3) a person has a minimum transfer value if the accrued rights subject to the transfer are calculated by reference to amounts specified in the member's pension account under rule C.4 that are attributable to—
 - (a) contributions paid by him under Part D,
 - (b) in the case of a re-employed 1972 or 2002 Section member who has exercised the option under rule H.5 (option to link earlier service), contributions paid by him in respect of the earlier service (within the meaning of that rule) in relation to which the option is exercised, or
 - (c) transfer value payments that have been made to this Section in respect of him,

and the sum of the amounts of those contributions and payments is the amount of the member's minimum transfer value.

- (5) If the transfer value payment is made under the public sector transfer arrangements, the amount of the transfer value payment is calculated—
 - (a) in accordance with those arrangements rather than paragraphs (1) and (3), and
 - (b) by reference to the guidance and tables provided by the Government Actuary for the purposes of this paragraph that are in use on the date used for the calculation.

G.6 Effect of transfers-out

If a transfer value payment is made under this Part in respect of a person's rights under this Section, those rights are extinguished.

Transfers in

G.7 Right to apply for acceptance of transfer value payment from another scheme

- (1) Subject to the provisions of this Part, an active member may apply for a transfer value payment in respect of some or all of the rights that have accrued to or in respect of him under any of the following kinds of scheme or arrangement to be accepted by this Section.
- (2) They are—
 - (a) another occupational pension scheme registered under Chapter 2 of Part 4 of the Finance Act 2004,
 - (b) a personal pension scheme, and
 - (c) the Civil Service Additional Voluntary Contribution Scheme.
- (3) Paragraph (1) does not apply to rights that are directly attributable to a pension credit.
- (4) In the case of a transfer from the Civil Service Additional Voluntary Contribution Scheme, paragraph (1) only applies if the Minister considers that the amount to which the member is entitled under that Scheme is insufficient for the purchase of an annuity for the member.

G.8 Procedure for applications under rule G.7

- (1) Subject to the following paragraphs of this rule, an application under rule G.7—
 - (a) must be made in writing,
 - (b) must specify the scheme or arrangement from which the transfer value payment is to be made and the anticipated amount of the payment,
 - (c) must be made during the period of one year beginning with the day on which the applicant becomes an active member of this Section,
 - (d) if the Minister so requires, may only be made if the member has first requested a statement—
 - (i) in a case where the transfer is not a Club transfer, of the amount of member's non-Club transferred pension that the member will be entitled to count under rule G.9 if the

transfer payment is received by the Scheme administrator before the end of the period of two months beginning with the date of the statement, or

- (ii) in the case of a Club transfer, of the service that the member will be entitled to count under that rule for the purposes of calculating the member's Club transfer pension if the payment is accepted by the Scheme administrator, and
 - (e) must meet such other conditions as the Minister may require.
- (2) In the case of a transfer that is a Club transfer, the application under rule G.7 may only be made during the period of one year beginning with the day on which the applicant becomes eligible to be an active member.
- (3) In the case of a transfer value payment to be made by virtue of rule G.7(4) (transfer from Civil Service Additional Voluntary Contribution Scheme), an application must be made within the period of 3 months ending with the day on which the member is first entitled to receive benefits under Part E (or would be apart from any abatement under Part J).
- (4) The Minister may direct that an application under rule G.7 is to be treated for the purposes of this Part as having been made earlier than it was if the Minister considers it reasonable to do so in the circumstances.
- (5) The Minister may direct that the time limit in paragraph (3) should be extended if the Minister considers it reasonable to do so in the circumstances.
- (6) A statement given to the member in pursuance of a such a request as is mentioned in paragraph (1)(d) in the case mentioned in paragraph (1)(d)(i)—
- (a) must specify such amount as is calculated in accordance with guidance and tables determined by the Minister for the purpose, after consultation with the Scheme actuary—
 - (i) so far as any factors relating to the member's circumstances are concerned, by reference to the last day of the period of two months so mentioned, and
 - (ii) so far as any other relevant factors are concerned, by reference to the date of the statement, but
 - (b) must inform the member of the effect of rule G.10(2) (transfer-in limit) generally and, in any case where it appears to the Scheme

administrator that that rule will apply so as to restrict the amount that the member will be entitled to count under rule G.9 in the case of the transfer payment in question, the effect of rule G.10(2) in the member's case.

G.9 Acceptance of transfer value payments

- (1) If an application is duly made by a member under rule G.7, the Scheme administrator may accept the transfer value payment if such conditions as the Minister may require are met, unless paragraph (6) applies.
- (2) If the Scheme administrator accepts the payment and the transfer is not a Club transfer, the member is entitled to count the appropriate pension amount in respect of the transfer value for the purposes of rule C.3(4) as member's non-Club transferred pension for the scheme year in which the following day falls—
 - (a) in the case of a payment received by the Scheme administrator before the end of the period of two months beginning with the date of a statement given to the member in accordance with such a request as is mentioned in rule G.8(1)(d) in connection with the application, the last day of that period, and
 - (b) otherwise, the day on which the payment is received by the Scheme administrator.
- (3) In paragraph (2) "the appropriate pension amount" means the amount calculated in accordance with rule G.10(1) to (3).
- (4) If the Scheme administrator accepts the payment and the transfer is a Club transfer, the member is entitled to count the appropriate period of service for the purposes of calculating the member's Club transfer pension.

This is subject to paragraph (8).
- (5) In paragraph (4) "the appropriate period" means the period calculated in accordance with rule G.10(4) and (5).
- (6) The Scheme administrator may not accept a transfer value payment if—
 - (a) it would be applied in whole or in part in respect of the member's or the member's spouse's entitlement to a guaranteed minimum pension, and
 - (b) it is less than the amount required for that purpose, as calculated in accordance with guidance and tables determined by the Minister for the purposes of this paragraph, after consultation with the Scheme actuary.

- (7) Paragraph (6) does not apply if the transfer is a Club transfer.
- (8) If a member who is entitled to count service under paragraph (4) becomes entitled to a pension calculated by reference to that service—
- (a) in a case where the entitlement is under rule E.1, E.7 or E.12 or under rule E.4 in a case where the option under that rule is exercised in respect of the whole of the member's pensions to which that rule relates, the member is not entitled to count that service for the purposes of the calculation of any pension to which he becomes entitled at a later date, and
 - (b) in a case where the entitlement is under rule E.4 and that option is only exercised in respect of a specified proportion the whole of the member's pensions, the member is not entitled to count the specified proportion of the service for the purposes of the calculation of any pension to which he becomes entitled at a later date.
- (9) For the calculation of pensions by reference to service that a member is entitled to count under paragraph (4), see rule E.14.

G.10 Calculation of transferred pension amounts

- (1) The pension amount that a member is entitled to count under rule G.9(2) (non-Club transfers) as the result of a transfer is—
- (a) in a case where the transfer payment is received by the Scheme administrator before the end of the period of two months beginning with the date of a statement given to the member in accordance with such a request as is mentioned in rule G.8(1)(d) in connection with the application, the amount of member's non-Club transferred pension specified in that statement, and
 - (b) otherwise such amount as is calculated in accordance with guidance and tables determined by the Minister for the purpose, after consultation with the Scheme actuary by reference to any relevant factors as at the date on which the transfer payment is received by the Scheme administrator.

