
Section III The 2007 Section

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;

“the 2013 Act” means the Public Service Pensions Act 2013;

“the 2014 Regulations” means the Public Service (Civil Servants and Others) Pensions Regulations 2014;

“the 2015 Scheme” means the scheme established by the 2014 Regulations ;

“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;

“Admission Agreement” means the contractual agreement between the Minister and the employer of a section 1(4A) eligible person (and which may also be between a 3rd party) relating to participation in the Scheme;

“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;

“full protection member” has the meaning given in paragraph 9 of Schedule 2 to the 2014 Regulations;

“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;

“ill-health protection member” means a member of this Section who would be entitled to be an active member of the 2015 Scheme but for the fact that—

- (a) an application for early payment of pension on the basis of ill-health under this Section has been made in respect of the member before the member's transition date; and
- (b) a decision has not yet been made in relation to that application; or
- (c) the scheme medical adviser's opinion is that the member does not satisfy the criteria for payment of the ill-health pension and all relevant appeal rights in relation to that opinion are not yet exhausted;

“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;

“Partially Reduced Earned Pension” has the same meaning as in rule 12.3.12 of the Civil Service Compensation Scheme;

“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;

“section 1(4A) eligible person” means a person who is eligible to be an active member of this Section of the Scheme by virtue of being a person who is in service in an employment or office specified in a list produced for the purposes of section 1(4A) of the Superannuation Act 1972;

“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);

“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,

“tapered protection member” has the meaning given in paragraph 19 of Schedule 2 to the 2014 Regulations;

“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;

“transition date” in relation to a transition member has the meaning given in paragraph 1 of Schedule 2 to the 2014 Regulations;

“transition member” means a person—

- (a) who is a member of this Section by virtue of the person's pensionable service under this Section before the person's transition date or by virtue of deemed transfer scheme service under paragraph 2 of Schedule 7 to the 2013 Act (final salary link); and
- (b) who is a member of the 2015 Scheme by virtue of the person's pensionable service under that scheme.

“Unreduced Earned Pension” has the same meaning as in rule 12.3.12 of the Civil Service Compensation 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 (abatement) 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** x 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** x 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 **RS/60** x 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 during—
 - (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** x $365/N$, 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, or condition E is 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).

This is subject to rule B.1A

- (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.
- (9) Condition E is that the person—
 - (a) is in service in an employment or office specified in a list produced for the purposes of section 1(4A) of the Superannuation Act 1972; and
 - (b) fulfils the conditions for eligibility specified in L.1.

B.1A Employment on and after 1st April 2015

- (1) After 31st March 2015 no person is or is eligible to be in pensionable service under this Section unless the person is a protected member.
- (2) A person who ceases to be a protected member ceases to be or to be eligible to be in pensionable service under this Section (but see Part M for the application of the rules to transition members with continuity of service).
- (3) Where a person is not and is not eligible to be in pensionable service under this Section, that person—

- (a) is not receiving earnings that are pensionable earnings for the purposes of this Section; and
 - (b) is not and is not eligible to be an active member of this Section (subject to Part M).
- (4) In this rule, “protected member” means a full protection member, a tapered protection member or an ill-health protection member in relation to this Section of the Scheme.

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 subject to L.3(1),

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 (abatements), 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 subject to paragraph 1A.
 - (1A) (a) For the purposes of rule C.2, any pensionable earnings received by a member during or after the scheme year beginning 1st April 2014 in respect of pensionable service before 1st April 2014 are taken as having been received in the scheme year beginning 1st April 2014.
 - (b) For the purposes of rule C.2, any pensionable earnings received by a member during or after the scheme year beginning 1st April 2014 in respect of pensionable service on or after 1st April 2014 are taken as having been received in the scheme year in respect of which they were paid.
- (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 Rate of member contributions

