

# Principal Civil Service Pension Scheme

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

The following amendments have subsequently been laid.

Principal Civil Service Pension Scheme (Amendment) Scheme	Laid before Parliament
1975	22 April 1975
1977	28 July 1977
1978	31 July 1978
1980	27 March 1980
1980 (No 2)	4 November 1980
1984	31 July 1984
1987 (No 1)	26 March 1987
1987 (No 2)	30 June 1987
1987 (No 3)	30 September 1987
1988 (No. 1)	30 March 1988
1988 (No 2)	26 May 1988
1988 (No 3)	27 July 1988
1989 (No 1)	26 May 1989
1989 (No 2)	6 July 1989
1989 (No 3)	1 December 1989
1989 (No 4)	20 December 1989
1991 (No 1)	28 January 1991

PCSPS – Section I (The 2002 Section)

1992 (No 1)	12 February 1992
1994 (No 1)	14 December 1994
1994 (No 2)	9 January 1995
1995 (No 1)	31 January 1995
1995 (No 2)	19 July 1995
1996	18 January 1996
1996 (No 2)	22 July 1996
1997	1 April 1997
1998	30 March 1998
1998 (No 2)	30 July 1998
1999	27 July 1999
2001	19 July 2001
2002 (Addition of New Section)	22 July 2002
2002 (No 2)	22 July 2002
2003	9 April 2003
2004	22 July 2004
2005	11 November 2005
2006	28 March 2006
2006 (No 2)	25 July 2006
2006 (No 3)	18 December 2006
2007	26 March 2007
2007 (No 2)	26 July 2007
2007 (No 3)	22 October 2007
2008	5 February 2008

PCSPS – Section I (The 2002 Section)

2008 (No 2)	11 September 2008
2010	1 April 2010
2010 (No 2)	21 December 2010
2011	3 March 2011
2012	26 March 2012
2013	26 March 2013
2013 (No 2)	13 May 2013
2013 (No 3)	8 October 2013
2014	March 2014
2014 (No 2)	17 December 2014
2015	March 2015
2016	9 November 2016

## Section I

# The 2002 Section

## Part A

### Interpretation etc

#### A.1 Interpretation: general

- (1) This Part applies to the rules of this Section of the Scheme (but not to any other Section).
- (2) The rules of this Section of the Scheme are to be construed without reference to any other Section of the Scheme (except where they refer to the application of another Section).
- (3) The Interpretation Act 1978 applies for the interpretation of the rules of this Section of the Scheme as it applies to an Act of Parliament.
- (4) In the rules of this Section of the Scheme, unless the context otherwise requires, the following expressions have the following meanings—
  - “the 1972 Section” means Section II of the Scheme;
  - “the 2002 Section” means Section I of the Scheme;
  - “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 and Section II of the Scheme, as if they were themselves each occupational pension schemes) and, except where the context requires, refers to membership of this Section of the Scheme (but see paragraphs (7) and (8));
  - “active membership period” is to be read in accordance with rule A.7;
  - “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 respect of any pension, means the amount of the pension allocated as a result of the exercise of an election under rule D.12;
  - “the Armed Forces Pension Scheme” means the occupational pension scheme arrangements open to members of the armed forces set out in any enactment or in—
    - (a) the Order in Council made under the Naval and Marine Pay and Pensions Act 1865,
    - (b) the Army Pensions Warrant 1977, and
    - (c) the Queen's Regulations for the Royal Air Force, or any instrument replacing any of those instruments;
  - “assumed pay” has the meaning given in rule A.3 ;
  - “basic reckonable service” has the meaning given in rule A.9(6);
  - “Civil Service” means the Civil Service of the State;
  - “Class A member” is to be construed in accordance with rule A.6;
  - “the commutation amount”, in relation to any pension, means the amount of the pension exchanged for a lump sum as a result of the exercise of the option under rule D.8;

“contracted-out employment” is to be construed in accordance with section 8 of the Pension Schemes Act 1993;

“the contractual option period” is to be construed in accordance with rule C.4(8);

“the contribution option period” has the meaning given in rule C1.1(8);

“contributed pension”, in relation to a member, means pension calculated wholly or partly by reference to the member's carried forward contributed pension, as defined in rule C1.10(5);

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

“eligible child” has the meaning given in rule E.9;

“employment” includes an office or appointment, and related expressions are to be read accordingly;

“former active member” means an active member who ceased employment before the day immediately before pension age ;

“final pensionable earnings” has the meaning given in rule A.4;

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

“full retirement” means the time at which a member who has already partially retired becomes entitled to receive any pension payable to him under this Section to which he is not already entitled under rule D.1A ;

“the General Provisions Section” means Section IV of the Scheme;

“the guarantee date” has the meaning given in rule F.2(2) ;

“the guaranteed cash equivalent transfer value payment” has the meaning given in rule F.3(2);

“guaranteed minimum” means the guaranteed minimum as defined in sections 14 and 17 of the

Pension Schemes Act 1993 (minimum pensions for earners, widows and widowers)—

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

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

“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;

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

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

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

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

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

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

“ordinary maternity leave” means—

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

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

“partially reduced earned pension” has the same meaning as in rule 12.3.12<sup>1</sup> 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 of the Scheme, means a stakeholder pension scheme or personal pension scheme to which the person's employer is paying contributions;

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

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

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

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

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

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

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

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

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

“pension debit member” means a member of this Section of the Scheme whose benefits or future benefits under this Scheme have been reduced under section 31 of the Welfare

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<sup>1</sup> Note: this cross reference relates to a CSCS provision that was added by the CSCS Amendment Scheme 2016. This amendment scheme has now been quashed following a Judicial Review.

Reform and Pensions Act 1999 (reduction under pension sharing order following divorce or nullity of marriage), whether before or after he became a member of this Section of the Scheme ;

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

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

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

“permitted maximum” means—

- (a) in relation to any tax year before the tax year 2006–07, the figure specified for that tax year in an order made under section 590C of the Income and Corporation Taxes Act 1988, and
- (b) in relation to any later year, the figure found for that year by virtue of paragraphs (10) to (12).

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

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

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

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

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

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

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

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

“retail prices index” means the general index (for all items) published by the Office for National

Statistics or, if that index is not published for a relevant month, any substituted index or index figures published by that office;

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

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

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

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

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

“the Scheme medical adviser” means—

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

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

“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;

“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 I;

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

“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;

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

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

“unreduced earned pension” has the same meaning as in rule 12.3.12<sup>2</sup> of the Civil Service Compensation Scheme;

Compensation Scheme, paid in accordance with rule 12.3.11(b) or 12.4.7(b) of that Scheme;

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

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

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

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<sup>2</sup> Note: this cross reference relates to a CSCS provision that was added by the CSCS Amendment Scheme 2016. This amendment scheme has now been quashed following a Judicial Review.

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

## **A.2 Meaning of “pensionable earnings”**

- (1) In these rules “pensionable earnings”, in relation to a person who is a member, means—
  - (a) permanent pensionable earnings, and
  - (b) fluctuating pensionable earnings,from the employment in which the person is a member.  
This is subject to paragraphs (4) and (6).
- (2) For this purpose “permanent pensionable earnings” means—
  - (a) basic pay,
  - (b) if or to the extent that the Minister has determined that they are to be treated as permanent pensionable earnings for the purposes of these rules, allowances granted on a permanent basis to persons in particular posts or kinds of employment, and
  - (c) anything included by virtue of paragraph (4).
- (3) For this purpose “fluctuating pensionable earnings” means—
  - (a) if or to the extent that the Minister has agreed that they are to be treated as fluctuating pensionable earnings for the purposes of these rules—
    - (i) bonuses, and
    - (ii) allowances not granted on a permanent basis, and
  - (b) anything included by virtue of paragraph (4).
- (4) Anything which would not be regarded as pensionable earnings under paragraph (2)(a) or (b) or (3)(a) is to be so regarded if—
  - (a) it is expressly provided to the member on the basis that it is pensionable and was so provided before 1st October 2002, and
  - (b) the Minister has agreed that it should be so regarded,

and anything which is to be so regarded because of this paragraph is also to be regarded as permanent pensionable earnings unless it is expressly provided on the basis that it is fluctuating pensionable earnings or the Minister has required that it should be so regarded.

- (5) Where anything which is not money falls within paragraph (2), (3) or (4), the amount to be taken as earnings for the purposes of these rules—
  - (a) if the basis of provision provides for the determination of that amount, is to be determined in accordance with that basis, and
  - (b) otherwise is to be such amount as the Minister may determine to be its value.
- (6) Anything which is normally regarded as pensionable earnings is not to be so regarded if—
  - (a) it is expressly provided on a non-pensionable basis, and
  - (b) the Minister has agreed that it should not be so regarded.

### **A.3 Meaning of “assumed pay”**

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

to which the member would be entitled if he had become entitled to a such a pension on the day on which the leave paid at that rate began (see rule D.4).

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

#### **A.4 Meaning of “final pensionable earnings”**

- (1) In these rules “final pensionable earnings”, in relation to a member, means the greatest of the following amounts—
- (a) the member's permanent pensionable earnings in the 12 months ending with the last day of his reckonable service,
  - (b) the member's permanent pensionable earnings in one of the last four complete scheme years ending during or at the same time as his active membership period, and
  - (c) the average annual pensionable earnings in any period of three consecutive complete scheme years beginning during—
    - (i) the period of 13 years ending with the last day of his active membership period, or
    - (ii) if the Scheme administrator reasonably considers those earnings cannot be determined for the whole of that period of 13 years, such period of less than 13 years as he considers to be appropriate;but this is subject to paragraphs (2) to (11) and rules A.5, A.6, D.7(5), K.16, L.13(3), L.21 and N.3.
- (2) In rules E.15(1), E.16(1) and E.17(3A)(b)(i) (death of active or deferred member or member entitled to a pension under rule D.1A (partial retirement): lump sum benefit) (including rule E.16(1) as it has effect by virtue of rule L.33(1)), “final pensionable earnings”, in relation to a member, means the greater of the following amounts—
- (a) the member's permanent pensionable earnings in the 12 months ending with the last day of his reckonable service, and
  - (b) the member's permanent pensionable earnings in one of the last two complete scheme years ending during or at the same time as his active membership period,
- but this is subject to paragraphs (2A) to (7) and rule A.6 (restrictions on final pensionable earnings).
- (2A) This rule is modified by paragraph (2B) if –
- (a) the member's last day of reckonable service is after 29th July 2007;
  - (b) the member returns from unpaid leave or unpaid absence during the 12 months ending with that last day;
  - (c) the member was an active member during the whole of that 12 months; and
  - (d) the unpaid leave or unpaid absence does not count as reckonable service under rule A.9(1)(a) (the days in that period of leave or absence being referred to as non-reckonable days in paragraph (2B)).
- (2B) When this paragraph applies, the period of 12 months referred to in paragraphs (1)(a) and (2)(a) shall be taken as being the period of 365 days plus the number of non-reckonable days.

- (2C) But if the period calculated under paragraph (2B) would include 29th February, that paragraph has effect with the substitution for “365” of “366”.
- (3) If the member was employed part-time during any period the earnings in which are relevant for paragraph (1) or (2), his final pensionable earnings are calculated as if he received the full-time rate during that period (but see rule E.15(2)).
- (4) If the member was not an active member during the whole of the period of 12 months mentioned in paragraph (1)(a) or (2)(a), that paragraph applies as if it referred to the member's annualised permanent pensionable earnings in the active membership period ending with the last day of his reckonable service.
- (5) The member's annualised permanent pensionable earnings for a period are  $PPE \times 365/N$ , where—  
PPE is the member's permanent pensionable earnings for the period, and  
N the number of days in the period.
- (6) But if that period includes the date 29th February, paragraph (5) has effect with the substitution for “365” of “366”.
- (7) If at any time during any period that is relevant for paragraph (1) or (2) the member is treated under rule A.3(1) as receiving assumed pay, for the purposes of that paragraph his permanent pensionable earnings for that period include that assumed pay.
- (8) If the period of 12 months referred to in paragraph (1)(a) began earlier than 5 years before the end of the member's active membership period, that paragraph applies as if it referred instead to so much of that 12 month period, if any, as falls within that 5 year period (and the reference to that 12 month period in paragraph (4) is to be read accordingly).
- (9) In this rule “active membership period”, in relation to a member whose active membership has not been continuous, only refers to the last period of active membership and not to any earlier period separated from it by a break in service.
- (10) Subject to paragraph (11), for the purposes of paragraphs (1) and (2), only pensionable earnings in the member's active membership period may be taken into account.
- (11) Where the member's active membership period is separated from an earlier period of service to which rule A.11 applies (disregard of short breaks in service), pensionable earnings in that earlier period of service may be taken into account.