This is subject to paragraph (2).

- (2) If, apart from this paragraph, the sum of—
- (a) the appropriate pension amount that the member would be entitled to count under rule G.9(2) as the result of a transfer, and
 - (b) each amount that the member was previously entitled to count under that rule,

would exceed the transfer-in limit, the member may only count under rule G.9(2) as the result of the transfer an amount of member's non-Club transferred pension equal to the transfer-in limit, less the sums of the amounts within sub-paragraph (b).

(3) In paragraph (2) "the transfer-in limit" means the lesser of—

(a) $S / 2$, and

(b) $[S / 60 \times (N - 18 - Y)] - P$

where—

N is the member's age in years as at the day when he last became an active member of this Section,

P is the current value of the member's deferred pension rights in this Section (if any) (see paragraph (3A)),

S is the member's annual pensionable earnings as at the day when he last became an active member of this Section, and

Y is the number of the years of the member's total final salary benefits service as at the time the transfer payment would be accepted.

(3A) The current value of the member's deferred pension rights in this Section is the total of –

(a) the provisional amount of the member's deferred earned pension (see rule C.4(4)), increased by the same amount (if any) as that by which an annual pension of that amount would have been increased under the Pensions (Increase) Act 1971 ("the Act") as at the day on which the transfer payment is received by the Scheme administrator, assuming that—

(i) that pension were eligible to be so increased; and

(ii) the beginning date for that pension were the day on which it would be deemed to begin under section 8(2) of the Act,

(b) the provisional amount of the member's deferred contributed (self only) pension (if any) (see rule C.4(5)) increased by applying the same method as that which is set out in sub-paragraph (a), and

(c) the provisional amount of the member's deferred contributed (all beneficiaries) pension (if any) (see rule C.4(6)) increased by applying the same method as that which is set out in sub-paragraph (a).

- (4) The period of service that the member is entitled to count under rule G.9(4) as the result of a transfer is calculated—
- (a) in accordance with the public sector transfer arrangements, and
 - (b) by reference to the guidance and tables provided by the Government Actuary for the purposes of this paragraph, that are in use on the date that is used by the transferring scheme for calculating the transfer value payment.

This is subject to paragraph (5).

- (5) If, apart from this paragraph, immediately after the acceptance of the transfer value payment the member's total final salary benefits service would exceed 45 years, the member may only count under rule G.9(4) as the result of the transfer a period equal to 45 years, less the member's total final salary benefits service immediately before the transfer.
- (6) In this rule "final salary benefits service", in relation to a member, means—
- (a) the reckonable service taken account for any award of a deferred pension under the 1972 Section to which the member is entitled,
 - (b) the reckonable service that the member is entitled to count under the 2002 Section as a deferred member of that Section,
 - (c) the service that the member is entitled to count under rule G.9(4) for the purposes of calculating the member's Club transfer pension, and
 - (d) the service that the member is entitled to count under rule H.5(5) for the purposes of calculating the member's linked service pension,

expressed in years.

Miscellaneous provisions

G.11 Club transfers

This Part applies in the case of a Club transfer as it applies in other cases, except to the extent that—

- (a) any provision in this Part provides otherwise, or
- (b) the arrangements themselves make different provision.

G.12 Bulk transfers out

- (1) This rule applies if—
 - (a) the employment of one or more active members (“the transferring employees”) is transferred without their consent to a new employer,
 - (b) on that transfer the transferring employees cease to be eligible to be active members of this Section,
 - (c) the transferring employees become active members of another occupational pension scheme (“the new employer’s scheme”),
 - (d) the Minister has agreed special terms for the making of transfer value payments in respect of the transferring employees to the new employer’s scheme, after consultation with the Scheme actuary, and
 - (e) the transferring employees have consented in writing to their rights being transferred in accordance with those terms.
- (2) This rule also applies if—
 - (a) the rights of one or more members (“the transferred members”) are transferred to another occupational pension scheme (“the new scheme”) from this Section without their consent in accordance with section 73(2)(a)(i) and (4)(b) of the Pension Schemes Act 1993, and
 - (b) the Minister has agreed special terms for the making of transfer value payments in respect of the transferred members to the new scheme, after consultation with the Scheme actuary.
- (3) In the case of the transferring members or the transferred members the transfer value payment to be paid—
 - (a) is not calculated in accordance with rule G.5, but
 - (b) is to be such amount as the Minister determines to be appropriate in accordance with the special terms after consulting the Scheme actuary.
- (4) This Part has effect with such modifications as are necessary to give effect to those terms.
- (5) If a Minister of the Crown gives an undertaking concerning the pension rights of the transferring members or the transferred members, this Part has effect with such modifications as the Minister considers necessary to reflect the terms of the undertaking.

- (6) If the transfer is directly or indirectly attributable to an enactment, this Part has effect with such modifications as the Minister considers necessary in consequence of the transfer.

G.13 Bulk transfers in

- (1) This rule applies if—
- (a) the employment of one or more persons (“the transferred employees”) is transferred without their consent to a new employer,
 - (b) on that transfer the transferred employees cease to be active members of an occupational pension scheme (“the former employer’s scheme”),
 - (c) after that transfer the transferred employees become active members of this Section,
 - (d) the Minister has agreed special terms for the acceptance of transfer value payments in respect of the transferred employees from the former employer’s scheme, after consulting the Scheme actuary, and
 - (e) the transferred employees have consented in writing to their rights being transferred in accordance with those terms.
- (2) This rule also applies if—
- (a) the rights of one or more persons (“the transferred members”) are transferred from an occupational pension scheme (“the former scheme”) to this Section without their consent in accordance with section 73(2)(a)(i) and (4)(b) of the Pension Schemes Act 1993, and
 - (b) the Minister has agreed special terms for the acceptance of transfer value payments in respect of the transferred members from the former scheme, after consultation with the Scheme actuary.
- (3) This Section has effect with such modifications as are necessary to give effect to the terms mentioned in paragraph (1)(e) or, as the case may be paragraph (2)(b).
- (4) If a Minister of the Crown gives an undertaking concerning the pension rights of the transferred employees or the transferred members, this Section has effect with such modifications as the Minister considers necessary to reflect the terms of the undertaking.

- (5) If the transfer is directly or indirectly attributable to an enactment, this Section has effect with such modifications as the Minister considers necessary in consequence of the transfer.

G.13A Transfers in of former members who do not become active members of this Section

Paragraphs (4) and (5) of rule G.13 also apply where—

- (a) one or more persons who are deferred or pensioner members of this Section (“the transferred employees”) are transferred without their consent from an employment in which they are not eligible to be active members of the Scheme to an employment in which they are so eligible, and
- (b) after that transfer the transferred employee does not become an active member of the Scheme.

G.14 EU and overseas transfers

- (1) This rule applies in the case of a member whose transfer is subject to transfer arrangements concluded with—
- (a) the Communities Pension Scheme of the Institutions of the European Communities, or
 - (b) any other scheme for the provision of retirement benefits established outside the United Kingdom.
- (2) This Section applies in relation to the member with such modifications as the Minister considers necessary to comply with—
- (a) the terms of those arrangements,
 - (b) any applicable provision contained in or made under any enactment, and
 - (c) the requirements to be met by a scheme registered under Chapter 2 of Part 4 of the Finance Act 2004.