- (1) An active member of this Section must pay contributions to this Section (“member contributions”) on the member's pensionable earnings for each pay period at a rate determined under this regulation (“member contributions rate”).
- (2) The member contributions rate which applies to a member's pensionable earnings is the rate which applies when the member's pensionable earnings are paid.
- (3) For the purposes of paragraph (2),
 - (a) assumed pay for any pay period is treated as having been paid when pensionable earnings for that period would have been paid had the circumstances in regulation 27(3) which apply to the member not applied; and
 - (b) payment of the money value of any benefit in kind which forms part of a member's pensionable earnings is treated as having been made at a time or apportioned across a period of time as determined by the Minister.
- (4) The member contributions rate during a scheme year to which a table set out in this rule applies is the percentage, set out in the table, which applies to a member's annualised rate of pensionable earnings calculated in relation to each payment of a member's pensionable earnings.
- (5) Where the member's pensionable earnings for a scheme year are payable to the member in 12 instalments, the member's annualised rate of pensionable earnings is calculated as follows, rounded down to the nearest whole pound—

$$12P$$

where P is the amount of a payment of the member's pensionable earnings.

- (6) Where the member's pensionable earnings for a scheme year are payable otherwise than in 12 instalments, the member's annualised rate of pensionable earnings is calculated as follows, rounded down to the nearest whole pound—

$$P \times \frac{365}{N}$$

where—

P is the amount of a payment of the member's pensionable earnings; and

N is the number of days in the applicable payment period.

- (7) For the purposes of paragraph (6) the applicable payment period is—
 - (a) if it is the member's first payment of pensionable earnings in relation to a continuous period of pensionable service in an employment in respect of which the person is an active member of this Section, the number of days in the period beginning on the day the member commenced the period of pensionable service in that employment and ending on the day before the day that this payment was made; or
 - (b) in any other case, the period beginning on the day the previous payment of the member's pensionable earnings was made and ending on the day before the day that this payment was made.
- (8) If the scheme year in which the payment of pensionable earnings is made includes 29th February, paragraph (6) has effect with the substitution for “365” of “366”.

- (9) This rule is subject to rule H.7(5) (under which this rule is disapplied in certain cases for a period after re-employment after ill-health pension awards and awards under the Civil Service Compensation Scheme).

Scheme Year 1st April 2015 to 31st March 2016

Annualised rate of pensionable earnings	Member contributions rate
Up to but not including £21,001	4.6%
£21,001 to but not including £47,001	5.45%
£47,001 to but not including £150,001	7.35%
£150,001 and above	8.05%

Scheme year 1st April 2016 to 31st March 2017

Annualised rate of pensionable earnings	Member contributions rate
Up to but not including £21,211	4.6%
£21,211 to but not including £48,472	5.45%
£48,472 to but not including £150,001	7.35%
£150,001 and above	8.05%

Scheme Year 1st April 2017 to 31st March 2018

Annualised rate of pensionable earnings	Member contributions rate
Up to but not including £21,423	4.6%
£21,423 to but not including £51,006	5.45%
£51,006 to but not including £150,001	7.35%
£150,001 and above	8.05%

Scheme Years 1st April 2018 to 31st March 2019 and 1st April 2019 to 31st March 2020

Annualised rate of pensionable earnings	Member contributions rate
Up to but not including £21,637	4.6%
£21,637 to but not including £51,516	5.45%
£51,516 to but not including £150,001	7.35%
£150,001 and above	8.05%

Scheme Year 1st April 2020 to 31st March 2021

Annualised rate of pensionable earnings	Member contributions rate
Up to but not including £22,601	4.6%
£22,601 to but not including £54,901	5.45%
£54,901 to but not including £150,001	7.35%
£150,001 and above	8.05%

Scheme Year 1st April 2021 to 31st March 2022

Annualised rate of pensionable earnings	Member contributions rate
Up to but not including £23,101	4.6%
£23,101 up to but not including £56,001	5.45%
£56,001 up to but not including £150,001	7.35%
£150,001 and above	8.05%

D.2 Amount of pensionable earnings

- (1) For the purpose of rule D.1, the amount of a member's pensionable earnings for any pay period is determined in accordance with this rule.
- (2) Unless paragraph (3) or (4) applies, the amount of the member's pensionable earnings during any period of assumed pay is equal to the member's assumed pay.
- (3) For any period of assumed pay under rule A.3(2)(b) (member on sick leave on reduced pay), the amount of the member's pensionable earnings is equal to the member's reduced pay while on sick leave.
- (4) For any period of assumed pay while the member is on ordinary maternity leave, ordinary adoption leave or paternity leave, the amount of the member's pensionable earnings is the amount of contractual remuneration or statutory pay actually paid to or for the member in respect of the period of leave.
- (5) For the purposes of rule D.1, when calculating a member's annualised rate of pensionable earnings, the amount of a payment of a member's pensionable earnings for a pay period excludes any amounts paid to the member in that pay period in the form of arrears of, or back-dated, pensionable earnings.