## **A.5 Adjustments for inflation in determining final pensionable earnings**

- (1) For the purpose of determining which of the amounts mentioned in rule A.4(1) is the greatest—
- the amount of permanent pensionable earnings for each of the complete scheme years mentioned in rule A.4(1)(b) and (c) except the last year before the benefit becomes payable is adjusted for inflation, and
  - the average mentioned in rule A.4(1)(c) is taken to be the average of those adjusted amounts (“the adjusted average”).
- (2) But if the member's final pensionable earnings are determined in accordance with paragraph (1) to be the amount mentioned in rule A.4(1)(b) or (c), for all other purposes of this Section the member's final pensionable earnings are taken to be the unadjusted amount (see paragraphs (3) and (4)).
- This is subject to rule A.6 (restrictions on final pensionable earnings).
- (3) In a case where the member's final pensionable earnings are determined in accordance with paragraph (1) to be the amount mentioned in rule A.4(1)(b), “the unadjusted amount” means the amount so mentioned before it is adjusted for inflation.

- (4) In a case where the member's final pensionable earnings are determined in accordance with paragraph (1) to be the adjusted average, "the unadjusted amount" means the amount which, if it were the annual amount of a pension coming into payment on the day following the period of three scheme years mentioned in rule A.4(1)(c), would as at the date following that on which the member's active membership period ends be equal to the adjusted average (after taking into account the increase under the Pensions (Increase) Act 1971).
- (5) The references in paragraphs (1) and (3) to adjusting for inflation the amount of permanent pensionable earnings for a scheme year ("the earnings year") are to increasing it by the same amount as that by which an annual pension of an amount equal to those earnings would have been increased under the Pensions (Increase) Act 1971 by the day following that on which the member's active membership period ends if that pension had come into payment on the first day of the next scheme year after the earnings year.
- (6) In this rule "active membership period" has the same meaning as in rule A.4.

## **A.6 Restrictions on final pensionable earnings**

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

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

- (3) In this rule—
 

"Class A member" means a member who—

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

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

- (4) A person who became an active member of the Scheme on or after 1st June 1989 and before 6th April 2006 is to be treated for the purposes of this rule as if he had become an active member before 1st June 1989 if—
  - (a) he is to be so treated under an agreement with the Commissioners of Inland Revenue or the Commissioners for Her Majesty's Revenue and Customs because immediately before joining the Scheme he was an active member of another occupational pension scheme under the rules of which his benefits were not limited by reference to the permitted maximum, and

- (b) he has continued to be an active member of the Scheme since he joined it or meets conditions A to C or condition D in relation to any period during which he was not such a member.
- (5) A person who became an active member of the Scheme on or after 1st June 1989 is to be treated for the purposes of this rule as if he had become an active member before that date if—
- (a) he was an active member of it before that date,
  - (b) that period of being an active member ceased, and
  - (c) he meets conditions A to C or condition D in relation to each period after that cessation during which he was not such a member.
- (6) Condition A is that during the period the person was on secondment or a posting to another employer.
- (7) Condition B is that at the beginning of the period the person had a definite expectation that he would become an active member again when the secondment or posting ended.
- (8) Condition C is that the person became an active member again at the end of the period.
- (9) Condition D is that the period did not exceed one month and at the end of it he immediately became an active member again.
- (10) Paragraph (1) does not apply to a person—
- (a) who becomes eligible to be an active member of this Section on or after 6th April 2006; and
  - (b) in respect of whom the Minister has determined before he becomes so eligible that paragraph (1) is not to apply to him.
- This is subject to paragraph (11).
- (11) In the case of a Member who is rejoining the Scheme and whose reckonable service is aggregated under rule A.11 or Part G, paragraph 10 does not apply in respect of his reckonable service that he accrued before he rejoined.

## **A.7 Active membership period**

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

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

## **A.8 Qualifying service**

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

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

## **A.9 Reckonable service**

- (1) In these rules references to the period of reckonable service that a member can count are references to the aggregate of the following periods—
- (a) the period during which the member is in service in an employment in respect of which he—
    - (i) receives earnings that are pensionable earnings for the purposes of this Section of the Scheme, or
    - (ii) is treated under rule A.3 as receiving assumed pay,
  - (b) any additional period the member is entitled to count as reckonable service under rule C.6 (effect of making additional contributions),
  - (c) any additional period the member is entitled to count under rule C.11 (purchase of added years by employer),

- (d) in the case of a person in respect of whom a transfer value in respect of his rights under another pension arrangement has been accepted under Part F (transfers), the reckonable service he is entitled to count as a result of the transfer,
- (e) in the case of a member who exercises an option under rule G.3, G.4 or G.5 for an earlier period of service to be aggregated, the reckonable service he is entitled to count as a result,
- (f) in the case of an unreserved joiner, the reckonable service he is entitled to count under this Section under rules K.3 to K.7, and
- (g) in the case of a reserved joiner, the reckonable service he is entitled to count under this Section under rules L.3 to L.8.

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

- (2) If the member is in part-time service at any time during the period referred to in paragraph (1) (a), the reckonable service in respect of that period is calculated by counting the period when he is in such service in which he does not work the full-time number of hours as  $A/(N \times 52.2)$  years, where—
  - A is the number of hours of the member's part-time service in the period in question, including meal breaks if they are paid for part-time staff, and
  - N is the number of weekly full-time conditioned hours for a person in the member's grade, (excluding meal breaks unless they are paid for part-time staff).
- (3) If the number of those weekly full-time conditioned hours varies during the period in question, the calculation referred to in paragraph (2) must be made separately for each period within the period in question during which that number remains the same.
- (4) The reckonable service of a member may not exceed 45 years and to the extent that any rule requires any assumptions to be made as a result of which that limit would be exceeded it is to be disregarded. This is subject to paragraph (4A).
- (4A) Before 1st March 2008, a member may not count as reckonable more than 40 years' service. After 29th February 2008, a member who has accrued 40 years' reckonable service may count any further service accrued on or after 1st March 2008 as reckonable, subject to the overall limit of 45 years in paragraph (4).
- (5) For the purposes of paragraph (1)(a), any period falling within A.3(3) (sick leave on pay at pension rate) is disregarded.
- (6) In these rules "basic reckonable service" means reckonable service excluding any period within paragraph (1)(b) or paragraph (1)(c).
- (7) After 6th April 2006, no period after the day before a person's 75th birthday shall count as reckonable service.
- (8) If the member has exercised the option under rule D.1A (partial retirement), the reckonable service that the member can count on later full retirement is adjusted in accordance with rule D.1A(7)(b) or (8)(b).

## **A.10 Calculation of periods of membership or service**

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

This is subject to paragraph (3).

- (2) If, when all periods of membership or service that require to be aggregated have been aggregated, there is any excess part day over the number of whole days, that excess is rounded up to a full day.  
This is subject to paragraph (3).
- (3) Where membership or service is referred to as membership or service in years—
  - (a) the days referred to in paragraph (1), and
  - (b) the full days referred to in paragraph (2),are converted into years by dividing the number of days in excess of the period of whole years by 365, and using the result to four decimal places.
- (4) If a period of membership or service is less than one year, this rule applies as if the words “complete years and” were omitted from paragraph (1) and the words “in excess of the period of whole years” were omitted from paragraph (3).

### **A.11 Disregard of short breaks in service**

- (1) If an active member—
  - (a) ceases to be employed in the employment that qualifies him to belong to the Scheme, and
  - (b) after a period not exceeding 6 months becomes employed again in an employment that qualifies him to belong to it,any reckonable service and qualifying service for the earlier employment and for the later employment is treated as a single period of service. This is subject to paragraph (3).
- (2) If an active member—
  - (a) opts to cease to be such a member whilst continuing to be employed in the employment that qualified him to belong to the Scheme, and
  - (b) after a period not exceeding 6 months becomes such a member again in that employment,any reckonable service and qualifying service for the earlier period of active membership and for the later period of such membership is treated as a single period of service. This is subject to paragraph (3).
- (3) Paragraphs (1) and (2) shall not apply where in respect of the earlier period of membership—
  - (a) the person has become entitled to the payment of a pension or lump sum,
  - (b) the person has received a repayment of contributions under rule C.12, or
  - (c) the person's rights under the Scheme have been extinguished under rule F.6 because a transfer value payment has been made.

## Part B

### Membership

#### B.1 Eligibility: general

- (1) A person is eligible to be an active member of this Section of the Scheme if the conditions A to C are met, or condition D is met, and he is not prevented by rule B.2 (persons with other pension arrangements) or B.3 (eligibility where pension or lump sum previously received).

This is subject to rule B.1B.

- (2) Condition A is that the person—
- (a) is in permanent employment in the Civil Service,
  - (b) holds a permanent employment or office that is listed for the time being in Schedule 1 to the Superannuation Act 1972, or
  - (c) holds an appointment in the Civil Service for a fixed term or an employment or office that is so listed for a fixed term.
- (3) Persons engaged on a fee-paid basis and unestablished staff engaged locally overseas are not regarded as meeting condition A.
- (4) Condition B is that the terms on which the person holds the employment do not exclude him from belonging to the Scheme.
- (5) Condition C is that—
- (a) the person's employment begins on or after 1st October 2002 and before 30th July 2007 and the person is not someone who became an active member of the 1972 Section in respect of that employment and subsequently opted out of the 1972 Section,
  - (b) the person has opted to join this Section of the Scheme under Part K or L (persons who have been members of the 1972 Section),
  - (c) the person's employment begins on or after 30th July 2007 and one of paragraphs (2) to (5) of rule B.1A applies to that person, or
  - (d) the Minister determines that condition C is met for the person or for a class of persons to which the person belongs.
- (6) Condition D 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 J1.1.

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

- (1) In the case of a person whose employment begins on or after 30th July 2007, condition C of rule B.1 is met if one of paragraphs (2) to (5) applies to that person.
- (2) This paragraph applies to a person—
- (a) who was accruing rights under a scheme that is, in the Minister's opinion, analogous to this Section of the Scheme (“the analogous scheme”);

- (b) who has applied for a transfer in respect of those rights to be made to this Section of the Scheme;
  - (c) whose employment to which the analogous scheme relates ended as a result of—
    - (i) his resignation, or
    - (ii) the expiration of a fixed-term appointment; and
  - (d) whose employment so ended not more than 28 days before his current employment begins.
- (3) This paragraph applies to a person—
- (a) who was previously an active member of this Section of the Scheme ;
  - (b) who ceased to be employed in the employment that then qualified him to belong to this Section of the Scheme not more than 28 days before his current employment begins;
  - (c) whose previous employment ended as a result of—
    - (i) his resignation,
    - (i) the expiration of a fixed-term appointment, or
    - (ii) his leaving under the Civil Service Management Code’s Compulsory Early Retirement or Severance category or its Flexible Early Retirement or Severance category; and
  - (d) who has not received payment of a pension or lump sum in respect of his previous membership of this Section of the Scheme.
- (4) This paragraph applies to a person—
- (a) who was previously an active member of the 1972 Section or this Section of the Scheme with at least two years’ qualifying service, as defined under the relevant section;
  - (b) who ceased to be employed in the employment that then qualified him to be an active member of the 1972 Section or this Section of the Scheme more than 28 days but not more than 5 years before his current employment begins;
  - (c) whose previous employment ended as a result of—
    - (i) his resignation, or
    - (ii) the expiration of a fixed-term appointment; and
  - (d) who has not received payment of a pension or lump sum in respect of his previous membership of the Scheme.
- (5) This paragraph applies to a person—
- (a) who was previously an active member of the 1972 Section or this Section of the Scheme;
  - (b) who ceased to be employed in the employment that then qualified him to be an active member of the 1972 Section or this Section of the Scheme not more than 28 days before his current employment begins;
  - (c) who has received payment of a pension or lump sum in respect of that previous employment before entering the current employment; and
  - (d) whose current employment begins before 1st March 2008.
- (6) Paragraphs (2) and (3) of rule B.3 apply for the purposes of determining whether a payment of the type referred to in paragraph 3(d), 4(d) or 5(c) has been received.

### **B.1B 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 N 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 N.
- (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 of the Scheme in respect of his service in an employment if he—

- (a) is an active member of the 1972 Section,
  - (b) is an inactive member under rule 1.4e of the 1972 Section,
  - (c) has a partnership pension account, or
  - (d) belongs to another registered scheme to which his employer contributes,
- in respect of that service.

### **B.3 Eligibility where pension or lump sum previously received**

- (1) Subject to paragraphs (4) and (12), a person to whom this Part applies who would be eligible to be an active member of this Section of the Scheme under rules B.1 to B.2 in respect of his service in the current employment is not eligible to be such a member in respect of that service if he—
  - (a) was previously a member of the Scheme,
  - (b) ceased to be employed in the employment that then qualified him to belong to the Scheme, and
  - (c) received payment of a pension or lump sum because of that previous membership before entering the current employment.
- (2) For this purpose, a pension is treated as being in payment if it would be apart from abatement under Part H or under rule 3.26 of the 1972 Section.
- (3) But a person is not regarded as having received a payment within paragraph (1)(c) by reason only of having received —
  - (a) a marriage gratuity under Treasury Minutes of 30 August 1957 or 3rd May 1966 or under rule 3.42 of the 1972 Section, or
  - (b) a short service payment under rule 3.17 of the 1972 Section.
- (4) A person who would be ineligible to be an active member of this Section of the Scheme under paragraph (1) shall be so eligible if he meets at least one of conditions A to D in

respect of the previous employment referred to in paragraph (1)(b). This is subject to paragraph (11).