Part H

Re-employment

Preliminary

H.1 Application of Part H

- (1) This Part applies to persons who—
 - (a) have been active members of the Scheme in respect of their service in an employment,
 - (b) have ceased to be employed in that employment and have become deferred members of the Scheme because of their rights in respect of that service,
 - (c) become employed again in an employment that qualifies them to belong to this Section,
 - (d) are not eligible to belong to another Section of the Scheme in respect of that employment, and
 - (e) become active members of this Section in respect of their service in that employment.
- (2) In these rules an active member of the Scheme to whom this Part applies is referred to as a “re-employed active member”.
- (3) In this Part, in relation to any re-employed active member—
 - (a) the service referred to in paragraph (1)(a) is referred to as “the earlier service”, and
 - (b) the service referred to in paragraph (1)(e) is referred to as “the current service”.
- (4) In these rules—
 - (a) if in the earlier service the re-employed active member was a member of this Section, the member is referred to as a “re-employed 2007 Section member”, and
 - (b) if in the earlier service the member was a member of the 1972 Section or the 2002 Section, the re-employed active member is referred to as a “re-employed 1972 or 2002 Section member”.

Re-employed 2007 Section members

H.2 Re-employed 2007 Section members: general rule (earlier service linked)

- (1) This rule applies in the case of a re-employed 2007 Section member who has not been an active member of this Section since the earlier service ceased.
- (2) The general rule is that—
 - (a) the member's account under rule C.4 that was established when the earlier service ceased must be closed,
 - (b) Part C applies as if that rule had not applied to the member at that time, and
 - (c) in relation to any time after the member becomes a re-employed 2007 Section member, the pension limit in relation to any pension of the member is calculated as if the member had continued as an active member during the period since the earlier service ceased (and so the time when the earlier service ceased was not an appropriate time for a pension of the member).
- (3) Accordingly—
 - (a) the member's account under rule C.2 must be re-established, and
 - (b) such entries must be made in that account as if the member had continued as an active member during the period since the earlier service ceased, but had received no earnings.
- (4) This rule does not apply if the member exercises the option under rule H.3 in respect of the earlier service.
- (5) This rule is modified if rule H.3A applies to the member (Re-employed 2007 Section members: earlier service not linked where the member is entitled to early payment of Unreduced Earned Pension).

H.3 Re-employed 2007 Section members: option not to link earlier service

- (1) A re-employed 2007 Section member may opt that rule H.2 is not to apply in his case.
- (2) If a member so opts—

- (a) the member continues to be treated as a deferred member of this Section as respects the earlier service,
 - (b) the member's rights in respect of his membership in the earlier service are disregarded in determining his or any other person's rights in respect of his membership in the current service or later service, and
 - (c) the member's rights in respect of his membership in the current service or any later service are disregarded in determining his or any other person's rights in respect of his membership in the earlier service.
- (3) Accordingly—
- (a) the member's account under rule C.4 that was established when the earlier service ceased is not closed, and
 - (b) a new account under rule C.2 must be established for the member in respect of the current service.
- (4) Paragraph (2)(b) and (c) does not affect—
- (a) the interpretation of rules A.4 to A.7 (the pension limit), or
 - (b) so much of rules F.12 and F.13 (amount of lump sum benefit under rule F.11) as requires regard to be had to amounts previously paid to the member.

H.3A Re-employed 2007 Section members: earlier service not linked where the member is entitled to early payment of Unreduced Earned Pension

- (1) This rule applies in the case of a re-employed 2007 Section member who has not exercised the option under rule H.3 in respect of the earlier service and who leaves the current service in circumstances where he is entitled to immediate payment of an Unreduced Earned Pension.
- (2) If this rule applies the member must be treated as if he had exercised the option under rule H.3 and had continued to be a deferred member of this Section as respects the earlier service.
- (3) Accordingly, the member must be treated as if—
 - (a) the member's account under rule C.4 that was established when the earlier service ceased had not been closed; and

- (b) a new account under rule C.2 had been established for the member in respect of the current service at the time when the current service commenced.

Re-employed 1972 or 2002 Section members

H.4 Re-employed 1972 or 2002 Section members: general rule (earlier service not linked)

- (1) This rule applies in the case of a re-employed 1972 or 2002 Section member.
- (2) The general rule is that—
 - (a) the rights to which the re-employed 1972 or 2002 Section member was entitled immediately before becoming an active member in the current service are disregarded in determining rights in respect of the current service, and
 - (b) the rights to which the re-employed 1972 or 2002 Section member is entitled as a result of his membership in the current service are disregarded in determining rights in respect of the earlier service.
- (3) That general rule does not affect—
 - (a) the interpretation of rules A.4 to A.7 (the pension limit), or
 - (b) so much of rules F.12 and F.13 (amount of lump sum benefit under rule F.11) as requires regard to be had to amounts previously paid to the member,

and is subject to the following provisions of this Part and any other express provision to the contrary.

H.5 Re-employed 1972 or 2002 Section members: option to link earlier service

- (1) This rule applies in the case of a re-employed 1972 or 2002 Section member who has not been an active member of the Scheme since the earlier service ceased.
- (2) The member may opt for—
 - (a) service to be credited to him for the purposes of this Section in respect of the earlier service, and
 - (b) the preserved pension under rule 3.11 of the 1972 Section in respect of that service or, as the case may be, his rights under the 2002 Section in respect of that service to be disregarded.

This is subject to paragraph (10).

- (3) If—
- (a) the earlier service is service in respect of which the member is a deferred member under the 2002 Section, and
 - (b) the member is also a deferred member of that Section in relation to another period of service or a deferred member of the 1972 Section,

the option under paragraph (2) may be exercised in relation to the other period of service if, and only if, it is a period in respect of which the member exercised the option under Part G of the 2002 Section so as to aggregate it with the earlier service.

- (4) But if the earlier service is service in respect of which the member was awarded a preserved pension under rule 3.11 of the 1972 Section, the option under paragraph (2) may not be exercised in respect of any other period of service in respect of which the member was awarded such a pension.
- (5) If a member exercises the option under paragraph (2), the member is entitled to count the appropriate period of service for the purposes of calculating the member's linked service pension.
- (6) In paragraph (5) "the appropriate period" means such period as is calculated in accordance with guidance and tables provided for the purpose by the Scheme Actuary.

This is subject to paragraphs (7) and (8).

- (7) If—
- (a) the award under the 1972 Section of a member who exercises an option under this rule is subject to a pension debit or the rights as a deferred member under the Section 2002 of such a member are so subject, and
 - (b) in the opinion of the Scheme administrator it is necessary for the purpose of giving effect to the pension debit for some or all of the benefits to which the pension debit member is entitled under this Section as a result of exercising the option to be taken in a different form from that in which he would otherwise be entitled to take them,

the Scheme administrator may, after taking advice from the Scheme actuary, make such modifications to the member's rights as to the form of those benefits as he considers necessary for that purpose.