D.2A Payment of member contributions

- (1) Member contributions are to be deducted by the member's employer from the member's pensionable earnings for each pay period.
- (2) A member's employer—
 - (a) may make contributions on the member's behalf in circumstances determined by the Minister; and

- (b) must do so for any period of assumed pay under rule A.3(2)(g) (unpaid leave).
- (3) A member is not required to pay member contributions while the member is on unpaid ordinary maternity leave, unpaid ordinary adoption leave or unpaid paternity leave.

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.
- (4) Each employer must in addition pay to the Scheme—
 - (a) the annual administration charges; and
 - (b) any other administrative charges

at such intervals and at such rates as the Minister may from time to time determine which shall, where the employer is the employer of a section 1(4A) eligible person, be as provided for in the Admission Agreement.
- (5) Where the Admission Agreement provides for an employer of a section 1(4A) eligible person to pay additional payments or charges to the Scheme, that employer must make such additional payments or charges as required by the Admission Agreement.

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 a 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 or Partially Reduced 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 or Partially Reduced 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 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;
 - (iii) that is not a Partially Reduced Pension, and
 - (b) the member wishes to buy out all of the early payment reduction that would otherwise apply to that pension.
- (2) If this rule applies the member may buy out all of 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 actuarial reduction is determined 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 buy out early payment reduction for Partially Reduced Earned Pension following a payment under the Civil Service Compensation Scheme

- (1) Where the member is entitled to immediate payment of a partially reduced earned pension in accordance with the rules of the Civil Service Compensation Scheme, the member may make a special payment to the scheme to reduce or eliminate the actuarial reduction that would otherwise apply to the member's pension and lump sum.
- (2) The Minister, after consulting the scheme actuary, must determine the actuarial reduction (if any) that would apply if a member chooses to exercise the option under this rule.
- (3) A member exercises the option under this rule by giving notice in writing to the scheme administrator in such form as the Minister requires.
- (4) Where a member exercises the option under this rule, the reference to applying an actuarial reduction to the member's pension and lump sum in rule E.2 or E.13C (as applicable) applies as if the reference were to the actuarial reduction determined under this rule (if any).

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 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.
- (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 (abatements).
- (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)).
- (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.1A Marriage of a same sex couple

(1) In this Section—

- (a) a reference to civil partnership is to be read as including a reference to marriage of a same sex couple,
 - (b) a reference to civil partners is to be read as including a reference to a married same sex couple,
 - (c) a reference to a civil partner is to be read as including a reference to a person who is married to a person of the same sex, and
 - (d) a reference to a surviving civil partner is to be read as including a reference to a survivor of a marriage of a same sex couple.
- (2) Where paragraph (1) requires a reference to be read in a particular way, any related reference (such as a reference to a civil partnership that has ended or a reference to a person whose civil partnership has ended) is to be read accordingly.
- (3) For the purposes of paragraphs (1) and (2) it does not matter how a reference is expressed.
- (4) Paragraphs 1 and 2 of Schedule 3 to the Marriage (Same Sex Couples) Act 2013 do not apply to the interpretation of this Section.
- (5) Section 11(1) and (2) of, and paragraph 3 of Schedule 3 to, the Marriage (Same Sex Couples) Act 2013 have effect subject to paragraphs (1) to (4).
- (6) Paragraph 2(1) and (2) of Schedule 1 to the Marriage and Civil Partnership (Scotland) Act 2014 and Civil Partnership Act 2004 (Consequential Provisions and Modifications) Order 2014 does not apply to the interpretation of this Section.
- (7) Paragraphs 1(1) and (2) and 2(5) and (6) of Schedule 1 to that Order have effect subject to paragraphs (1) to (3) and (6) of this rule.

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), and assuming 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 sub-paragraph (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 fulltime 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

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) 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 bodyhe 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 Part (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.