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

#### **B.4 Joining the Scheme on starting service**

- (1) A person who is eligible to be an active member of this Section of the Scheme because of an employment beginning on or after 1st October 2002 is treated as becoming such a member on the day when the employment begins ("the person's first day").
- (2) Paragraph (1) does not apply if before the end of the period of three months beginning with the person's first day (or such longer period, if any, as the Minister considers appropriate) the person opts—
  - (a) not to belong to this Section of the Scheme,  
or
  - (b) to have a partnership pension account.
- (3) The option may only be exercised by notice in writing in such form as the Minister requires.
- (4) For the purposes of this rule, the option is treated as having been exercised on the date on which it is received by the Scheme administrator or the person's employer.

- (5) Where a person to whom paragraph (2) applies has paid any contributions under this Section of the Scheme, the contributions must be repaid to him.
- (6) Paragraph (5) does not require the payment to the person of any additional amount which becomes payable by him in respect of national insurance contributions because he has not after all been a member of this Section of the Scheme during any period.
- (7) Paragraph (1) is subject to J1.3(3).

## **B.5 Joining the Scheme after service begins**

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

## **B.6 Leaving the Scheme**

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

## **B.7 Inactive members**

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

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

- (2) The option must be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member cannot revoke the option once it has been exercised.
- (4) A member who has exercised the option shall for the purposes of paragraphs (6), (7), (8) and (9) be treated as an inactive member from such date on or after the date the option is exercised as the Minister considers appropriate.
- (5) A member who has exercised the option shall, subject to paragraphs (6), (7), (8) and (9), be treated as if he were an active member for as long as he would have been an active member but for this rule.
- (6) A person on becoming an inactive member shall cease to be an active member for the purposes of accruing reckonable service, except for the purposes of determining his final pensionable earnings.
- (7) A person on becoming an inactive member shall cease to be an active member for the purposes of the rules relating to contributions paid by members.
- (8) For the purposes of calculating any ill-health pension payable to an inactive member in Rule D.4 “N” shall equal the member's reckonable service.
- (9) If an inactive member dies before becoming a pensioner member, pensions payable under Part E shall be calculated as if he were a deferred member when he died.

## Part C

# Payments to the Scheme

## Contributions

### C.1 Rate of member contributions

- (1) An active member of this Section must pay contributions to this Section of the Scheme (“member contributions”) on the member's pensionable earnings for each pay period at a rate determined under this rule (“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 rule A.3(2) 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—

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”.

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 Year 1st April 2018 to 31st March 2019

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%
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## C.2 Amount of pensionable earnings

- (1) For the purpose of rule C.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 purposes of rule C.1(1), the pensionable earnings of a Class A member, other than a member to whom rule A.6(10) applies, may not exceed one twelfth of the permitted maximum for the appropriate tax year for each month's service falling in that tax year.

### C.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)(e) (unpaid leave which Minister has agreed can count as reckonable service).
- (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.
- (4) A member is not required to pay member contributions on pensionable earnings for any period of service that is not reckonable service.

## C.3 Employers' contributions

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

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

- (2) 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.

- (3) 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 added years

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

- (1) An active member may opt to make additional contributions to this Section of the Scheme during the contractual option period to increase his reckonable service and his qualifying service by an additional period. This is subject to paragraph (1A).
- (1A) No new contractual option period may commence on or after 1st March 2008.
- (2) The option may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member may exercise the option under paragraph (1) more than once.
- (4) Where a member exercises an option under paragraph (1), the additional contributions are payable by deduction from his earnings—
  - (a) for the first pay period the Scheme administrator considers appropriate that begins on or after the date on which the Scheme administrator receives the member's application to exercise the option, and
  - (b) for all subsequent pay periods beginning during the contractual option period.This is subject to rules C.5 (cancellation of options) and C.9(1) and (4) (special cases where discontinuation permitted).
- (5) Where a member exercises an option under paragraph (1)—
  - (a) the additional contributions payable are expressed as a percentage of his pensionable earnings for the time being, and
  - (b) the additional period of reckonable service and qualifying service that may be counted as a result of opting to pay contributions at that rate is such period as is indicated in tables issued by the Minister after consultation with the Scheme actuary for a person of the member's age at the date on which he makes his first payment.
- (6) The additional contributions to be made may not exceed the maximum permitted under rule C.13 and the additional period of reckonable service counted as a result of the contributions made may not result in the reckonable service of the member exceeding 40 years.
- (7) A member may not pay additional contributions of less than 0.01% of his pensionable earnings for the time being.
- (8) In these rules “the contractual option period”, in relation to an option under this rule, means the period whilst the member remains an active member or such shorter period as may be specified in the option.

### C.5 Cancellation of options

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

considers appropriate that begins on or after the date on which the Scheme administrator receives the notice.

## C.6 Effect of making additional contributions

- (1) If a member who has exercised an option under rule C.4(1) pays all the additional contributions required under the option, his reckonable service and qualifying service are increased by the whole of the additional period covered by the option (“the contractual added years”).
- (2) If—
  - (a) a member pays some but not all of those contributions, or
  - (b) by reason of rule C.4(6), the rate at which a member pays additional contributions under the option is reduced below the rate at which they would otherwise be payable, or
  - (c) during any part of the period while he is paying additional contributions the member is on unpaid leave for a period which does not count as reckonable service, or
  - (d) more than one of sub-paragraphs (a) to (c) apply, his reckonable service and qualifying service are increased as follows.
- (3) For each contribution paid at the rate originally required under the contract the increase is—
 

CAY/N where—

CAY is the contractual added years, and

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

This is subject to paragraph (5)
- (4) For each contribution paid at a reduced rate the increase is—
 

$CAY/N \times RR/CR$

where—

CAY is the contractual added years,

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

RR is the reduced rate, and

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

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

$(PP - NRS)/PP$

## C.7 Members in part-time service

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

$FTR \times (FTH/PTH)$

where—

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

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

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

- (2) For the purposes of paragraph (1), if the member is not required to work every week, the weekly hours the member is required to work are calculated by dividing the hours the member is required to work over one year by 52.2.
- (3) If—
  - (a) a person who has exercised an option under rule C.4(1) changes later from full-time service to part-time service, or
  - (b) the hours worked by such a person who is in part-time service later alter,the rate at which additional contributions are payable by him in respect of the period after the change occurs must be recalculated to take account of that change, using the formula in paragraph (1).
- (4) If a person who has exercised an option under rule C.4(1) changes from part-time service to full-time service, additional contributions are payable by him in respect of the period after the change occurs at the rate applicable to him as a member in full-time service.

## **C.8 Members with accelerated accrual rates**

- (1) Where a person who will be entitled to an annual pension calculated by reference to an appropriate fraction which is larger than one sixtieth exercises an option under rule C.4(1), the rate at which additional contributions are payable by him is—
$$R \times AP \times 60$$
where—

R is the rate that would apply if his appropriate fraction were one sixtieth, and  
AP is his appropriate fraction.
- (2) If—
  - (a) a person exercises an option under rule C.4, and
  - (b) at a time when the person is continuing to pay contributions under the option he becomes entitled to have his pension calculated by reference to a different appropriate fraction from that which applied to him at the time when he exercised the option,no further contributions may be paid under the option; and accordingly rule C.6(2)(a) (calculation of increase in reckonable service and qualifying service where some contributions not paid) applies.
- (3) Paragraph (2) does not affect the person's power to exercise a further option under rule C.4.

## **C.9 Other special cases**

- (1) Where a member who has exercised an option under rule C.4(1) has a period of absence from work, the member may—
  - (a) cease to pay the additional contributions payable under the option, or

- (b) pay the same amounts of contributions as would be payable if he were receiving pensionable earnings at the full-rate.

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

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

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

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

**C.10** This rule has been deleted.

### **C.11 Purchase of added years by employer**

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

- (3) Where such a contribution is paid, the member is entitled to count the additional period of reckonable service and qualifying service.
- (4) This paragraph has been deleted.
- (5) A contribution under this rule must be paid in such manner as the Minister may require after consultation with the Scheme actuary.

## Contributions

### C.12 Repayment of contributions

- (1) The contributions made by a member under this Part or Part C1 are not repayable in any circumstances except where paragraph (2) or (3) applies.
- (2) This paragraph applies where—
  - (a) an active member who is not a pensioner member ceases to be an active member of this Section,
  - (b) he does not fall within rule D.1(3),
  - (c) he has not required a payment to be made in respect of him under Part F (transfers).
- (3) Where paragraph (2) applies, the former member is entitled to be paid an amount equal to the sum of those contributions, less—
  - (a) that part of any contributions equivalent premium paid in respect of the member as is permitted by or under section 61 of the Pension Schemes Act 1993, and
  - (b) an amount equal to the income tax payable under section 205 of the Finance Act 2004 by virtue of the repayment.
- (3A) Where a refund is made under paragraph (3) the former member's rights under this Section of the Scheme are extinguished.

### C.13 Limits on contributions

- (1) The contributions made under this Part in any tax year must not exceed the lesser of—
  - (a) 15 per cent of the member's pensionable earnings for that tax year, and
  - (b) 15 per cent of the permitted maximum for that tax year.
- (2)
  - (a) that part of the contributions under this Part which are paid at the further contribution rate as provided for in rule C.2(2A);
  - (b) employers' contributions under rule C.3.

# Part C1

## Contributed Pension

### Buying contributed pension

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

- (1) An active member may opt to make additional periodical contributions to this Section during the contribution option period to increase the benefits payable to or in respect of the member under Part D and Part E of this Section (retirement benefits and death benefits). This option is only available to an active member—
  - (a) on or after 1st March 2008, or
  - (b) where the member reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) The option may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) A member may exercise the option under paragraph (1) more than once.
- (4) If a member exercises an option under paragraph (1), the additional contributions are payable by deduction from the member's earnings—
  - (a) in the case of a member to whom rule B.4 applies who exercises the option within the period of 3 months beginning with the date on which the member becomes a member of this Section, for the first pay period the Scheme administrator considers appropriate that begins on or after the date on which the Scheme administrator receives the member's application to exercise the option ("the receipt date"),
  - (b) in any other case—
    - (i) if the option is exercised before 1st March 2008, for the first pay period beginning on or after the receipt date that the Scheme administrator considers appropriate, and
    - (ii) if the option is exercised on or after 1st March 2008, for the first pay period of the scheme year beginning on or after the receipt date that the Scheme administrator considers appropriate, and
  - (c) for all subsequent pay periods beginning during the contribution option period.
- (5) Paragraph (4) is subject to rules C1.3 (cancellation of options to make additional periodical payments) and C1.4 (special cases).
- (6) If a member exercises an option under paragraph (1)—
  - (a) the additional contributions payable may be expressed as a percentage of the member's pensionable earnings for the time being or as a fixed sum, and
  - (b) the amount that the member is entitled to count as contributed pension for the scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contributions are paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person.

This is subject to rule C1.6.

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

## **C1.2 Member’s option to pay additional lump sum contributions to purchase pension**

- (1) An active member who has been such a member for a period exceeding 12 months may opt to make a single lump sum contribution to this Section to increase the benefits payable to or in respect of the member under Part D and Part E of this Section (retirement benefits and death benefits). This option is only available to an active member—
  - (a) on or after 1st March 2008, or
  - (b) where the member reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) A member may not make a contribution under this rule of less than such amount as the Minister may for the time being determine.
- (3) The option—
  - (a) may only be exercised by notice in writing to the Scheme administrator in such form and subject to such conditions as the Minister requires, and
  - (b) in particular, if the Minister so requires, may only be exercised if the member has first requested a statement of the amount of pension that the member will be entitled to count under this rule if the payment of the lump sum is received by the Scheme administrator before the end of the period of one month beginning with the date of the statement.
- (4) A member may exercise the option under paragraph (1) more than once, but it may only be exercised once in any scheme year.
- (5) If a member exercises an option under paragraph (1), the additional contribution is payable immediately by the member to the Scheme administrator by deduction from the member’s earnings or otherwise.
- (6) If a member exercises an option under paragraph (1), the amount that the member is entitled to count as contributed pension for the relevant scheme year is—
  - (a) in the case of a payment made before the end of the period of one month beginning with the date of a statement given to the member in accordance with such a request as is mentioned in paragraph (3)(b) in connection with the option, the amount specified in that statement, and
  - (b) otherwise, such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost as at the relevant day of making provision for providing benefits under this Section for a person of the member’s age and dependants of such a person.

This is subject to rule C1.6.

- (7) A statement given to the member in pursuance of such a request as is mentioned in paragraph (3)(b)—

- (a) must specify such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person—
    - (i) so far as any factors relating to the member's circumstances are concerned, by reference to the relevant day, and
    - (ii) so far as any other relevant factors are concerned, by reference to the date of the statement, and
  - (b) must inform the member of the effect of rule C1.6 generally and, in any case where it appears to the Scheme administrator that that rule will apply so as to restrict the amount that the member will be entitled to count under this rule, the effect of rule C1.6 in the member's case.
- (8) In this rule
- “the relevant day” means—
- (a) in a case where such a request as is mentioned in paragraph 3(b) is made in connection with the option, the first day after the period of one month mentioned in that paragraph, and
  - (b) otherwise, the day on which the payment is received by the Scheme administrator; and
- “the relevant scheme year” means the scheme year in which the relevant day falls.