- (8) If, apart from this paragraph, immediately after the option under this rule was exercised the member's total final salary benefits service would exceed 45 years, the member is only entitled to count under paragraph (5) as a result of the exercise of the option a period of service equal to 45 years, less the member's total final salary benefits service immediately before the exercise of the option.
- (9) In paragraph (8) "final salary benefits service" means—
- (a) the reckonable service taken into account for any award of a deferred pension under the 1972 Section to which the member is entitled,
 - (b) the reckonable service that the member is entitled to count under the 2002 Section as a deferred member of that Section,
 - (c) the service that the member is entitled to count under rule G.9(4) for the purposes of calculating the member's Club transfer pension, and
 - (d) the service that the member is entitled to count under this rule for the purposes of calculating the member's linked service pension,
- expressed in years.
- (10) A person who was paid a lump sum under the Civil Service Compensation Scheme when he left the earlier service may not exercise the option in paragraph (2).
- (11) If a member who is entitled to count service under paragraph (5) becomes entitled to a pension calculated by reference to that service—
- (a) in a case where the entitlement is under rule E.1, E.7 or E.12 or under rule E.4 in a case where the option under that rule is exercised in respect of the whole of the member's pensions to which that rule relates, the member is not entitled to count that service for the purposes of the calculation of any pension to which he becomes entitled at a later date, and
 - (b) in a case where the entitlement is under rule E.4 and that option is only exercised in respect of a specified proportion the whole of the member's pensions, the member is not entitled to count that proportion of that service for the purposes of the calculation of any pension to which he becomes entitled at a later date.
- (12) For the calculation of pensions by reference to service that a member is entitled to count under paragraph (5), see rule E.15.

H.6 Procedure for exercising options under rules H.3 and H.5

An option under rule H.3 or H.5(2) may only be exercised—

- (a) by notice in writing to the Scheme administrator in such form as the Minister requires, and
- (b) before the expiry of the period of 12 months beginning with the date on which the current service begins.

Re-employment after ill-health pension awards and awards under the Civil Service Compensation Scheme

H.7 Re-employment after ill-health pension awards and awards under the Civil Service Compensation Scheme

- (1) This rule applies if—
 - (a) when the earlier service ceased the re-employed active member—
 - (i) received benefits under rule 2.2, 2A.3, 3.1, 3.2A or 7.2 of the Civil Service Compensation Scheme (compulsory or flexible early retirement and early severance) on the basis of enhanced reckonable service, or
 - (ii) became entitled to a lower tier pension under rule D.4 of the 2002 Section (ill-health) or an ill-health pension under rule 3.4 of the 1972 Section, and
 - (b) the enhancement period exceeds the period—
 - (i) beginning with the day following that on which the early service ceased (“the first retirement day”), and
 - (ii) ending with the day before the current service began.
- (2) The member’s pensionable earnings received in the current service are ignored for the purposes of rule C.3(1) (definition of “member’s earned pension”), so far as those earnings relate to service before the time (“the relevant time”) when the period since the beginning of the first retirement day is as long as the enhancement period.

This is subject to paragraph (3).

- (3) If the relevant time does not coincide with the end of a scheme year, for the purposes of rule C.3(1) the amount of member’s pensionable earnings received in the scheme year in which that time falls is taken to be the greater of —
 - (a) the appropriate fraction of the actual amount of those earnings so received, and

- (b) the gross amount of the contributions paid by the member under rule D.1 in that year.
- (4) For the purposes of paragraph (3)—
 - (a) “the appropriate fraction” means the fraction of which—
 - (i) in a case where the person remains in service for the remainder of the scheme year in which the relevant time falls, the numerator is the number of days in the scheme year falling after relevant time (“N”), and the denominator is the number of days in the scheme year (“D”), and
 - (ii) otherwise, the numerator is the number of days during which the person remains in service after the relevant time, and the denominator is the number of days in the period beginning with the scheme year and ending with the day on which the person leaves service, and
 - (b) “the gross amount”, in relation to the contributions paid by the member under rule D.1, is the amount of those contributions multiplied by 100 and divided by 3.5.
- (5) Until the relevant time these rules apply to the member with the omission of rules D.1 and D.3 (member’s contributions and employer’s contributions).
- (6) But despite paragraphs (2) and (5)—
 - (a) the member is treated as an active member of this Section,
 - (b) the current service is treated as qualifying service, and
 - (c) these rules otherwise apply as they would apart from those paragraphs.
- (7) In this rule “the enhancement period” means—
 - (a) in a case within paragraph (1)(a)(i) or within paragraph (1)(a)(ii) where the pension was under rule 3.4 of the 1972 Section, the period by which the member’s reckonable service was enhanced, and
 - (b) in a case within paragraph (1)(a)(ii) where the pension was under rule D.4 of the 2002 Section—
 - (i) if the member was within paragraph (6) of that rule, nil, and

- (ii) if the member was within paragraph (7) of that rule, the difference between the member's basic reckonable service (within the meaning of that rule) and the service applicable under sub-paragraph (a), (b) or (c) of that paragraph in the member's case.

Part J

Abatement

J.1 Application of Part J

- (1) This Part applies if—
- (a) a person who is a pensioner member or a deferred member of this Section is re-employed (otherwise than by being engaged under a contract for services) before reaching the age of 75—
 - (i) as a Civil Servant, or
 - (ii) in an employment or office of a kind listed for the time being in Schedule 1 to the Superannuation Act 1972,whether or not the person is an active member of this Section in that employment, and
 - (b) an active member becomes a pensioner member on exercising the option under rule E.4 in connection with a change in the terms on which the member holds an employment.
- (2) In this Part, subject to paragraph (4)—
- (a) a person to whom this Part applies is referred to as a “re-employed pensioner”,
 - (b) the pension to which the person is or will become entitled is referred to as the “old service pension”, and
 - (c) the service in the employment that has terminated or, as the case may be, that the member held on the terms before the change and in respect of which the pension is or will be payable and the service that the person enters on re-employment or, as the case may be, holds on the terms after the change are referred to respectively as the “old service” and “new service”.
- (3) In this Part in relation to a re-employed pensioner—
- (a) references to “the old rate” are references to the pensioner’s pensionable earnings during the period of 12 months ending with the last day of the old service, and
 - (b) references to “the new rate” are references to the amount of the annual rate of the permanent pensionable earnings payable as at the first day of the new service.

- (4) For the purposes of this Part, if a person is or will become entitled to more than one pension as a result of a single period of active membership, those pensions are treated as a single pension payable at an annual rate equal to the aggregate annual rates of those pensions.
- (5) This Part does not apply if the new service is for a period of less than one month.
- (6) This Part does not apply to a re-employed pensioner who has reached the age of 75.

J.2 Abatement of pensions on re-employment: general rules

- (1) If—
 - (a) the old rate for a re-employed pensioner exceeds the new rate, and
 - (b) the relevant fraction of the annual rate of the old service pension to which the re-employed pensioner is entitled at the relevant time (including any increases payable in respect of that pension) is greater than the amount of that excess,

the annual rate of the old service pension as at that time is reduced by such amount (“the reduction amount”) as is necessary so that the adjusted annual rate of that pension (including any such increases) is equal to the amount of that excess as at that time.