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 subparagraph (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 subparagraph (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.11A Final salary club transfers in relation to members of the 2015 Scheme

- (1) A member of the 2015 Scheme may make a Club transfer of final salary benefits into this Section, although the person is not otherwise a member of this Section.
- (2) Rules E.14 and G.11 apply to such a transfer as they apply to other Club transfers.
- (3) Where a person has made a transfer in accordance with paragraph (1), this Section applies to that person as it applies to transition members.
- (4) In this rule, “final salary benefits” has the meaning given in rule L.22.

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 or Partially Reduced 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 13/16ths, 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 reemployed 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.

K.7A Information to be provided by employers

- (1) Employers must provide the Minister with such information as the Minister may request—
 - (a) in connection with the Minister's functions in relation to the Scheme or the functions of the Scheme administrator; or
 - (b) to enable the Minister to fulfil any obligations on the Minister set out in or under legislation which information must be provided by such date as the Minister may specify.
- (2) An employer of a section 1(4A) eligible person must provide to the Minister within 30 calendar days of the end of each complete Scheme year during which the employer is an employer of a section 1(4A) eligible person—
 - (a) a list of the section 1(4A) eligible persons employed by them, stating whether they are active members of the Scheme or have opted-out of active Scheme membership; and
 - (b) a statement confirming that the persons listed are eligible to be active members of the Scheme.
- (3) An employer of a section 1(4A) eligible person must inform the Minister promptly and in any event within 28 days of—
 - (a) any changes to the eligibility of a section 1(4A) eligible person employed by that employer to be an active member of the Scheme, including where such a person ceases to be eligible to be an active member of the Scheme;
 - (b) any change in the—
 - (i) terms and conditions of employment (including working on services other than the transferred services);
 - (ii) working pattern or hours; or
 - (iii) attendance (including long terms sick leave or other absences) of an active member of the Scheme employed by that employer where the change affects the member's entitlement to benefits under or membership of the Scheme;
 - (c) any section 1(4A) eligible person who has opted to cease to be an active member of the Scheme (although remaining eligible to be a member of it); and

- (d) any matter which may or is likely to affect the employer's ability to meet its obligations under the Admission Agreement or under the Scheme.
- (4) An employer of a section 1(4A) eligible person must inform the Minister immediately it becomes aware of any circumstance (including any actual or proposed change in the employer's status) which is one which may give rise to the termination of the Admission Agreement.

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).

Part L Persons in Service in an Employment or Office Specified in a List Produced for the Purposes of Section 1(4A) of the Superannuation Act 1972

L.1 Conditions for eligibility

- (1) A person (“P”) who is in service in an employment or office specified in the list produced for the purposes of section 1(4A) of the Superannuation Act 1972 (referred to in this rule as “the list”) must meet the following conditions to be eligible to be an active member of this Section of the Scheme—
 - (a) P must have been—
 - (i) a member of this Section of the Scheme; or
 - (ii) eligible to be a member of this Section of the Scheme on or immediately before the date specified in the description of the employment or office in the list, in accordance with regulation 4(1)(a)(ii) of the Superannuation (Specification of Employments and Offices) Regulations 2013, as the date on which persons must be in that employment or office;
 - (b) P must be employed to carry out the services specified in the description of the employment or office in the list (referred to in this Part as the “transferred services”) for more than 50% of P’s time working under the contract to carry out those services;
 - (c) P must have been continuously employed to carry out the transferred services since the date referred to in sub-paragraph (a);
 - (d) P must not be an active member of another workplace pension scheme provided by P’s employer in respect of P’s contract to carry out the transferred services; and
 - (e) P must not have signed an agreement with P’s employer in which P voluntarily agrees to waive P’s entitlement to be an active member of the Scheme.
- (2) A person who ceases to meet the conditions specified in paragraph (1) will, from the date that they cease to meet those conditions, cease to be eligible to be an active member of the Scheme in relation to the transferred services by being a section 1(4A) eligible person.
- (3) In determining whether a person is employed to carry out the transferred services for the purposes of determining whether the person meets the condition in paragraph (1)(b)—
 - (a) services carried out by a person under another contract are to be disregarded;
 - (b) where the Minister has agreed that a person may carry out other services specified in a description of an employment or office in the list these other services shall be treated for the purposes of this rule as if they were transferred services; and
 - (c) time spent carrying out functions associated with the transferred services (such as relevant training) can be treated as time spent carrying out the transferred service.