### **C1.3 Cancellation of options to make additional periodical contributions**

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

### **C1.4 Periodical contributions: special cases**

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

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

- (1) The employer of an active member or a third party contributor in relation to an active member may, if the Minister approves, make one or more additional contributions to this Section to increase the benefits payable to or in respect of the member under Part D and Part E of this Section (retirement benefits and death benefits). An employer or third party contributor may only make contributions under this rule in respect of an active member—
  - (a) on or after 1st March 2008, or
  - (b) where the member reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) If an active member opts for the whole or part of any lump sum payable to the member under the Civil Service Compensation Scheme to be so used, the employer may make an additional contribution under paragraph (1) using the whole or, as the case may be, that part of the lump sum.
- (3) If the employer makes an additional contribution under paragraph (1) to increase the amount specified in the member's pension account under rule C1.8(2) as the amount of contributed pension for the scheme year in which the contribution is paid by a particular amount—
  - (a) the amount to be paid in order to increase it by that amount is such amount as is indicated as appropriate for the amount of that increase in tables issued by the Minister, after consultation with the Scheme actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under this Section for a person of the member's age and dependants of such a person, and
  - (b) the pension amount that the member is entitled to count as contributed pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for that amount of contribution in those tables.

This is subject to rule C1.6.

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

## **C1.6 Limit on contributed pension**

The total of—

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

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

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

## **Pension Accounts for Contributed Pension**

### **C1.7 Establishment of pension accounts: general**

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

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

- (1) A pension account must be established under this rule for each active member who has bought contributed pension under this Part.
- (2) At any time in a scheme year the pension account under this rule must specify the member's contributed pension for that year as at that time.
- (3) At any time in a scheme year —
  - (a) which is not the scheme year in which a pension account under this rule is established, and
  - (b) before the beginning of which the member has reached pension age,the member's pension account under this rule must specify the age addition awarded under paragraph (6) at the beginning of that year for the member's contributed pension referred to in paragraph (2).

- (4) At any time in a scheme year that is not the scheme year in which a pension account under this rule is established, the account must specify the opening balance of the member's contributed pension for that year and the index addition in respect of it.
- (5) In this rule "the opening balance" of the member's contributed pension for a scheme year means the sum of—
  - (a) the member's contributed pension for the previous scheme year as at the end of that year, and
  - (b) if paragraph (3) or (4) applied at the beginning of that previous year, the amounts specified in respect of member's contributed pension in accordance with those paragraphs.
- (6) The reference in paragraph (3) to the age addition awarded under this paragraph at the beginning of a scheme year for the member's contributed pension referred to in paragraph (2) is a reference to the amount the Minister determines, after consulting the Scheme actuary, in respect of the opening balance of the member's contributed pension as at the beginning of the previous scheme year (as specified in accordance with paragraph (4)).
- (7) In making the determination under paragraph (6) at the beginning of a scheme year, the Minister must have regard to the proportion of the previous scheme year during which the member had reached pension age.
- (8) For the purposes of paragraph (4), the index addition in respect of any opening balance for a scheme year is the amount by which an annual pension of an amount equal to that opening balance which was eligible to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year if the beginning date for that pension were the first day of the previous scheme year.
- (9) In paragraph (8) "the beginning date", in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).
- (10) For the meaning of the expression "the member's contributed pension" in paragraph (2), see rule C1.9.
- (11) In cases involving a re-employed active member where rule G.2 (general rule: periods of service treated separately) applies—
  - (a) the member continues to have an account under rule C1.10 in respect of contributed pension relating to his earlier service,
  - (b) a new account under this rule C1.8 must be opened for the member in respect of any contributed pension bought under this Part during the current service,
  - (c) his contributed pension relating to the earlier service is disregarded in determining his or any other person's rights in respect of any contributed pension relating to the current service or later service (if any), and
  - (d) his contributed pension relating to the current service is disregarded in determining his or any other person's rights in respect of his contributed pension in the earlier service.
- (12) In cases involving a re-employed active member where rule G.3 (option to aggregate earlier membership: previous membership of this section) applies—
  - (a) any account that was established for the member under rule C1.10 when the earlier service ceased must be closed,
  - (b) Part C1 applies as if that rule had not applied to the member at that time,
  - (c) the member's account under rule C1.8 must be re-established, and

- (d) such entries must be made in that account as if the member had continued as an active member during the period since the earlier service ceased, but had received no earnings.
- (13) In cases involving a re-employed active member where rule G.4 (option to aggregate earlier membership: members joining this Section for first time) applies—
- (a) any account that was established for the member under rule 14.12 of the 1972 Section when the earlier service ceased must be closed,
  - (b) the member will no longer be entitled to any benefits under section 14 of the 1972 section,
  - (c) an account for the member under rule C1.8 must be established, and
  - (d) such entries must be made in the account in respect of contributed pension and lump sum bought under the 1972 Section as are calculated in accordance with guidance and tables provided for the purpose by the Scheme actuary.

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

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

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

- (1) This rule applies if—
- (a) an active member becomes a deferred member; or
  - (b) a member exercises the option in rule C1.15B to defer payment of contributed pension.
- (2) The member's pension account under rule C1.8 must be closed and an account (or, as the case may be, a further account) must be established under this rule for the member.
- (3) The pension account under this rule must specify the provisional amount of the member's deferred contributed pension (see paragraph (4)).
- (4) The provisional amount of the member's deferred contributed pension is found by—
- (a) calculating the member's carried forward contributed pension (see paragraph (5)),
  - (b) except in the case of an immediate Scheme leaver, adding the retirement index addition for that pension (see rule C1.13), and
  - (c) in the case of any member who has reached pension age at least one month before the last day of service in respect of which the member's pension will be payable under this Section (“the relevant last day”), adding the age addition for that pension (see paragraph (9)).

- (5) The member's carried forward contributed pension is the sum of the amounts specified in the member's account under rule C1.8 in accordance with rule C1.8(2) and (4) as at the relevant last day.
- (6) Once the member has become entitled to the immediate payment of a pension under rules D.1 (normal retirement) or D.3 (early payment of pensions with actuarial reduction), or, where the member has exercised the option in rule C1.15B to defer payment of the contributed pension, once the member has notified the Scheme administrator, in accordance with rule C1.15B(2)(b) that the member wishes to take the contributed pension the pension account under this rule must specify in respect of the contributed pension for which there is a provisional amount specified under paragraph (3)—
  - (a) the early payment reduction (if applicable) (see paragraph (7)),
  - (b) the commutation amount (if any), and
  - (c) the allocation amount (if any).
- (7) The early payment reduction mentioned in paragraph (6)(a)—
  - (a) only applies where—
    - (i) the member has become entitled to payment of a pension under rule D.3 or the member has exercised the option in rule C1.15B to defer payment of the contributed pension and has notified the Scheme administrator, in accordance with rule C1.15B(2) (b) that the member wishes to take the contributed pension before pension age; and
    - (ii) the member has not exercised the option to buy out the actuarial reduction on the member's contributed pension under rule C1.15A, and
  - (b) is determined on the same basis as the reduction under rule D.3(4).
- (8) For the purposes of this rule a member is an immediate Scheme leaver in relation to the provisional amount of a deferred pension if a transfer value payment is made under Part F in respect of the member's rights to that pension before the end of the scheme year in which the relevant last day falls.
- (9) In this rule “the age addition” in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme actuary having regard to—
  - (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule C1.8(6) at the beginning of the scheme year following that in which the relevant last day falls (“the last active scheme year”) had the member continued to be an active member throughout the last active scheme year, and
  - (b) the proportion of the last active scheme year during which the member was an active member who had reached pension age.
- (10) For the treatment of the pension account under this rule if the deferred member becomes an active member again, see rules C1.8(11) and C1.8(12).

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

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

- (3) The pension account under this rule must specify—
  - (a) the member's carried forward contributed pension (as defined in rule C1.10(5)),
  - (b) the early payment reduction (if applicable) in respect of the member's carried forward contributed pension (see paragraph (6)),
  - (c) the retirement index addition in respect of the member's carried forward contributed pension (see rule C1.13),
  - (d) the age addition, if any, in respect of the member's carried forward contributed pension (see paragraph (5)),
  - (e) the member's full retirement contributed pension (see paragraph (4)),
  - (f) the commutation amount (if any) for the member's full retirement contributed pension, and
  - (g) the allocation amount (if any) for the member's full retirement contributed pension.
- (4) The member's full retirement contributed pension is the sum of—
  - (a) the member's carried forward contributed pension (as defined in rule C1.10(5)),
  - (b) the retirement index addition for that pension, and
  - (c) in the case of any member who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (5) In this rule “the age addition” in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme actuary having regard to—
  - (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule C1.8(6) at the beginning of the scheme year following that in which the relevant last day falls (“the last active scheme year”) had the member continued to be an active member throughout the last active scheme year, and
  - (b) the proportion of the last active scheme year during which the member was an active member who had reached pension age.
- (6) The early payment reduction for the member's carried forward contributed pension—
  - (a) only applies where—
    - (i) the member has become entitled to payment of a pension under rule D.3; and
    - (ii) the member has not exercised the option to buy out the actuarial reduction on the member's contributed pension under rule C1.15A; and
  - (b) is determined on the same basis as the reduction under rule D.3(4).
- (7) In this rule “the relevant last day” means the last day of the service in respect of which the member's pension will be payable under this Section.

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

- (1) This rule applies if a member becomes entitled to immediate payment of a pension under rule D.1A (partial retirement).
- (2) If the option under that rule is exercised in respect of the whole of the member's pension—
  - (a) rule C1.11 applies as if the member had ceased to be an active member on the day before he becomes entitled to the pension under rule D.1A, but—

- (i) ignoring paragraph (3)(g) (allocation amount), and
  - (ii) with the substitution in paragraph (7) for the definition of “the relevant last day” of the following—  
““the relevant last day” has the same meaning as in rule D.1A(12)”, and
- (b) if the member builds up further contributed pension after he becomes entitled to a pension under rule D.1A, a new pension account must be established under rule C1.8 for the member.
- (3) If the option under rule D.1A is exercised in respect of part of the member's pension, he will not be entitled to payment of any contributed pension under this Part until full retirement.

### **C1.12 Pension debit members**

- (1) This rule applies where a pension sharing order is made.
- (2) The amounts specified in the account kept under this Part in respect of the pension debit member at the time that order takes effect must be reduced by such amounts as in the opinion of the Minister, after consultation with the Scheme actuary, are appropriate having regard to the amount of the cash equivalent transfer value of the pension credit member.
- (3) This rule is subject to such modifications as the Minister may think appropriate in order to give effect to—
  - (a) section 31 of the Welfare Reform and Pensions Act 1999, and
  - (b) any particular pension sharing order or arrangements.

### **C1.13 The retirement index addition**

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

#### *Step 1*

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

#### *Step 2*

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

#### *Step 3*

Calculate the increase percentage by –

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

*Step 4*

Calculate the increase percentage of the carried forward pension.

(3) In this rule

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

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

- (a) in a case where the pension is payable under rule D.1A, the relevant last day as defined in rule D.1A(12), and
- (b) otherwise, the last day of the service in respect of which the member's pension is payable.

(4) Nothing in these rules requires the payment of any part of a contributed pension that is attributable to retirement index addition payable in respect of the scheme year in which the pension becomes payable to be made before the end of that year.

### **C1.14 Closing and adjusting accounts on transfer out**

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

## **Payment of contributed pension**

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

- (1) A member entitled to a pension under rule D.1 (normal retirement) or rule D.3 (early payment of pension with actuarial reduction) is also entitled to a contributed pension if the member has a pension account under this Part.
- (2) The annual amount of the contributed pension is found by—
  - (a) taking—
    - (i) in the case of a deferred member becoming a pensioner member, the provisional amount of the member's deferred contributed pension specified in the member's pension account under rule C1.10, or
    - (ii) in the case of an active member becoming a pensioner member, the full retirement contributed pension specified in the member's pension account under rule C1.11,
  - (b) (where the member is entitled to early payment of a pension under rule D.3 and the member has not exercised the option under rule C1.15A), subtracting the early payment reduction so specified in respect of that pension, and

- (c) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).

### **C1.15A Option to buy out actuarial reduction**

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

### **C1.15B Option to defer payment of contributed pension**

- (1) Where—
  - (a) a member (“M”) is entitled to early payment of a pension under rule D.3,
  - (b) M is also entitled to a contributed pension under this Part ; and
  - (c) if M is a member to whom rule D.3(3) applies, M has reached the age of 55 years,M may opt not to take M’s contributed pension at the same time as M’s early pension under rule D.3.
- (2) If M exercises the option in paragraph (1)—
  - (a) rule C1.10 applies (effect on pension account of active member becoming deferred member) in respect of M’s contributed pension; and
  - (b) M is entitled to a contributed pension when M notifies the Scheme administrator in writing, in such form as the Minister requires, that M wishes to take the contributed pension, provided that M must take the contributed pension at or before pension age.
- (3) If M chooses to take M’s contributed pension under paragraph (2) before pension age, the annual amount of the contributed pension is found by applying rule C1.15(2)(a)(i), (b) and (c).
- (4) If M chooses to take M’s contributed pension under paragraph (2) at pension age, the annual amount of the contributed pension is found by applying rule C1.15(2)(a)(i) and (c).