- (2) In this rule—

“the relevant fraction” means $\frac{13}{16}$ ths, and

“the relevant time” means—

- (a) in the case of a deferred member who becomes a re-employed pensioner, the time when he becomes entitled to immediate payment of the pension, and
 - (b) otherwise, the time when the new service begins.
- (3) If the new rate equals or exceeds the old rate, the old service pension is reduced to nil during the new service (but see rule J.3).
 - (4) If paragraph (1) or (3) applies, the annual rate of the old service pension continues to be reduced by the reduction amount or, as the case may be, to be reduced to nil, regardless of any subsequent increase in the annual rate of the old service pension under the Pensions (Increase) Act 1971 after the relevant time (but see rule J.3).

- (5) The reduction of the old service pension under this rule does not affect the amount of any lump sum to which the member becomes entitled at the same time as becoming entitled to payment of the pension in question.
- (6) In the case of a re-employed pensioner who exercises the option under rule E.16 (general option to exchange part of pension for lump sum) in relation to the old service pension, references in this rule to the annual rate of that pension are references to the annual rate of the pension before commutation under that rule.
- (7) If the old service pension is a pension treated as a single pension by virtue of rule J.1(4), any reduction in the single pension by virtue of this rule is to be given effect—
 - (a) in a case within paragraph (1) by reducing each of the component pensions by the same proportion of the amount by which the single pension is to be reduced as the amount of the component pension bears to the amount of the single pension, and
 - (b) in a case within paragraph (3), by reducing each of the component pensions to nil.
- (8) In paragraph (7) references to the component pensions are to the pensions treated as a single pension under rule J.1(4) (and any increases in those pensions).
- (9) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to the old service pension, nothing in this rule requires the reduction of the old service pension below the amount of the member's guaranteed minimum in relation to it.

J.3 Abatement of pensions: effect of changes after re-employment

- (1) This rule applies where after the new service begins one or more of the changes specified in paragraph (2) occurs.
- (2) The changes are—
 - (a) the number of hours the re-employed pensioner is required to work in the new service alters, and
 - (b) the re-employed pensioner is re-employed in another post or his post is regarded.
- (3) Rule J.2 applies from the time of the change as if the re-employed pensioner were being re-employed at the time of the change, and the service before the change is disregarded.

J.4 Special rule about annual rate of pay in old service in cases of entitlement to two or more pensions

- (1) This rule applies if the re-employed pensioner is entitled, or apart from this Part would be entitled, to the payment of more than one pension as a result of periods of active membership of the Scheme that ended at different times (including cases where, in addition to being entitled to one or more pensions under this Section, the re-employed pensioner is entitled to one or more pensions under the 1972 Section or the 2002 Section).
- (2) If two or more of the pensions relate to service that ended before the re-employed pensioner's pension age, for the purposes of rules J.2 and J.3, the old rate is taken to be whichever of the old rates is the greater or greatest.

J.5 Minister's power to modify Part J

- (1) This rule applies if the Minister considers that in any case or class of cases there are special circumstances which call for exceptional treatment under this Part.
- (2) The Minister may direct that in the case or class of cases in question rule J.2 or J.3 is not to apply or is only to apply to the extent that the Minister directs.

J.6 Adjustment of the old rate

- (1) If the re-employed pensioner's new service does not begin immediately after the old service ceases, the old rate is taken to be the adjusted old rate.
- (2) In paragraph (1) "the adjusted old rate" means the old rate, increased by the same amount, if any, as a pension of an amount equal to the old rate would have been increased under the Pensions (Increase) Act 1971 by the day on which the new service began if—
 - (a) it was eligible to be so increased, and
 - (b) the beginning date for that pension were the day after the old service ceased.
- (3) In paragraph (2) "the beginning date", in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).

J.7 Disregard of effect of abatement for purposes of Part F

In Part F of these rules, references to the amount of the pension payable to a person are to be taken as references to the amount so payable apart from any reduction falling to be made under this Part.

Part K

Miscellaneous and supplementary provisions

Late payment of retirement index addition

K.1 Late payment of retirement index addition

Nothing in these rules requires the payment of any part of a pension that is attributable to retirement index addition payable in respect of the scheme year in which the pension becomes payable to be made before the end of that year.

Forfeiture

K.2 Forfeiture of benefits

- (1) The Minister may withhold benefits payable under this Section in respect of a member to whom rule K.3(1) applies to such extent as the Minister considers appropriate.

This is subject to paragraphs (3) to (5).

- (2) The Minister may withhold pension benefits payable under Part F to a person to whom rule K.3(2) applies to such extent as the Minister considers appropriate, and if the whole of a person's benefits are so withheld that Part applies as if that person had predeceased the member.

This is subject to paragraph (4).

- (3) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which the member is entitled to benefits under this Section, paragraph (1) only applies to so much of the member's pension as exceeds that guaranteed minimum, unless rule K.3(1)(a) (Official Secrets Acts offences) applies.
- (4) In the case of a pension payable to the surviving spouse or civil partner of a member, paragraph (1) is subject to rule F.23 (guaranteed minimum pensions for surviving spouses and civil partners).
- (5) If rule K.3(1)(c) (monetary obligations) applies—
 - (a) in a case where the amount of the obligation is in dispute, paragraph (1) only applies if the obligation has become enforceable—
 - (i) under an order of a competent court, or

- (ii) in consequence of an award of an arbitrator or, in Scotland, an arbiter to be appointed (failing agreement by the parties) by the sheriff,
- (b) only benefits to which the member is entitled (and not benefits payable in respect of the member under Part F) may be withheld, and
- (c) the benefits withheld must not exceed—
 - (i) the amount of the monetary obligation, or
 - (ii) the value of the person's entitlement or the accrued right in question (as determined under section 93(2) of the Pensions Act 1995),whichever is the less.
- (6) This rule is without prejudice to section 2 of the Forfeiture Act 1870 (under which forfeiture is required in cases of treason, subject to whole or partial restoration under section 70(2) of the Criminal Justice Act 1948).

K.3 Events enabling forfeiture

- (1) This paragraph applies to a member who is an active member, a deferred member or a pensioner member if the member—
 - (a) is convicted of one or more offences under the Official Secrets Acts 1911 to 1989 for which the member has been sentenced on the same occasion—
 - (i) to a term of imprisonment of at least 10 years, or
 - (ii) to two or more consecutive terms amounting in the aggregate to at least 10 years,
 - (b) is convicted of an offence in connection with the employment that qualifies the member to belong to the Scheme, in respect of which a Minister of the Crown has issued a forfeiture certificate, or
 - (c) after becoming a member of the Scheme has incurred a monetary obligation to the Crown or, if the member is not employed by the Crown, to the member's employer which—
 - (i) arises out of a criminal, negligent or fraudulent act or omission by the member, and

- (ii) arises out of or is connected with the member's employment relationship with the member's employer.
- (2) This paragraph applies to a person who is convicted of the murder or manslaughter of the member or any other offence which involves the unlawful killing of the member.
- (3) In paragraph (1)(b) "forfeiture certificate" means a certificate that the Minister issuing the certificate is satisfied that the offence—
 - (a) has been gravely injurious to the State, or
 - (b) is liable to lead to a serious loss of confidence in the public service.