L.2 Additional Protections for the scheme

- (1) (a) If the final pensionable earnings, calculated in accordance with rule A.9, of a section 1(4A) eligible person who is an active member of this Section of the scheme (“P”) and to whom rules E.14 or E.15 apply are greater than the specified amount, the Minister may require P’s employer to pay to the Scheme

on demand such sums, as determined by the Minister after consulting the Scheme Actuary, which are required to compensate the Scheme for any increase in the Scheme's costs or liabilities resulting from the amount by which P's final pensionable earnings are greater than the specified amount.

(b) The specified amount is the greater of—

- (i) $A + a$; and
- (ii) $A * b * 1.1$

where—

A is the amount that would be P's final pensionable earnings calculated in accordance with rule A.9 had P's last day of qualifying service been the first day of the applicable relevant period;

A is the amount to which £5,000 would have increased at the last day of the applicable relevant period if it had been an official pension within the meaning of section 5(1) of the Pensions (Increase) Act 1971 beginning, and first qualifying for increases under that Act, on 1st April 2011; and

B is $(P1/P2)$ where—

P1 is the index number for the earnings series which applies to the last day of the applicable relevant period;

P2 is the index number for the earnings series which applies to the first day of the applicable relevant period; and the earning series is the total weekly earnings growth including bonuses but excluding arrears specified in the Average Weekly Earnings index on a seasonally adjusted basis for the public sector excluding financial services published by the Office for National Statistics.

(c) In paragraph (b) the relevant period is—

- (i) the period starting with the day which is 3 calendar years before P's last day of qualifying service and ending with P's last day of qualifying service; or
- (ii) if P was transferred to a new employer during the period of 4 calendar years before P's last day of qualifying service, the period starting with the day which is 12 months after the day that P transferred to that new employer and ending with P's last day of qualifying service; or
- (iii) if P was transferred to a new employer during the period of 12 months before P's last day of qualifying service, the period starting with the day that P transferred to that new employer and ending with P's last day of qualifying service.

(2) Where an employer of a section 1(4A) eligible person increases the pensionable earnings of a member of the Scheme employed by them in a way which the Minister has determined, in the Employer's Pension Guide or Employer Pension Notices which apply to the civil service pension arrangements, is one where the resulting costs to the Scheme are costs which should be paid by the employer, the employer must pay to the Scheme on demand the amount of the increase in the Scheme's costs or liabilities resulting from the increase.

(3) Where a section 1(4A) eligible person exercises a choice available to them under the Scheme which leads to an increase in the contributions that the person's employer is required to pay under the Scheme, the employer must pay to the Scheme the amount of the increase in their contributions.

- (4) Where an employer of a section 1(4A) eligible person has breached any of the provisions of the Scheme or any provision of the Admission Agreement, the employer must pay to the Scheme on demand such sums as determined by the Minister based on an actuarial valuation, which are required to compensate the Scheme for any increase in the Scheme's costs or liabilities resulting from the breach and for any resulting additional administration expenses incurred by or on behalf of the Scheme.
- (5) Where an employer of a section 1(4A) eligible person has entered into a contractual agreement (whether in the Admission Agreement or otherwise) with the Minister to lodge a bond with the Scheme, the Minister may call on the bond in the circumstances provided for in the contractual agreement.
- (6) Where the sponsoring Government Department or another body has entered into a contractual agreement (whether in the Admission Agreement or otherwise) to indemnify the Scheme in respect of contributions and other payments due to the Scheme from an employer of a section 1(4A) eligible person, that Department or body must pay to the Scheme on demand by the Minister the sums due under the indemnity, in accordance with the provisions of the contractual agreement.