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

- (1) A member entitled to a lower tier pension under rule D.4 (early payment of pensions: ill health) is also entitled to a contributed pension if the member has a pension account under this Part.
- (2) The annual amount of the contributed pension is found by—
  - (a) taking the full retirement contributed pension specified in the member's pension account under rule C1.11, and
  - (b) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any).
- (3) If, in the case of a member to whom rule D.4(1) applies, any of the amounts specified in the member's account under rule C1.8 in accordance with rule C1.8(2) and (4), as at the

end of the last service day, were, or were attributable to, contributions made under rule C1.2 (member's option to pay additional lump sum contributions to purchase pension) made less than 12 months before the relevant day ("recent lump sum contributions"), these rules apply as if the member had become a deferred member in respect of the rights that accrued in the service that is ceasing so far as relating to the recent lump sum contributions. Accordingly—

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

## **Contributed pension for dependants and children**

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

- (1) A surviving spouse or surviving civil partner entitled to a pension under rule E.1 (surviving spouses' pensions) or a surviving adult dependant awarded a pension under rule E.2 (other adult dependants' pensions) is also entitled to a dependant's contributed pension under this Part if the member was entitled to immediate payment of a contributed pension at the date of death or would have become entitled to such a pension had he not died.
- (2) On the death of an active member, the annual amount of the dependant's contributed pension payable under paragraph (1) is 37.5% of the member's assumed contributed pension.

- (3) For the purposes of paragraph (2), “the member’s assumed contributed pension” is:
  - (a) the annual amount of the contributed pension to which the member would have been entitled if immediately before his death the member had become entitled, as an active member becoming a pensioner member, to the immediate payment of a pension under rule C1.15, and
  - (b) as if paragraphs (2)(b) and (c) of rule C1.15 were omitted.
- (4) On the death of a deferred member, the annual amount of the dependant’s contributed pension payable under paragraph (1) is an amount equal to 37.5% of the provisional amount of the member's deferred contributed pension specified in the member's pension account under rule C1.10.
- (5) On the death of a pensioner member, the annual amount of the dependant’s contributed pension payable under paragraph (1) is an amount equal to 37.5% of the annual amount of the member's contributed pension, assuming no subtractions had been made under rules C1.15(2)(b) or (c) or C1.16(2)(b) when it was calculated.
- (6) In accordance with section 7(4) of the Pensions (Increase) Act 1971, for the purposes of paragraph (5) any increase in the member's contributed pension since the date on which it is treated as beginning for the purposes of that Act is disregarded.
- (7) Where on the death of a member a pension is payable under rule E.1 or E.2 to a person (“the beneficiary”) who is more than 12 years younger than the member, the annual amount of the dependant’s contributed pension payable under paragraph (1) of this rule is reduced by the appropriate amount.
- (8) For the purposes of paragraph (7), the appropriate amount is the lesser of—
  - (a) 50% of the dependant’s contributed pension, or
  - (b) the dependant’s contributed pension x 2.5% x N, where N is the number of whole years or part years in excess of 12 by which the beneficiary is younger than the member.
- (9) Paragraph (7) does not apply to a dependant’s contributed pension payable under this rule in the case of a member who was a reserved joiner or an unreserved joiner if the member had been married to the person to whom the dependant’s contributed pension is payable since before 1st October 2002.
- (10) Rules E.22 (dependants’ pensions: suspension and recovery), E.25 (payment of pensions on death), E.26 (dual capacity membership) and E.29 (adjustments to benefits) apply to any dependant’s contributed pension payable under this rule.

### **C1.18 Surviving children’s entitlement to contributed pension**

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

- (a) in the case of the death of an active member, the appropriate percentage of the member's assumed contributed pension as calculated in accordance with rule C1.17(3),
  - (b) in the case of the death of a deferred member, the appropriate percentage of the provisional amount of the member's deferred contributed pension specified in the member's pension account under rule C1.10, or
  - (c) in the case of the death of a pensioner member, the appropriate percentage of the member's contributed pension calculated using the assumptions set out in rule C1.17(5) and (6).
- (5) Where three or more child's contributed pensions are payable under paragraph (1) immediately after the date of the member's death, the annual amount of each child's contributed pension is equal to twice the amount mentioned in paragraph (4), divided by the number of pensions so payable.
- (6) In this rule "the appropriate percentage" means—
- (a) in a case where a pension is payable under rule E.1 or E.2, 30%, and
  - (b) in a case where no such pension is payable, 50%.
- (7) Rules E.22 (dependants' pensions: suspension and recovery), E.24 (provisional awards of children's pensions: later adjustments), E.25 (payment of pensions on death), E.26 (dual capacity membership) and E.29 (adjustment to benefits) apply to any child's contributed pension payable under this rule.

### **C1.19 Children born after the member's death**

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

## Part D

# Retirement Benefits

## Entitlement to pensions

### D.1 Normal retirement

- (1) The general rule is that a member is entitled to a pension for life if the member—
  - (a) has reached pension age, and
  - (b) has ceased to be employed in the employment that qualified him to belong to this Section of the Scheme or, if earlier, has reached the day before his 75th birthday after 5th April 2006.
- (2) The pension becomes payable when the member reaches pension age.
- (3) A former active member is only entitled to a pension under this rule if—
  - (a) he has at least two years' qualifying service (see rule A.8(1) and (2)),
  - (b) he was formerly entitled to rights under a personal pension scheme or a retirement annuity contract in respect of which a transfer value payment has been accepted by this Section of the Scheme under Part F (transfers), or
  - (c) he has ceased to be in employment which is contracted-out employment by reference to the Scheme before pension age but after the end of the tax year preceding that in which he reaches state pension age.
- (4) Subject to paragraph (4A) the amount of the annual pension payable under this rule is calculated by multiplying the appropriate fraction of the member's final pensionable earnings by the length of the member's reckonable service.
- (4A) Where the member is already entitled to receive a pension under rule D.1A (partial retirement), the member's reckonable service for the purposes of calculating his pension under this rule will be adjusted in accordance with rule D.1A(7)(b) or (8)(b).
- (5) The appropriate fraction is one sixtieth, or, if the member is entitled to a pension calculated by reference to a larger fraction, that fraction.
- (6) If the member is entitled to a pension calculated—
  - (a) by reference to the appropriate fraction for part of the member's reckonable service, and
  - (b) by reference to a larger fraction for another part of the member's reckonable service,
 the amount of the member's annual pension under this rule is found by calculating the amounts due by reference to each of those fractions separately and adding those amounts together.
- (7) This rule does not apply to pensions derived from pension credit rights and, in the case of reserved joiners, is subject to rule L.10.

### D.1A Partial retirement

- (1) This rule applies if—
  - (a) an active member has not ceased to be employed in an employment that qualifies the member to belong to this Section,
  - (b) if he had so ceased the member would be entitled to a pension for life by virtue of—

- (i) rule D.1 (normal retirement), provided that he has not reached the day before his 75th birthday, or
  - (ii) rule D.3 (early payment of pensions with actuarial reduction) if he had opted for immediate payment of a reduced pension under that rule,
- (c) the terms on which the member holds the employment change on or after 1st March 2008,
- (d) as a result the amount of the member's earnings is reduced to 80% or less of their amount before the change, and
- (e) the member opts for this rule to apply.
- (2) This rule also applies if—
- (a) an active member who reached pension age before 1st March 2008 has not ceased to be employed in an employment that qualifies the member to belong to this Section,
  - (b) the member has not reached the day before his 75th birthday,
  - (c) on or after the date on which he reached pension age but before 1st March 2008, the member's earnings have reduced as a result of a change to the terms on which he holds the employment, each such reduction being “an earnings reduction”,
  - (d) either—
    - (i) if the member has only had one earnings reduction, the amount of the member's earnings was reduced to 80% or less of their amount before the earnings reduction, or
    - (ii) if the member has had more than one earnings reduction, the cumulative change percentage (see paragraph (3)) is 80% or less, and
  - (e) the member opts before 1st June 2008 for this rule to apply.
- (3) The cumulative change percentage is found by—
- (a) expressing the amount of the member's earnings immediately after each earnings reduction as a percentage of the member's earnings immediately before that earnings reduction to obtain “the change percentage” for each earnings reduction, and
  - (b) multiplying the change percentages.
- (4) The option under this rule—
- (a) may only be exercised once,
  - (b) may only be exercised by notice in writing in such form as the Minister requires, and
  - (c) except in the case of a member to whom paragraph (2) applies, may only be exercised in the period of three months beginning with the day on which the reduction in earnings by virtue of which it is exercisable takes effect.
- (5) A member who exercises the option—
- (a) is entitled to a pension payable for life under this rule with effect on and from the day after the relevant last day, and
  - (b) becomes both an active member and a pensioner member for the purposes of this Section.
- (6) The option must specify—
- (a) whether the member requires payment of part or the whole (calculated on the relevant last day) of the member's pension, and

- (b) if only part of the pension, the proportion required (“the partial retirement proportion”).
- (7) If the member exercises the option in respect of the whole of the member's pension—
- (a) the annual amount of pension to which the member is entitled is, subject to paragraph (9), determined by—
    - (i) calculating the annual amount of pension that would be payable to the member under rule D.1 (normal retirement) using the member's final pensionable earnings as if his last day of reckonable service or the last day of his active membership period was the relevant last day and using his reckonable service up to and including the relevant last day,
    - (ii) adding the annual amount of the member's full retirement contributed pension specified in the member's pension account under rule C1.11A, and
    - (iii) if the member has not reached pension age at the relevant last day, applying the reduction that would be determined under rule D.3(4) (early payment of pensions with actuarial reduction); and
  - (b) the member's reckonable service accrued for the period up to and including the relevant last day is adjusted, with effect from the day after the relevant last day, to zero.
- (8) If the member exercises the option in respect of part of the member's pension—
- (a) the annual amount of pension to which the member is entitled is, subject to paragraph (9), determined by—
    - (i) calculating the partial retirement proportion of the member's reckonable service up to and including the relevant last day, rounded up or down to the nearest whole day (“the partial reckonable service”),
    - (ii) calculating the annual amount of pension that would be payable to the member under rule D.1 (normal retirement) using the member's final pensionable earnings as if his last day of reckonable service or the last day of his active membership period was the relevant last day and using his partial reckonable service instead of his reckonable service, and
    - (iii) if the member has not reached pension age at the relevant last day, applying the reduction that would be determined under rule D.3(4), and
  - (b) the member's reckonable service is adjusted, with effect from the day after the relevant last day, by subtracting the member's partial reckonable service from his total reckonable service up to and including the relevant last day, to determine the member's “remaining reckonable service”. The member's remaining reckonable service, together with any reckonable service accrued after the relevant last day, will be used to calculate the benefits due to the member on full retirement.
- (9) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to benefits under this Section of the Scheme, the partial retirement proportion must be at least enough to ensure that the weekly rate of the pension payable to the member under this rule (after any commutation under rule D.8) is not less than that guaranteed minimum (regardless of whether or not the member has reached state pension age), multiplied by such factor as is indicated in tables provided by the Scheme actuary for a person of the member's age and sex at the date on which the pension becomes payable.
- (10) For reserved joiners who exercise the option under this rule, see rules L.10A (retirement benefits) and L.23A (death benefits).

- (11) Special terms apply to a member who exercises the option under this rule if he is subsequently eligible for an ill-health early retirement pension (see rule D.4(3A)) or if he dies before full retirement (see rules E.4(1A), E.10(2A), E.11(2A) and E.15(4)).
- (12) In this rule—
- “the relevant last day” means the day before the date on which the member's earnings are reduced or, if later, 29th February 2008, and
- “earnings” means the annual rate of the member's permanent pensionable earnings.

## **D.2 Pension credit members' pensions**

- (1) The general rule is that a pension credit member is entitled to a pension for life derived from the member's pension credit rights if the member has reached pension age.
- (2) The pension becomes payable—
- (a) when the member reaches pension age, or
- (b) if it is later, when the pension sharing order under which the member is entitled to the pension credit takes effect.
- (3) The pension must be of such an amount that its value is equal to the member's pension credit, as calculated in accordance with regulations made under paragraph 5(b) of Schedule 5 to the Welfare Reform and Pensions Act 1999.

## **D.3 Early payment of pensions with actuarial reduction**

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

- (ii) immediately before becoming a member of this Scheme he belonged to a scheme that was, in the Minister's opinion, analogous to this Scheme ("the by-analogy scheme"),
- (iii) he was a member of the by-analogy scheme before 6th April 2006, and
- (iv) his pension will become payable before 6th April 2010 if he exercises the option under this rule.

(3A) This paragraph applies if—

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

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

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

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

This is subject to paragraph (5).