K.4 Procedure and appeals

- (1) If the Minister proposes to withhold a person's benefits under rule K.2, he must notify the person in writing that he proposes to do so.
- (2) The person may appeal against the Minister's proposal to the Civil Service Appeal Board.
- (3) On such an appeal the Civil Service Appeal Board—
 - (a) may confirm or reject the Minister's proposal, or
 - (b) may amend it so as reduce the extent to which the benefits are withheld.
- (4) The Minister must comply with the Board's decision.
- (5) If the Minister withholds benefits under rule K.2 in a case where rule K.3(1)(c) (monetary obligations) applies, the member must be given a certificate showing—
 - (a) any amount withheld, and
 - (b) the effect of its being withheld on the member's benefits under this Section.

Commutation of small pensions

K.5 Commutation of small pensions

- (1) The Scheme administrator may pay the person entitled to any such pension as is specified in paragraph (2) a lump sum of such an amount as the Scheme actuary advises represents the capital value of the pension if—

- (a) that person consents,
 - (b) in a case where that person is a member and the pension is one which may not be less than the member's guaranteed minimum, the member has reached state pension age,
 - (c) the relevant entitlements of or in respect of the member do not exceed the small pensions commutation maximum, and
 - (d) the commutation requirements that apply are met.
- (2) Those pensions are—
- (a) a pension to which a member is entitled under Part E,
 - (b) a pension payable to any person under Part F.
- (3) If—
- (a) a member is entitled to more than one pension in respect of the employment by virtue of which the member is eligible for membership of this Section,
 - (b) a person is entitled to more than one pension in respect of the same member and the same employment of the member, or
 - (c) a pension credit member is entitled—
 - (i) to more than one pension under rule E.6, or
 - (ii) to one or more pensions within sub-paragraph (a) in addition to one or more pensions under rule E.6,
- those pensions may only be commuted under this rule if they do not in aggregate exceed the amount that is permitted to be commuted under all the commutation requirements that apply in the circumstances in question.
- (4) The payment of a lump sum under this rule in respect of a pension discharges all liabilities under these rules in respect of that pension.
- (5) In this rule—
- “the small pensions commutation maximum” means the amount that is permitted to be commuted, having regard to all the commutation requirements that apply in the circumstances in question, and
- “the commutation requirements” means requirements permitting the commutation of small pensions that are imposed—

- (a) by regulations 19, 20 and 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996,
- (b) by regulation 2 of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997,
- (c) by paragraph 7 of Schedule 29 to the Finance Act 2004 (which defines trivial commutation lump sums for the purposes of Part 4 of that Act) and, in relation to a pension payable under Part F, by paragraph 20 of that Schedule (which defines trivial commutation lump sum death benefit for the purposes of that Part), or
- (d) by regulation 3(2)(b) of the Pension Sharing (Pension Credit Benefit) Regulations 2000.

Determination of questions

K.6 Determination of questions

Except as otherwise provided by these rules, any question arising under this Section is to be determined by the Minister, whose decision on it is final.

Information, evidence, suspension etc.

K.7 Information and evidence

- (1) The Minister may require any person who is receiving a pension under this Section to provide him with evidence to establish—
 - (a) the person's identity, and
 - (b) the person's continuing entitlement to payment of any amount.
- (2) If such evidence is not provided, the Minister may withhold the whole or any part of any benefits payable under this Section in respect of the person.

Payment and deduction of tax

K.8 Scheme administrator for purposes of the Finance Act 2004

The Cabinet Office is appointed to be responsible for all functions that are functions conferred or imposed on the scheme administrator of this Section by or under Part 4 of the Finance Act 2004.

K.9 Payment on behalf of members of lifetime allowance charge

- (1) A member may request the Cabinet Office to pay on the member's behalf any amount that is payable by way of the lifetime allowance charge under section 214 of the Finance Act 2004 when—
 - (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to the member, and
 - (b) the member and the Cabinet Office are jointly and severally liable in relation to that event.
- (2) Such a request may only be made by notice in writing given before the event occurs.
- (3) The Cabinet Office may only comply with such a request if—
 - (a) the member pays it the amount in question on or before the date on which the event occurs, or
 - (b) the member authorises the deduction of the amount in question from a lump sum becoming payable to the member under this Section at the same time as the event occurs.

K.10 Reduction of benefits where lifetime allowance charge payable

- (1) This rule applies if—
 - (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 ("the table") occurs in relation to a member,
 - (b) the member and Cabinet Office are jointly and severally liable in relation to that event, and
 - (c) no request has been duly made under rule K.9 in relation to the event or, if such a request has been made, the Cabinet Office is prevented from complying with it by paragraph (3) of that rule.
- (2) If this rule applies—
 - (a) the Cabinet Office must pay the tax payable on the event,
 - (b) if the event is benefit crystallisation event 8 in the table (transfer to qualifying recognised overseas pension scheme), the amount or value of the sums or assets transferred must be reduced, and
 - (c) in the case of any other event in that table, the amount or value of the benefits payable to or in respect of the member must be reduced.

- (3) The amount or value of the reduction—
- (a) must be such that it fully reflects the amount of the tax so paid,
 - (b) must be determined in accordance with guidance provided by the Minister, and
 - (c) in the case of any reduction to pension benefits, must be consistent with normal actuarial practice.

General prohibition on unauthorised payments

K.11 General prohibition on unauthorised payments

Nothing in these rules requires or authorises the making of any payment, which, if made, would be an unauthorised payment for the purposes of Part 4 of the Finance Act 2004 (see section 160(5) of that Act).

Section IV

The General Provisions Section

Arrangement of rules

Part A

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A.1 Interpretation: general

Part B

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B.2 Action required by the Minister following each actuarial review

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Part C

The governance group

C.1 Establishment and role of the Governance Group

C.2 Composition of the Governance Group and appointments, resignations and removals

C.3 Payment of fees and expenses

C.4 Procedure

Part A

Interpretation

A.1 Interpretation: general

- (1) This Part applies for the interpretation of this Section.
- (2) In accordance with section 23 of the Interpretation Act 1978, that Act applies for the interpretation of the rules of this Section as it applies to an Act of Parliament.
- (3) In these rules, unless the context otherwise requires, the following expressions have the following meanings—

“the 1972 Section” means Section II of the Scheme;

“the 2002 Section” means Section I of the Scheme;

“the 2007 Section” means Section III of the Scheme;

“active member” has the meaning given in section 124(1) of the Pensions Act 1995;

“Actual Average Employer Contribution” has the meaning set out in rule B.6;

“Capped Employer Cost” has the meaning set out in rule B.4;

“CCSU” means the Council of Civil Service Unions;

“Effective Date” in relation to an actuarial review means the date as at which the Standard Contribution Rate and the Overall Scheme Cost for that review are assessed;

“Final Actuarial Report” means the report produced by the Scheme Actuary in accordance with rule B.2(6);

“Final Overall Scheme Cost” has the meaning set out in rule B.8;

“Governance Group” means the group established in accordance with Part C of this Section;

“Implementation Plan” means the plan that requires one or more scheme changes to be made to eliminate the Residual Cost Pressure and is prepared by the Minister under rule B.2(4)(b);

“Minister” means the Minister for the Civil Service;

“Movement in Scheme Costs” has the meaning set out in rule B.1(10);

“Notional Average Employer Contribution” has the meaning set out in rule B.5;

“Overall Scheme Cost” has the meaning set out in rule B.1(6);

“Pre-Fresh Start prison officer” means a prison officer who has a pension age of 55 under rule 2.27 of the 1972 Section;

“Residual Cost Pressure” has the meaning set out in rule B.7;

“Scheme” means the Principal Civil Service Pension Scheme;

“Scheme Actuary” means the actuary appointed by the Minister for the time being to provide a consulting service on actuarial matters relevant to the Scheme;

“Standard Contribution Rate” has the meaning set out in rule B.1(7);

“Statement of Movement in Scheme Costs” has the meaning set out in rule B.1(9).