L.3 Application of Rules

- (1) B.2(d) does not prevent a person (“P”) belonging to another registered scheme to which P's employer contributes where P's membership of that scheme relates to services carried out under a contract for services other than the contract to carry out the transferred services.
- (2) B.4(1) does not apply so as to require a person's first day to be changed following a change in employment as a result of which a person who was an active member of the Scheme is eligible to be an active member as a section 1(4A) eligible person.
- (3) Where an employer of a section 1(4A) eligible person proposes to make an additional contribution under D.8 (payment of additional contributions by employer or third party contributor) the employer must—
 - (a) give notice in writing to the Minister and the Scheme administrator at least three calendar months before the additional contribution is to be made; and
 - (b) pay to the Scheme such additional amounts as determined by the Minister, after consulting the Scheme actuary, as are required to compensate the Scheme for any additional costs to the Scheme resulting from the payment of the additional contribution.
- (4) F.13 applies to persons who continue in employment following a re-tender of a contract to the same employer as it applies to persons whose employment is transferred to a new employer.
- (5) Part J (abatement) applies where a person who is in service in an employment or office specified in a list produced for the purposes of section 1(4A) of the Superannuation Act 1972 who is an active member becomes a pensioner member on becoming entitled to a pension under rule E.4 (partial retirement) in connection with exercising the option under that rule following a change in the terms on which the member holds an employment; and such a person is treated for the purposes of Part J as a re-employed pensioner.

Part M 2015 Scheme Members: Transition Members

Preliminary

M.1 Application of Part M

- (1) This Part makes provision regarding the application of the rules of this Section for transition members.
- (2) This Section has effect in relation to a transition member with continuity of service as if the member was an active member of this Section, subject to the provisions of this Part.

M.2 Interpretation of Part M

In this Part, “continuity of service” has the meaning given in paragraph 2 of Schedule 2 to the 2014 Regulations.

M.3 Application of rule A.5(1)

Rule A.5(1) (the pension limit: meaning of “appropriate time”) applies to a transition member with continuity of service as if for “the time when the member ceases to be an active member in the service in respect of which the pension is payable” there were substituted “the time when the member ceases to be an active member of the 2015 Scheme”.

M.4 Application of rule A.8 and A.9

- (1) In determining the final pay of a transition member with continuity of service, rules A.8 (meaning of final pay) and A.9 (meaning of final pensionable earnings) will apply with such modifications as are needed to give effect to the provisions of Schedule 7 to the 2013 Act (final salary link) and paragraph 40 of Schedule 2 to the 2014 Regulations (final salary link not to apply again to a pension in payment).
- (2) In determining the final salary (within the meaning of the 2013 Act) of a transition member with continuity of service in accordance with Schedule 7 to the 2013 Act, the member's pensionable earnings under the rules of the 2015 Scheme derived from service in that scheme are to be regarded as derived from service in this Scheme.

M.5 Application of rule A.12

- (1) Rule A.12 (active membership period) applies to a transition member subject to the provisions of this rule.
- (2) A transition member cannot count any period on or after the member's transition date as part of the member's active membership period or assumed active membership period.

M.6 Application of rule A.13

- (1) Rule A.13 (qualifying service) applies to a transition member with continuity of service subject to the provisions of this rule.
- (2) In relation to a transition member with continuity of service, references in these rules to qualifying service include qualifying service for the purposes of this Section and any continuous period of pensionable service under the 2015 Scheme taken together, subject to paragraphs (3) and (4).
- (3) Qualifying service (“the past period of qualifying service”) of a re-employed 2007 Section member who has exercised the option under rule H.3, which service is not linked with current service in this Section, does not include pensionable service under the 2015 Scheme.

- (4) Service which is not linked to current service in accordance with rule H.3A (earlier service not linked where the member is entitled to early payment of Unreduced Earned Pension) does not include pensionable service under the 2015 Scheme.

M.7 Application of Rule D.1

Rule D.1 (members' contributions) does not apply to a transition member.

M.8 Application of rule D.4

- (1) A transition member cannot exercise a new option under rule D.4 (buying contributed (self only) or contributed (all beneficiaries) pension) to make additional periodical contributions to this scheme.
- (2) An option already made by a transition member to make additional periodical contributions to this Section under rule D.4 continues to have effect during any such period as the circumstances in sub-paragraph (3) are met.
- (3) The circumstances are—
 - (a) the member opted to make the additional periodical contributions to this section under rule D.4 before the member's transition date ; and
 - (b) the member is an active member of the 2015 Scheme with continuity of service.
- (4) Part D.4 applies to any such continuing option to make additional contributions as if the member was an active member of this Section save that—
 - (a) the additional contributions are payable by deduction from the member's pensionable earnings in relation to the member's 2015 Scheme service; and
 - (b) the contribution option period ends when the member ceases to be an active member of the 2015 Scheme.
- (5) Where a transition member with continuity of service cancels an option to make additional periodical contributions, the option cannot be exercised again.