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

### **D.3A Option to buy out actuarial reduction in full**

- (1) A member who is entitled to a pension under rule D.3 may buy out all of the actuarial reduction that would otherwise apply to the member's pension under those rules and a member who is entitled to a pension under rule D.1A may buy out all of the actuarial reduction that would otherwise apply to the member's pension or to the member's contributed pension under that rule.
- (2) A member exercises the option under this rule by giving notice in writing to the Scheme administrator in such form as the Minister requires.
- (3) The cost of buying out the actuarial reduction is 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 of the Scheme; or
  - (b) in the case of a member who is not a pension credit member—
    - (i) opting for the whole or part of any lump sum payable to the member under the Civil Service Compensation Scheme to be paid by the member's employer to this Section of the Scheme by way of special contribution; or

- (ii) such combination of the options described in paragraphs (a) and (b)(i) as the member decides.
- (5) Where a member exercises the option under this rule, the annual amount of the pension in respect of which the member has bought out the actuarial reduction is calculated under rule D.1A or D.3 (as applicable) as if the reference to applying a reduction to that pension were omitted.

### **D.3B Option to buy out actuarial 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 contribution to this Section of 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 D.7(1a)(i) applies as if the reference were to the actuarial reduction determined under this rule (if any).

### **D.4 Early payment of pensions: ill-health**

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

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

This is subject to paragraph (3A).

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

calculated by multiplying the appropriate fraction of the member's final pensionable earnings by N.

This is subject to paragraph (10C).

- (5) In the case of a member within paragraph (3)(a), for the purposes of calculating the aggregate of the lower tier pension and the upper tier top up pension N is the sum of—
  - (a) the member's reckonable service, and
  - (b) the member's assumed service.
- (6) In the case of a member whose basic reckonable service equals or exceeds 10 years, for the purposes of calculating the lower tier pension N is the member's reckonable service.
- (7) In the case of a member whose basic reckonable service is less than 10 years, for the purposes of calculating the lower tier pension N is the sum of the additional period the member is entitled to count as reckonable service under rule C.6, if any, and the lowest of the following periods—
  - (a) 10 years,
  - (b) the member's basic reckonable service multiplied by 2, and
  - (c) the sum of the member's basic reckonable service and half the member's assumed service.
- (8) The appropriate fraction is one sixtieth, or, if the member is entitled to a pension calculated by reference to a larger fraction, that fraction.
- (9) In this rule “the member’s assumed service” means the further basic reckonable service that the member could have counted if he had continued in service on the same terms as at the date of ceasing to be employed—
  - (a) until reaching pension age, or
  - (b) in the case of a member eligible to be an active member because of rule B.1(2)(c) (fixed term appointments etc.), until the end of the fixed term,unless the date he ceases to be employed is immediately preceded by a period of non-reckonable service, in which case any assumed service will be treated as if it had begun on the day after his last day of reckonable service.
- (10) In this rule—

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

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

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

“restricted member” means a former excluded member who has not made an election under paragraph (10A).
- (10A) A former excluded member may elect in such form and by such time as the Minister requires to be treated as if he had never been an excluded member for the purposes of rule D.4(1) of the old rules.
- (10B) A former excluded member who has made an election under paragraph (10A) must make the extra contributions to this Section of the Scheme that he would have been required to pay had he not been an excluded member for the purposes of rule D.4(1) of

the old rules. The extra contributions must be paid in accordance with the terms set out in the notice of election.

- (10C) In the case of a restricted member, N in paragraph (4) is reduced by his lower contribution service.
- (10D) A restricted member who becomes entitled to an immediate pension under rule D.4(1) will be entitled to an additional pension on reaching pension age calculated by multiplying the appropriate fraction of his final pensionable earnings by the length of his lower contribution service.
- (11) In the case of reserved joiners this rule is subject to rule L.12.
- (12) Where a member within paragraph 3(a) is in receipt of a pension under this rule on 5 April 2006, on 6 April 2006 his pension is split into a lower tier pension and an upper tier top up pension calculated in accordance with this rule.

## **D.5 Periodical review of ill-health awards**

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

## **D.6 Provisional ill-health awards**

- (1) This rule applies where the Scheme medical adviser is unable to form an opinion whether—
  - (a) a member has suffered a permanent breakdown in health involving incapacity for employment, or
  - (b) a member's breakdown in health involves incapacity for employment within rule D.4(3)(a) or (b).
- (2) The Scheme medical adviser may recommend—
  - (a) that the member be treated—
    - (i) as having suffered such a permanent breakdown, or
    - (ii) as having suffered such a breakdown involving incapacity for employment within one or other of those rules, and
  - (b) that the member's case should be reviewed after a period specified in the recommendation (which must not exceed 5 years).
- (3) Where such a recommendation is made, the member is to be treated for the purposes of these rules as being entitled to an ill-health pension as a member within rule D.4(3)(a) or rule D.4(3)(b) or rule D.4(3A) in accordance with the recommendation, subject to review under this rule.

- (4) Where a member is so treated—
  - (a) at the end of the period specified in the recommendation the Scheme medical adviser must give an opinion on the question or questions to which the recommendation related, and
  - (b) on and after the date on which that opinion is given (“the opinion date”) rule D.4 is to apply to the member accordingly, subject to paragraph (5).
- (5) Where as a result of the opinion—
  - (a) the member ceases to be entitled to an ill-health pension, or
  - (b) the ill-health pension to which the member is entitled is reduced,

for a period of three months beginning on the opinion date the member is to be treated for the purposes of these rules as being entitled to an ill-health pension payable at the same rate as it was payable immediately before that date, and as continuing to be so entitled as a member within rule D.4(3)(a) or D.4(3)(b), as the case may be.

## **D.7 Calculation of unreduced or partially reduced earned pension**

- (1) If the member is entitled to immediate payment of an unreduced earned pension, the annual amount of the earned pension is calculated in accordance with rule D.1(4), but as if, for the words “the member’s reckonable service”, there were substituted “the member’s current reckonable service”.
  - (1a) (i) If the member is entitled to immediate payment of a partially reduced earned pension, the annual amount of the earned pension is the amount calculated in accordance with rule D.7(1) less an actuarial reduction.
  - (ii) The actuarial reduction referred to above will be determined by the Minister by reference to the payment made by the member’s employer under the Civil Service Compensation Scheme and to factors provided by the Scheme actuary.
- (2) In this rule “current reckonable service” has the same meaning as “reckonable service” in rule A.9, except that it includes any period of service that the Minister has determined shall count as part of the member’s reckonable service under rule 12.1.4(3) of the Civil Service Compensation Scheme and does not otherwise include—
  - (a) any service prior to the current period of continuous service in the Civil Service;
  - (b) any period of resettlement leave;
  - (c) any service that a person is entitled to count under rule A.9(1)(d) (transfers under Part F);
  - (d) any service that a person is entitled to count under rule C.11(1A) (purchase of added years by the employer from lump sum benefits payable under the Civil Service Compensation Scheme);
  - (e) any reckonable service described in rule A.9(1)(b) or (c) (added years purchased by member or employer);
  - (f) any reckonable service which results from the payment of contributions before 1st October 2002 for added years under section 7 of the 1972 Section or from a grant of added years made under rule 2.24 of the 1972 Section; and
  - (g) any reckonable service which results from a credit of reckonable service in accordance with the transfer provisions of section 6 of the 1972 Section.

## **D.7ZA Additional service pension**

- (1) This rule applies where—

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

This is subject to paragraph (3).

- (3) If this rule applies and the member—
- (a) is a member to whom rule D.3(3) applies; and
  - (b) has not yet reached 55 years of age
- the member is entitled to an additional service pension under rule D.1, which must come into payment at the same time as member's earned pension, with actuarial reduction under rule D.3 or having bought out the actuarial reduction under rule D.3A.
- (4) The annual amount of an additional service pension is calculated in accordance with rule D.1(4), but as if, for the words “the length of the member’s reckonable service”, there were substituted “the length by which the member’s reckonable service exceeds the member’s current reckonable service”.
- (5) In this rule “current reckonable service” has the same meaning as in rule D.7(2).

### **D.7A Restructuring resulting in reduction in pensionable earnings**

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

## **Lump sum payments**

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

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

This is subject to paragraph (3A).

- (3A) A member may not exchange his pension for lump sum under this rule to the extent it would result in a scheme chargeable payment for the purposes of the Finance Act 2004 (see section 241 of that Act).
- (4) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to the pension in question, paragraph (1) only applies to so much of the pension, after any allocation under rules D.12 to D.14, as exceeds that guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the Scheme actuary.
- (5) This rule does not apply to a pension derived from pension credit rights if the pension debit member from whose rights the pension is derived has received a lump sum under this rule before the date on which the pension sharing order takes effect.
- (6) If part of the pension to which the member is entitled is attributable to a transfer value payment accepted by the Scheme by virtue of rule F.7(4) (Civil Service Additional Voluntary Contribution Scheme), paragraph (1) does not apply to that part.
- (7) In paragraph (3)(a) "the amount of the annual pension" means the amount of the annual pension to which the member would be entitled under this Part and Part C1 (apart from the option and disregarding any allocation made under rule D.12), calculated as at the time payment is first due.
- (8) Paragraph (3) applies to a member who—
  - (a) ceased to be an active member before 1st October 2007;
  - (b) became a pension credit member before 1st October 2007; or
  - (c) became a pension credit member after 30th September 2007 with rights derived from the rights of a member who ceased to be an active member before 1st October 2007.
- (9) This paragraph has been deleted.

- (10) The option under this rule may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires before the time when the first payment in respect of the pension is made.
- (11) For unreserved joiners and reserved joiners, see rules K.15 and L.14.

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

- (1) Before a pension becomes payable to an active member or a deferred member under this Part together with any pension payable to him under Part C1 or at the time when a pension becomes payable under rule D.4 (early payment of pensions: ill-health) or before or at the time a pension becomes payable under rule D.2 (pension credit members' pensions) the member may opt before his 75th birthday to exchange the whole pension for a lump sum if the Scheme medical adviser certifies that the member has a life-expectancy of less than 12 months.
- (2) Where a member so opts, he is to be paid as soon as is reasonably practicable and before his 75th birthday an amount equal to the amount of the annual pension, multiplied by 5.
- (3) In paragraph (2) "the amount of the annual pension" means the amount of the annual pension to which the member would be entitled under this Part and Part C1 apart from the option, calculated as at the time payment would otherwise first be due.
- (4) This paragraph has been deleted.
- (5) This paragraph has been deleted.
- (6) The option under this rule may only be exercised by notice in writing to the Scheme administrator in such form as the Minister requires.
- (7) For reserved joiners, see rule L.15.

## **Pension debit members and pension credit members**

### **D.10 Reduction in pension debit member's benefits**

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

### **D.11 Pension credit member's rights**

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

## **Allocation**

## D.12 Election to allocate pension

- (1) An active member or deferred member may elect to allocate to another person a part of the member's annual pension under this Section of the Scheme (including any pension to which he is entitled under Part C1).
- (2) But no election may be made in respect of an ill-health pension or a pension payable under rule D.1A (partial retirement).
- (3) The member may not elect to allocate an amount that would result in his annual pension being less than the aggregate of the pensions to be paid in respect of the member under rules C1.17, E.1, E.2, this rule and rule L.26 ("the applicable rules"). This will be calculated using the following assumptions—
  - (a) the member will die having become a pensioner member;
  - (b) the member will commute the maximum amount of pension he can under rule D.8;
  - (c) the member's marital or civil partnership status at the time of the allocation election will remain unchanged until the member dies;
  - (d) the persons who are contingent beneficiaries under the applicable rules at the time of the allocation election will survive the member; and
  - (e) in a case of a contingent beneficiary who would have been a dependant of the member for the purposes of paragraph 15(2) or (3) of schedule 28 to the Finance Act 2004 if the member had died when the allocation election was made, the contingent beneficiary will be such a dependant when the member dies.
- (4) If a member wishes to allocate pension to more than one person—
  - (a) he must make a separate election in respect of each, and
  - (b) the limit under paragraph (3) applies to the aggregate amount allocated.
- (5) If the member is entitled to a guaranteed minimum pension, the member may not elect to allocate more than the amount by which the member's annual pension (before commutation under rule D.8) exceeds that guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the Scheme actuary.
- (6) If—
  - (a) an election does not comply with paragraph (3) or (5), or
  - (b) taken together the member's elections do not so comply,

the Scheme administrator may treat the election or, as the case may be, each of the elections, as allocating such smaller amount as would result in the election, or the elections taken together, so complying.

## D.13 Procedure for election under rule D.12

- (1) An election under rule D.12 must be made no later than the date advised to the member by the Scheme administrator ("the closing date").
- (2) A member may at any time before the closing date—
  - (a) revoke an election, or
  - (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 that date, or
  - (b) it is in favour of a person who dies before that date, or
  - (c) the Minister is not satisfied that at the time when the election is made that person is the member's spouse or a person who in the opinion of the Minister meets one of the conditions specified in paragraph (6).
- (6) They are—
  - (a) that the person is financially wholly or mainly dependent on the member, or
  - (b) that the member and the person are financially interdependent,
- (7) An election has no effect unless—
  - (a) before the closing date the member has made a declaration about the state of his health in such form and, if required, has provided such evidence relating to his health, as the Scheme medical adviser has requested, and
  - (b) the Scheme medical adviser is satisfied that at the date on which the member makes the declaration the member is in good health.