Part B

Cost sharing and cost capping

B.1 Requirement for periodical actuarial reviews of the Scheme

- (1) The Minister must periodically instruct the Scheme Actuary to carry out an actuarial review of the Scheme.
- (2) The review will be based on actuarial assumptions determined by the Minister, after consultation with the Scheme Actuary, the Treasury and the Governance Group.
- (3) The Effective Date of the first actuarial review will be 31st March 2010.
- (4) The Effective Date of each subsequent actuarial review will be determined by the Minister, but must be no later than four years after the Effective Date of the previous review.
- (5) The Minister must instruct the Scheme Actuary to produce an initial report on the actuarial review setting out—
 - (a) the Overall Scheme Cost (see paragraph (6)), and
 - (b) a Statement of Movement in Scheme Costs (see paragraph (9)).
- (6) The Overall Scheme Cost is the Standard Contribution Rate (see paragraph (7)) at the Effective Date of the actuarial review—
 - (a) reduced to reflect the rate of contributions payable by active members at the Effective Date of the actuarial review, and
 - (b) increased (or reduced) to reflect the elimination of any notional deficit (or notional surplus) in the Scheme at the Effective Date of the actuarial review over a period, set by the Minister after consultation with the Scheme Actuary but not exceeding 15 years.

The calculation of the Overall Scheme Cost will be by reference to all of Sections I, II and III of the Scheme, except that future accrual of benefits provided to or in respect of, and contributions payable by or in respect of, Pre-Fresh Start prison officers will be excluded from the calculation.

- (7) The Standard Contribution Rate is the rate, expressed as a percentage of pensionable payroll, that would be sufficient to finance future benefits under the Scheme (except benefits provided to or in respect of Pre-Fresh Start prison officers) in the absence of any notional surplus

or deficit and assuming that actual experience is in line with the assumptions determined under rule B.1(2).

- (8) In paragraphs (6) and (7) “notional surplus” or “notional deficit” means an amount of notional surplus or deficit determined by the Scheme Actuary as being the amount by which the Scheme’s notional assets are more or less than the Scheme’s actual past service liabilities.
- (9) The Statement of Movement in Scheme Costs sets out—
- (a) the Movement in Scheme Costs (see paragraph (10)), and
 - (b) in a form agreed by the Minister and the Scheme Actuary to be sufficient to enable the Minister to carry out the Minister’s duty under rule B.2(3)(a)—
 - (i) a list of the elements which the Scheme Actuary determines have contributed to the Movement in Scheme Costs, and
 - (ii) the amount of the Movement in Scheme Costs that, in the Scheme Actuary’s view, relates to each listed element.
- (10) The Movement in Scheme Costs is equal to—

OSC – LFOSC

Where—

OSC is the Overall Scheme Cost for the current actuarial review, and

LFOSC is the Final Overall Scheme Cost from the previous actuarial review or, in relation to the first actuarial review, 18.9%.

B.2 Action required by the Minister following each actuarial review

- (1) After each actuarial review the Minister must take the steps required by paragraphs (3) to (8) of this rule.
- (2) The Minister may take advice from the Scheme Actuary in connection with any of the steps required by this rule.
- (3) Within 11 months of the Effective Date of the actuarial review the Minister must—
- (a) attribute each element listed in the Statement of Movement in Scheme Costs (see rule B.1(9)(b)) to one or more Cost Categories (see rule B.3) in such proportions as the Minister may decide. This sub-paragraph is subject to rules B.3(2), (3) and (4);

- (b) determine the following amounts—
 - (i) the Capped Employer Cost (see rule B.4),
 - (ii) the Notional Average Employer Contribution (see rule B.5),
 - (iii) the Actual Average Employer Contribution (see rule B.6), and
 - (iv) the Residual Cost Pressure (see rule B.7); and
- (c) inform the Governance Group and the CCSU of—
 - (i) the Cost Categories into which each element listed in the Statement of Movement in Scheme Costs has been attributed under paragraph (3)(a), and
 - (ii) the amounts determined under paragraph (3)(b).
- (4) If the Residual Cost Pressure is a positive amount—
 - (a) the Minister must consider any report presented by the Governance Group to the Minister on options for handling the Residual Cost Pressure but only if the report is presented to the Minister within 15 months of the Effective Date of the actuarial review,
 - (b) after consultation with the Scheme Actuary and the CCSU or such other persons appearing to the Minister to represent persons likely to be affected by those scheme changes and within 21 months of the Effective Date of the actuarial review, the Minister must prepare an Implementation Plan which requires one or more scheme changes to be made to eliminate the Residual Cost Pressure, and
 - (c) the Minister must take steps to ensure that any scheme changes required by the Implementation Plan take effect no later than 24 months after the Effective Date of the actuarial review.
- (5) If the Residual Cost Pressure is a negative amount it must be held in reserve and offset from the Residual Cost Pressure arising at the next actuarial valuation in accordance with rule B.7(1).
- (6) The Minister must instruct the Scheme Actuary to produce a Final Actuarial Report that includes—
 - (a) the Overall Scheme Cost,
 - (b) the Statement of Movement in Scheme Costs,

- (c) the Capped Employer Cost,
 - (d) the Notional Average Employer Contribution,
 - (e) the Actual Average Employer Contribution,
 - (f) the Residual Cost Pressure,
 - (g) where the Residual Cost Pressure is a positive amount, details of the steps taken to eliminate the Residual Cost Pressure,
 - (h) where the Residual Cost Pressure is a negative amount, details of the amount held in reserve in accordance with rule B.2(5), and
 - (i) the Final Overall Scheme Cost (see rule B.8).
- (7) The Minister must arrange for the Final Actuarial Report to be published no later than 21 months after the Effective Date of the actuarial review.
- (8) The Minister must, where necessary, adjust the rates of employers' contributions payable to the Scheme under rule 15.1 of the 1972 Section, rule C.3 of the 2002 Section or rule D.3 of the 2007 Section so that, no later than 24 months after the Effective Date of the actuarial review, the average rate of contributions payable by the employers of active members (other than contributions payable in relation to Pre-Fresh Start prison officers) is estimated to be at or no less than the level of the Actual Average Employer Contribution.