M.9 Application of rules to a transition member receiving ill health pension under the 2015 Scheme

- (1) This rule applies in relation to a transition member (“T”) with continuity of service who is receiving payment of an ill-health pension in accordance with paragraph 29 of Schedule 2 to the 2014 Regulations (“the ill-health pension”).
- (2) T is not entitled under Part E (retirement benefits) to payment of a lower tier earned pension, an upper tier top up earned pension.
- (3) The following rules do not apply to T—
 - (a) E.15A (option to buy out early payment reduction);
 - (b) E.16 (general option to exchange part of pension for lump sum);
 - (c) E.17 (option for members in serious ill-health to exchange whole pension for lump sum).
- (4) Subject to the provisions of this rule, this Section applies to T as if T became a deferred member of this Section on the day that T became entitled to payment of the ill-health pension.
- (5) In calculating the pension that T is entitled to under E.1 on reaching pension age, the following are subtracted—
 - (a) the amount of pension exchanged for a lump sum as a result of the exercise of an option to commute pension under the 2014 Regulations (if any) to the extent that it relates to pension payable under this Section; and

- (b) an amount equal to any transfer payment made to another scheme before the member reached normal pension age under the PCSPS.
- (6) Before the amounts in paragraph (5)(a) and (b) are subtracted they must be increased by the amount by which the annual rate of a pension of that amount would have been increased under the Pensions (Increase) Act 1971 if—
 - (a) that pension was eligible to be so increased; and
 - (b) the beginning date for that pension was the date that the ill-health pension became payable.

M.10 Application of Part F in relation to active members of the 2015 Scheme

- (1) This rule applies in relation to a transition member with continuity of service who—
 - (a) dies as an active member of the 2015 Scheme; and
 - (b) whose continuous period of pensionable service under the 2015 Scheme and under the PCSPS before the member's transition date is at least 12 months.
- (2) Benefits under Part F (death benefits) are not payable in respect of the transition member.
- (3) Where the transition member makes a declaration under regulation 101(1) of the 2014 Regulations, that declaration—
 - (a) has effect as a declaration under rule F.2(6)(a); and
 - (b) replaces any previous declaration under or which has effect as a declaration under rule F.2(6)(a) of this Section.
- (4) Where the transition member revokes a declaration under regulation 101(2) of the 2014 Regulations, that revocation has effect as a revocation of any declaration under or which has effect as a declaration under rule F.2(6)(a) of this Section.
- (5) A nomination by the transition member for lump sum death benefit under regulation 122 of the 2014 Regulations—
 - (a) has effect as a nomination under rule F.17 of this Section; and
 - (b) replaces any previous nomination under or which has effect as a nomination under rule F.17 of this Section.
- (6) An alteration or a revocation of a nomination by the transition member under regulation 122(5) of the 2014 Regulations has effect as an alteration or revocation of a nomination under or which has effect as a nomination under rule F.17 of this Section.

M.11 Application of Part G

- (1) In relation to a transition member with continuity of service (T), Part G (transfers) has effect subject to the provisions of this rule and the modifications to the Pension Schemes Act 1993 in the Public Service (Civil Servants and Others) Pensions (Transitional, Consequential and Amendment) Regulations 2014.
- (2) T may only require a payment of a transfer value where T is entitled to require such payment in accordance with the provisions of the Pension Schemes Act 1993 as modified.
- (3) T may only apply for a transfer value into this Section if—
 - (a) it is a transfer of final salary benefits under the public sector transfer arrangements; or

- (b) the member applied for the transfer before becoming a transition member and the transfer value is received by the scheme within the period of two months after the date that the application is received.
- (4) In this rule—
- “final salary” in relation to a person to or in respect of whom a pension under a pension scheme is payable, means the person's pensionable earnings, or highest, average or representative pensionable earnings, in a specified period ending at, or defined by reference to, the time when the person's pensionable service in relation to that scheme terminates; and
- “final salary benefits” means benefits payable to or in respect of a person which are or may be determined to any extent by reference to the person's final salary.