#### **D.14 Effect of allocation**

- (1) Where an election under rule D.12 for the allocation of a member's pension to another person ("the beneficiary") has taken effect—
  - (a) the member's pension is reduced accordingly (even if the beneficiary predeceases the member), and
  - (b) if the beneficiary survives the member, on the member's death the beneficiary becomes entitled to the payment of a pension for life of such amount as the Minister may determine, after consultation with the Scheme actuary, having regard—
    - (i) to the amount of the allocation to the beneficiary, and
    - (ii) to the beneficiary's age and sex.

This paragraph is subject to paragraph (2A).

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

## Contracting-out obligations (GMPs etc)

### D.15 Guaranteed minimum pensions etc

- (1) Paragraphs (2) to (5) apply where a member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to benefits under this Section of the Scheme.
- (2) If apart from this rule—
  - (a) no pension would be payable to the member under this Section of the Scheme, or
  - (b) the weekly rate of the pension payable would be less than the guaranteed minimum, a pension, the weekly rate of which is equal to the guaranteed minimum, is payable to the member for life from the date on which the member reaches state pension age.
- (3) If—
  - (a) when the member reaches state pension age he is still in employment (whether or not it is scheme employment), and
  - (b) if it is not scheme employment, he consents to a postponement of his entitlement under paragraph (2),

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

but a person falling within paragraph (6) is not to be regarded as a pensioner for the purposes of Part E (death benefits).
- (8) This rule does not apply if—
  - (a) the pension is forfeited—
    - (a) as a result of a conviction for treason, or

- (b) in a case where rule J.2(1)(a) (Official Secrets Acts offences) applies, or
- (b) the pension is commuted under rule D.9 (option for members in serious ill-health to exchange whole pension for lump sum) or the pension is commuted under rule J.5 (commutation of small pensions) and the conditions in regulation 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 are met,

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

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

## Part E

### Death Benefits

#### Pensions for adult dependants

##### E.1 Surviving spouses' pensions

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

##### E.1A Civil Partnership

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

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

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

##### E.1B Marriage of a same sex couple

- (1) In this Section of the Scheme —
  - (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 of the Scheme.
- (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 of the Scheme.
- (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.

### **E.1C Continuation of marriage where scheme member acquires new legal gender**

- (1) Where—
  - (a) a deceased member of this Section of the Scheme was a woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004, and
  - (b) at the time of the deceased member's death, she was married to a woman and that marriage subsisted before the time when the certificate was issued,the member's widow is to be treated for the purposes of this Section of the Scheme as if the certificate had not been issued.
- (2) Where—
  - (a) a deceased member of this Section of the Scheme was a man by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004, and
  - (b) at the time of the deceased member's death, he was married to a man and that marriage subsisted before the time when the certificate was issued,the member's widower is to be treated for the purposes of this Section of the Scheme as if the certificate had not been issued.

### **E.2 Other adult dependants' pensions**

- (1) If an active member, a deferred member or a pensioner member dies leaving a surviving adult dependant and no surviving spouse, the Minister may award the surviving adult dependant a pension for life.
- (2) Paragraph (1) does not apply if the member is an active member who would not have qualified for a pension under rule D.1(3) if his service had ceased on the date of death otherwise than by reason of death.
- (3) A person is a surviving adult dependant in relation to a member for the purposes of this rule if—
  - (a) the person and the member jointly made and signed a declaration in a form prescribed by the Minister, and

- (b) the person satisfies the Minister that at the time of the member's death—
  - (i) the person and the member were cohabiting as partners in an exclusive, committed long-term relationship,
  - (ii) the person and the member were not prevented from marrying (or would not have been so prevented apart from both being of the same sex), and
  - (iii) either the person was financially dependent on the member or they were financially interdependent.
- (4) A declaration for the purposes of paragraph (3) may be cancelled by the member or other party at any time by a signed revocation in such form as the Minister may prescribe or is willing to accept.

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

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

This is subject to paragraph (2) and rule L.24 (reserved joiners).
- (2) If—
  - (a) immediately before the deceased member's death he was entitled to exercise the option under rule G.3, or G.4 (aggregation of service), and
  - (b) the person to whom the pension is payable under rule E.1 or E.2 requests that this paragraph should apply,these rules apply as if the member had exercised that option before his death (and accordingly no amount is payable under rule E.5(1)).
- (3) A request under paragraph (2)(b) may only be made by giving notice in writing to the Scheme administrator not later than 6 months after the date of the member's death in such form as the Minister requires.

### **E.4 Meaning of “the member's assumed pension”**

- (1) In this Part, “the member's assumed pension”, in relation to a deceased active member, means the annual pension to which the member would have been entitled under rule D.1(4) on the assumption that—
  - (a) the member's basic reckonable service was the lowest of the periods specified in paragraph (2),
  - (b) the member's pension had become payable on the date of death, and
  - (c) rule D.3(4) did not require any actuarial reduction to be made.This is subject to paragraph (1A).
- (1A) In this Part, “the member's assumed pension”, in relation to a deceased active member who was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, means the annual full retirement pension to which the member would have been entitled under rules D.1(4) and (4A) on the assumptions specified in paragraphs (1)(b) and (c).
- (2) The periods referred to in paragraph (1)(a) are—
  - (a) the member's basic reckonable service multiplied by 2,
  - (b) the sum of the member's basic reckonable service and 10 years, and

- (c) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the date of death until reaching pension age.
- (3) In the case of a member eligible to be an active member because of rule B.1(2)(c) (fixed term appointments etc), the reference in paragraph (2)(c) to “reaching pension age” is to be taken as a reference to the end of the fixed term.
- (4) In the case of a member whose death is immediately preceded by a period of non-reckonable service it shall be assumed for the purposes of paragraph (2)(c) that his reckonable service continued from his last day of reckonable service.

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

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

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

- (1) In the case of a pensioner member, the annual amount of a pension payable under—
  - (a) rule E.1 (surviving spouses' pensions), or
  - (b) rule E.2 (other adult dependants' pensions), depends on whether at the date of death the member was entitled to an ill-health pension as a member within rule D.4(3)(a) (member incapable of gainful employment).
- (2) If the member was so entitled, the annual amount of the pension payable under rule E.1 or E.2 is equal to the pension that would have been payable under rule E.3 if the member had died at the beginning of the last day of his reckonable service.
- (3) Otherwise, the annual amount of the pension payable under rule E.1 or E.2 is equal—
  - (a) in a case where the member's pension was commuted under rule D.8 (general option to exchange part of pension for lump sum), to 37.5% of the annual pension to which the member would have been entitled at the date of death if it had not been so commuted, and
  - (b) otherwise, to 37.5% of the annual pension to which the member was entitled at that date.
- (4) For reserved joiners see rule L.26.

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

- (1) Where on the death of a member a pension is payable under rule E.1 or E.2 to a person (“the beneficiary”) who is more than 12 years younger than the member, the amount of the

pension calculated in accordance with rule E.3, E.5 or E.6 is reduced by the appropriate amount.

- (2) That amount is the lesser of—
  - (a) 50% of the pension so calculated, or
  - (b) the pension so calculated x 2.5% x N,where N is the number of whole years or part years in excess of 12 by which the beneficiary is younger than the member.
- (3) For unreserved and reserved joiners see rules K.14 and L.27.

## **Pensions for eligible children**

### **E.8 Surviving children's pensions**

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

### **E.9 Meaning of “eligible child”**

- (1) In these rules “eligible child”, in relation to a deceased member, means—
  - (a) a natural or adopted child of the member who meets any of conditions A to C, or
  - (b) any other child or young person who—
    - (i) meets any of those conditions, and
    - (ii) was financially dependent on the member at the date of death.
- (2) Condition A is that the person is aged less than 18.
- (3) Condition B is that the person is in full-time education or vocational training and is aged under the relevant age as defined in paragraph (4A).
- (4) Condition C is that the person is unable to engage in gainful employment because of physical or mental disability and is aged under the relevant age as defined in paragraph (4A). This is subject to paragraph (4B).
- (4A) For the purposes of paragraphs (3) and (4) the relevant age is—
  - (a) in the case of a member who dies before 6th April 2006, 26;
  - (b) in the case where the member's pension is in payment on 5th April 2006 and the person is born before 6th April 2007, 26;
  - (c) in a case not falling under (a) or (b), 23, unless at the date of the member's death the person is dependent on the member because of physical or mental impairment, in which case the relevant age is 26.
- (4B) A person will continue to meet condition C, regardless of his age if—
  - (a) the member dies after 5th April 2006;
  - (b) the person is at the date of the member's death dependent on the member because of physical or mental impairment;

- (c) the person is unable to engage in gainful employment because of physical or mental impairment, and that impairment is, in the opinion of the Scheme medical adviser, likely to be permanent; and
  - (d) the person does not have a spouse or civil partner.
- (5) A person who is aged under 19 on the date when he ceases to be in full-time education is treated as being in such education until the first of the following dates after he so ceases—
- (a) the second Monday in January,
  - (b) the second Monday after Easter Monday,
  - (c) the second Monday in September,
  - (d) his 19th birthday,
  - (e) the date on which he becomes engaged full-time in gainful employment.
- (6) A person who at the date of a member's death is aged under 25 and taking a break from full-time education or vocational training not exceeding one academic year is assumed to be continuing in such education or training during the break for the purpose of determining—
- (a) whether the person is an eligible child at that date, and
  - (b) how many pensions are payable under rule E.8(1) immediately after that date.
- (7) But nothing in paragraph (6) requires a pension to be paid in respect of such a person during the break.

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

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

This is subject to paragraph (2A).

- (2A) In the case of an active member who was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, paragraph (2)(b) does not apply.
- (3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (4) In this rule—
  - “the appropriate percentage” means—
    - (a) in a case where a pension is payable under rule E.1 or E.2, 30%, and
    - (b) in a case where no such pension is payable, 50%.
  - “the assumed period” means—
    - (i) 10 years, or

- (ii) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the date of death until reaching pension age,  
whichever is the lower.
- (4A) In the case of a member whose death is immediately preceded by a period of non-reckonable service it shall be assumed for the purposes of paragraph (4)(ii) that his reckonable service continued from his last day of reckonable service.
- (5) If—
  - (a) immediately before the deceased member's death he was entitled to exercise the option under rule G.3 or G.4 (aggregation of service),
  - (b) no pension is payable under rule E.1 or E.2, and
  - (c) the cost condition is met (see paragraph (6)),these rules apply as if the member had exercised that option before his death.
- (6) The cost condition is that in the opinion of the Minister, after consultation with the Scheme actuary, the total cost of providing benefits in respect of the member under the Scheme would have been greater if he had exercised that option than if he had not (apart from paragraph (5)).
- (7) In forming an opinion for the purposes of paragraph (6), the Minister must—
  - (a) assume that in the case of each child in respect of whom a pension is payable under rule E.8(1) of this Section or Section 4, Part 3 of the 1972 Section, the pension will be payable for the period of 5 years or, if longer, until the child reaches 18, and
  - (b) disregard the effect of the Pensions (Increase) Act 1971 in respect of any period after the date of death.
- (8) For reserved joiners see rule L.29.

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

- (1) This rule applies for determining in the case of a deferred member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).
- (2) Where one or two pensions are payable under that rule immediately after the date of the member's death, the annual amount of each pension is equal to the appropriate percentage of—
  - (a) the annual pension to which the member would have been entitled on the assumptions specified in rule E.4(1)(b) and (c), or
  - (b) the annual pension to which he would have been entitled if his basic reckonable service were service for the assumed period,whichever is the greater.  
This is subject to paragraph (2A).
- (2A) In the case of a deferred member who was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, paragraph (2)(b) does not apply.
- (3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (4) In this rule—  
“the appropriate percentage” has the same meaning as in rule E.10(4),

“the assumed period” means—

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

whichever is the lower, and

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

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

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

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

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

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

## **E.13 Children born after the member's death**

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

## **Lump sum death benefits**

### **E.14 Death of a member: lump sum benefit**

- (1) If a member dies, the Minister may pay the lump sum calculated in accordance with rule E.15, E.16, E.17, E.18 or E.19, as the case may be, to—
  - (a) the person or persons nominated by the member in accordance with rule E.20 and/or
  - (b) the member's personal representatives.

- (1A) If rule E.17A applies the Minister may not pay a lump sum to any person or persons referred to in paragraph (1)(a) and (b) but may pay a pension calculated in accordance with rule E.17A.
- (2) If the Minister decides to pay all or part of the lump sum or the pension to persons so nominated and more than one individual has been so nominated, the payment is to be made to them in such proportions as he considers appropriate.
- (2A) If the Minister decides to pay the lump sum or the pension to the person or persons so nominated and to the personal representatives, the payment is to be made to the relevant parties in such proportions as he considers appropriate.
- (3) This rule does not apply if—
  - (a) the member is—
    - (i) a pensioner member, or
    - (ii) a pension credit member who dies after any benefits attributable to his pension credit have become payable, and
  - (b) the death takes place more than five years after the member's pension becomes payable.
- (4) A lump sum that is calculated in accordance with rule E.17 and is paid under this rule shall for the purposes of the Finance Act 2004 be treated as a defined benefit lump sum death benefit, unless paragraph (5) applies.
- (5) A lump sum that is calculated in accordance with rule E.17 and, subject to paragraphs (6) and (7), is paid under this rule shall for the purposes of the Finance Act 2004 be treated as a pension protection lump sum death benefit if—
  - (a) the member has specified in writing to the Scheme administrator that any such lump sum is to be treated as a pension protection lump sum death benefit; or
  - (b) paragraph 36 of Schedule 36 to the Finance Act 2004 applies to the member in relation to this rule (where the member has an actual right to a pension on 5th April 2006).
- (6) Paragraph (7) applies if the person who is the scheme administrator for the purposes of section 206 of the Finance Act 2004 (“the administrator”) is liable for tax under that section in respect of a pension protection lump sum death benefit.
- (7) The administrator may deduct from the lump sum paid under this rule the tax payable in respect of it.