B.3 Cost Categories

- (1) The Cost Categories are—
- (a) Cost Sharing and Cost Capping,
 - (b) Cost Capping Only,
 - (c) Employers Only,
 - (d) Members Only, and
 - (e) Elements Outside the Scope of Cost Sharing and Cost Capping.
- (2) The Minister must attribute to Cost Capping Only any of the Movement in Scheme Costs that the Scheme Actuary has listed in the Statement of Movement in Scheme Costs as relating to the admission of new members into the 2007 Section rather than the 2002 Section.

- (3) The Minister must attribute to Employers Only any of the Movement in Scheme Costs that the Scheme Actuary has listed in the Statement of Movement in Scheme Costs as relating to the following—
- (a) changes to scheme administration costs,
 - (b) changes to financial assumptions,
 - (c) changes to actuarial methodology, and
 - (d) the effect of overpayments by employers.
- (4) The Minister must attribute to Members Only any of the Movement in Scheme Costs that the Scheme Actuary has listed in the Statement of Movement in Scheme Costs as relating to the effect of overpayments by active members.

B.4 The Capped Employer Cost

- (1) The Capped Employer Cost is the greater of—
- (a) 20%, and
 - (b) the amount obtained by applying the following formula—

$$\mathbf{PCEC + EO.}$$

- (2) In paragraph (1)—

PCEC is the Capped Employer Cost stated in the Final Actuarial Report from the previous actuarial review or, in the case of the first actuarial review, 20%, and

EO is the amount of Movement in Scheme Costs from the current actuarial review attributed by the Minister to Employers Only but excluding any such amount listed in the Statement of Movement in Scheme Costs as relating to the effect of overpayments by employers.

B.5 The Notional Average Employer Contribution

- (1) The Notional Average Employer Contribution is the lesser of—
- (a) the amount obtained by applying the following formula—
- $$\mathbf{PAEC + EO + CC + \frac{1}{2} SC, \text{ and}}$$
- (b) the Capped Employer Cost (see rule B.4).

- (2) In paragraph (1)—

PAEC is the Notional Average Employer Contribution stated in the Final Actuarial Report from the previous actuarial review or, in the case of the first actuarial review, 18.9%,

EO is the amount of the Movement in Scheme Costs from the current actuarial review attributed by the Minister to Employers Only,

CC is the amount of the Movement in Scheme Costs from the current actuarial review attributed by the Minister to Cost Capping Only, and

SC is the amount of the Movement in Scheme Costs from the current actuarial review attributed by the Minister to Cost Sharing and Cost Capping.

B.6 The Actual Average Employer Contribution

- (1) The Actual Average Employer Contribution is the greater of—
- (a) the Actual Average Employer Contribution stated in the Final Actuarial Report from the previous actuarial review or, in the case of the first actuarial review, 18.9%, and
 - (b) the Notional Average Employer Contribution.

B.7 The Residual Cost Pressure

- (1) The Residual Cost Pressure is the amount obtained by applying the following formula—

$$\mathbf{MO} + \frac{1}{2} \mathbf{SC} + \mathbf{CB} + \mathbf{NRCP}.$$

- (2) In paragraph (1)—

MO is the amount of the Movement in Scheme Costs from the current actuarial review attributed by the Minister to Members Only,

SC is the amount of the Movement in Scheme Costs from the current actuarial review attributed by the Minister to Cost Sharing and Cost Capping,

CB is—

- (a) the amount obtained by applying the formula set out in rule B.5(1)(a) less the Capped Employer Cost (see rule B.4), or
- (b) where (a) is a negative number, zero, and

NRCP is the amount of any negative Residual Cost Pressure held in reserve from the previous actuarial review under rule B.2(5).

B.8 The Final Overall Scheme Cost

- (1) Unless paragraph (2) applies, the Final Overall Scheme Cost for an actuarial review is the Notional Average Employer Contribution for that review.
- (2) This paragraph applies where rule B.2(5) applies to the actuarial review (Residual Cost Pressure is a negative amount). In that case, the Final Overall Scheme Cost is the Notional Average Employer Contribution for that review reduced by the amount of the negative Residual Cost Pressure.

Part C

The Governance Group

C.1 Establishment and role of the Governance Group

- (1) The Minister may establish a Governance Group to come into effect on 1 October 2008 or at such other date as the Minister may decide.
- (2) The role of the Governance Group will be determined by the Minister from time to time, following consultation with the CCSU.

C.2 Composition of the Governance Group and appointments, resignations and removals

- (1) The Governance Group will consist of—
 - (a) five persons appointed by the Minister (each known as a “Cabinet Office appointee”),
 - (b) five persons appointed by the CCSU (each known as a “union appointee”), and
 - (c) an independent chairperson appointed by the Minister after consultation with the CCSU.
- (2) Subject to paragraph (3), each appointment apart from the chairperson’s will last until the earliest of—
 - (a) 3 years after the date of appointment,
 - (b) resignation by the appointee (see paragraph (4)), or
 - (c) removal of the appointee (see paragraph (5)).
- (3) The terms of office of the first 10 appointees to the Governance Group shall be as follows—
 - (a) the first Cabinet Office appointee and the first union appointee shall hold office for 3 years (or, if earlier, until resignation or removal),
 - (b) the second and third Cabinet Office and union appointees shall each hold office for 4 years (or, if earlier, until resignation or removal), and
 - (c) the fourth and fifth Cabinet Office and union appointees shall each hold office for 5 years (or, if earlier, until resignation or removal).

- (4) An appointee to the Governance Group may resign by giving notice in writing to the chairperson, with a copy to the Cabinet Office and the CCSU. The chairperson may resign by giving notice in writing to the Cabinet Office.
- (5) A Cabinet Office appointee may be removed by notice in writing from the Minister. A union appointee may be removed by notice in writing from the CCSU.
- (6) Where there are less than 5 Cabinet Office appointees at any time, the Minister may appoint further persons but there must be no more than 5 Cabinet Office appointees (excluding the chairperson) at any time.
- (7) Where there are less than 5 union appointees at any time, the CCSU may appoint further persons but there must be no more than 5 union appointees at any time.
- (8) The Minister must review the appointment of the chairperson from time to time and may remove the chairperson or appoint a replacement at any time after consultation with the CCSU.

C.3 Payment of fees and expenses

The Minister may—

- (a) pay fees to or in respect of the chairperson of such amounts as the Minister may determine, and
- (b) reimburse the chairperson in respect of any expenses incurred by the chairperson in the performance of the chairperson's functions.

C.4 Procedure

- (1) The Governance Group may determine its own procedure (including quorum).
- (2) The Governance Group may establish committees and sub-committees and may determine the procedure (including quorum) for any such committees or enable those committees to regulate their own procedures.
- (3) The Governance Group may take advice from the Scheme Actuary in connection with preparing a report for the Minister on options for handling the Residual Cost Pressure (see rule B.2(4)(a)).
- (4) The Cabinet Office will meet the costs of the advice provided by the Scheme Actuary under paragraph (3) to the extent that the Governance Group has acted reasonably in requesting such advice.”.