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

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

This is subject to paragraphs (3) to (6A).
- (2) For the purposes of paragraph (1), the final pensionable earnings of a member employed parttime during any period are calculated by reference to the member's actual rate of pensionable earnings during that period (and not in accordance with rule A.4(3)).
- (3) If—
  - (a) the member was both an active member and a deferred member, and
  - (b) the amount payable under rule E.16 is greater than the amount payable under paragraph (1),the amount payable under rule E.16 is payable instead.

- (4) If the member was both an active member and a pensioner member, the amount payable under rule E.17 is payable instead of the amount under paragraph (1) (see E.17(3) and (3A)).
- (5) If the member was both an active member of this Section and a pensioner member of the 1972 Section (or would have been apart from any abatement), paragraph (4) and rule E.17 apply as if he were a pensioner member of this Section (and accordingly the amount payable by virtue of rule E.17(3) is payable instead of the amount under paragraph (1)).
- (6) If a lump sum is payable in respect of the member under rule 3.16 of the 1972 Section (preserved benefits), the amount specified in paragraph (1) is only payable if and to the extent that it exceeds the aggregate amount of any lump sum payments made in respect of him under rule 3.16 of the 1972 Section.
- (6A) If a lump sum is payable in respect of a member under rule 3.16 of the 1972 Section (preserved benefits) and under rule E.16 (amount of lump sum benefit under rule E.14: deferred members), the amount specified in paragraph (1) is only payable if and to the extent that it exceeds the aggregate amount of any lump sum payments made in respect of him under rule 3.16 of the 1972 Section and rule E.16.
- (7) For the meaning of “final pensionable earnings” in this rule, see rule A.4(2).

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

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

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

where—

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

- (a) the member's pension, (including the amount of any member's contributed pension to which the member would have been entitled under Part C1, had become payable on the date of death, and
- (b) rule D.3(4) did not require any actuarial reduction to be made, and

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

But this is subject to paragraph (2).

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

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

- (1) In the case of a pensioner member, the amount of the lump sum payable under rule E.14 (death of a member: lump sum benefit) is equal to the amount of the pension that would have been payable to the member (including any member's contributed pension that would have been payable under Part C1) during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death.
- (2) Any increases in the pension which might have become payable after the date of death are disregarded for the purposes of paragraph (1).
- (3) If the member was both a pensioner member and an active member, but was not entitled to a pension under rule D.1A (partial retirement), the amount payable under paragraph (1) is increased by—
  - (a) an amount equal to the maximum lump sum that would have been payable to the member under rule D.8 (general option to exchange part of pension for lump sum) in respect of the service current at the date of his death if he had retired on that date, and
  - (b) an amount equal to five times the annual pension to which the member would have been entitled in respect of that service if—
    - (i) he had so retired, and
    - (ii) that maximum lump sum had been paid by way of commutation.
- (3A) If the member was both a pensioner member and an active member as a result of being entitled to a pension under rule D.1A (partial retirement), the amount payable under paragraph (1) will be increased to the greater of—
  - (a) an amount obtained by calculating—
    - (i) the amount of partial retirement pension that would have been payable to the member under rule D.1A during so much of the period of five years beginning with the date on which the partial retirement pension became payable as falls after the date of death (disregarding any increases in the pension which might have become payable after the date of death), plus
    - (ii) the amount of full retirement pension that would have been payable to the member for a period of five years beginning with the date of death if the member had taken full retirement at the date of death (including any contributed pension that would have been payable under Part C1 but disregarding any early payment reduction and any increases in the pension which might have become payable after the date of death); and
  - (b) an amount obtained by calculating—
    - (i) the member's final pensionable earnings (as defined in rule A.4(2) and, in the case of a member employed part-time during any period, as if rule E.15(2) applies), multiplied by three, less
    - (ii) any lump sum paid to the member under rule D.8 (general option to exchange part of pension for lump sum) in respect of any pension to which the member was entitled under rule D.1A (partial retirement).
- (4) For reserved joiners, see rule L.33(2) and (3A).
- (5) This rule is subject to rule E.17A.

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

- (1) This rule applies in the case of a person who—

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

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

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

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

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

### **E.20 Nominations for lump sum death benefits**

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

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

## General provisions

### E.21 Pension debit members

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

of the annual pension referred to in rule E.11(2)(a) and (b)), and is then subject to any reduction required under section 31.

- (5) If the member was a pensioner member—
  - (a) the amount of the pension payable under rule E.1 or E.2 is calculated by reference to the amount of the pension to which the member was entitled (after the reduction under section 31), and
  - (b) the amount payable under rule E.8(1) by virtue of rule E.12—
    - (i) is first calculated as if the member were not a pension debit member (in particular, in determining the amount of the annual pension referred to in rule E.12(2)(a) and (b) to which the member would have been or was entitled), and
    - (ii) is then subject to any reduction required under section 31.

## **E.22 Dependants' pensions: suspension and recovery**

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

## **E.23 Recovery of lump sum payments made to nominees**

- (1) Where—
  - (a) payment is made to a person under rule E.14 (death of a member: lump sum benefit) because of the person's nomination by a member, and
  - (b) the person's nomination is subsequently found to be invalid under rule E.20(5) or (6), the Minister may recover the payment.
- (2) Paragraph (1) does not affect the Minister's right to recover a payment or overpayment in any case where he considers it appropriate to do so.

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

- (1) This rule applies where after the death of an active member, a deferred member or a pensioner member—
  - (a) a pension is paid in respect of one or more persons under this Part on the basis that they were eligible children at the date of the member's death or that there were then no other eligible children, and
  - (b) subsequently it appears—
    - (i) that a person in respect of whom such a pension has been paid was not then an eligible child, or
    - (ii) that a further person was then an eligible child, or

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

## **E.25 Payments under this Part**

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

## **E.26 Dual capacity membership**

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

- (6) But that general rule is subject to—
  - (a) rule E.15(5) (amount of lump sum where the member was both an active member of this Section and a pensioner member of the 1972 Section), and
  - (b) rule E.15(6) (amount of lump sum where the member was both an active member of this Section of the Scheme and a deferred member of the 1972 Section).

### **E.27 Guaranteed minimum pensions for surviving spouses**

- (1) This rule applies where the surviving spouse of an active, deferred or pensioner member has a guaranteed minimum under section 17 of the Pension Schemes Act 1993 in relation to benefits in respect of the deceased member under this Section of the Scheme.
- (2) If apart from this rule—
  - (a) no pension would be payable to the surviving spouse under this Part, or
  - (b) the weekly rate of the pension payable would be less than the guaranteed minimum,

a pension the weekly rate of which is equal to the guaranteed minimum is payable to the surviving spouse for life.
- (3) Paragraph (2) does not apply if the pension is forfeited—
  - (a) as a result of a conviction for treason, or
  - (b) in a case where rule J.2(1)(a) (Official Secrets Acts offences) applies.

**E.28** This rule has been deleted.

### **E.29 Adjustment to benefits**

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

# Part F

## Transfers

### Transfers out

#### F.1 Right to transfer value payment

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

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

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

#### F.2 Applications for statements of entitlement

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

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

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

### **F.3 Applications for transfer value payments**

- (1) A member who has applied for and received a statement of entitlement under rule F.2 may apply in writing to the Scheme administrator for a transfer value payment to be made.
- (2) On making such an application a member becomes entitled to a payment of an amount equal, or amounts equal in aggregate, to the amount specified in the statement of entitlement (or such other amount as may be payable by virtue of paragraph (10)).  
In this Part such a payment is referred to as “the guaranteed cash equivalent transfer value payment”.
- (3) An application under paragraph (1) must be made before the end of the period of three months beginning with the guarantee date, and the payment must be made no later than—
  - (a) six months after that date, or
  - (b) if it is earlier, the date on which the member reaches normal pension age.
- (4) The application must specify the pension scheme or other arrangement to which the payment or payments should be applied.
- (5) The application must meet such other conditions as the Minister may require.
- (6) An application for a transfer value payment to be made under the public sector transfer arrangements may only be made—
  - (a) before the first anniversary of the day on which the member becomes eligible to be an active member of the scheme to which the transfer is to be made, and
  - (b) before the member reaches pension age.
- (7) This paragraph applies if a former active member does not have a right to a deferred pension under rule D.1 because he does not fall within rule D.1(3). In such a case the application may only be made on or before the date that is three months after the date on which the Scheme administrator gives the person written notice of his options in accordance with section 101AC of the Pension Schemes Act 1993 or before such later date as the Minister may allow.

- (8) The Minister may direct that any time limit applying to an application under paragraph (1) should be extended if he considers it reasonable to do so in the circumstances.
- (9) An application under this rule may be withdrawn by notice in writing, unless an agreement for the application of the whole or part of the guaranteed cash equivalent transfer value payment has been entered into with a third party before the notice is given.
- (10) If the payment is made later than six months after the guarantee date, the amount of the payment to which the member is entitled must be increased by—
  - (a) the amount by which the amount specified in the statement of entitlement falls short of the amount it would have been if the guarantee date had been the date on which the payment is made, or
  - (b) if it is greater and there was no reasonable excuse for the delay in payment, interest on the amount specified in the statement of entitlement, calculated on a daily basis over the period from the guarantee date to the date when the payment is made at an annual rate of one per cent. above base rate.

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

- (1) A member who is entitled to a guaranteed cash equivalent transfer value payment under Chapter IV of Part IV of the Pension Schemes Act 1993 may only require the Minister to apply the guaranteed cash equivalent transfer value payment in one or more of the ways permitted under section 95 of that Act.
- (2) A member who is not entitled to a guaranteed cash equivalent transfer value payment under Chapter IV of Part IV of the Pension Schemes Act 1993 may only require the Minister to apply the guaranteed cash equivalent transfer value payment in one of the ways permitted under section 95 of that Act.
- (3) The whole of the guaranteed cash equivalent transfer value payment must be applied, unless paragraph (4) applies.
- (4) The benefits attributable to—
  - (a) the member's accrued rights to a guaranteed minimum pension, or
  - (b) the member's accrued rights attributable to service in contracted-out employment on or after 6 April 1997,may be excluded from the guaranteed cash equivalent transfer value payment if section 96(2) of the Pension Schemes Act 1993 applies (trustees or managers of certain receiving schemes or arrangements able and willing to accept a transfer payment only in respect of the member's other rights).
- (5) A transfer payment may only be made to—
  - (a) a pension scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004, or
  - (b) an arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the Finance Act 2004 (see section 169(2) of that Act).

#### **F.5 Calculating amounts of transfer value payments**

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

This is subject to paragraph (3).

- (2) In preparing those tables the Minister, after consultation with the Scheme actuary must use such factors as he considers appropriate, having regard to section 97 of the Pension

Schemes Act 1993 and regulations made under that Act (whether or not the payment is in respect of a person entitled to a guaranteed cash equivalent transfer value payment under that Act).

- (3) If the amount calculated in accordance with paragraph (1) is less than the minimum transfer value, the amount of the guaranteed cash equivalent transfer value payment is to be equal to that value instead.
- (4) In paragraph (3) “the minimum transfer value”, in relation to any person, means the sum of—
  - (a) any transfer value payments that have been made to the Scheme in respect of him,
  - (b) any contributions paid by him under Part C or Part C1, and (c) in the case of an unreserved joiner or a reserved joiner—
    - (i) any contributions paid by him under the 1972 Section, and
    - (ii) any payments made before 1st October 2002 for the purchase of added years under the 1972 Section,

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

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

## **F.6 Effect of transfers-out**

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

## **Transfers in**

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

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

member is entitled under that Scheme is insufficient for the purchase of an annuity for the member.

- (5) Paragraph (1) does not apply if the member is on unpaid leave that does not count as reckonable service.

## **F.8 Procedure for applications under rule F.7**

- (1) An application under rule F.7—
- (a) must be made in writing,
  - (b) must specify the scheme or arrangement from which the transfer value payment is to be made and the anticipated amount of the payment,
  - (c) must be made in the case of a transfer value payment from an arrangement that is not an occupational pension scheme, during the period of one year beginning with the day on which the member becomes eligible to be an active member, and
  - (d) must meet such other conditions as the Minister may require.
- But paragraph (c) is subject to paragraphs (2) and (3).
- (2) In the case of a transfer value payment to be made under the public sector transfer arrangements, the application under rule F.7—
- (a) must be made during the period of one year beginning with the day on which the member becomes eligible to be an active member, and
  - (b) must be received by the Scheme administrator before the applicant reaches the age which is the normal pension age under the scheme by which the transfer value payment is to be made.
- (3) In the case of a transfer value payment to be made by virtue of rule F.7(4) (Civil Service Additional Voluntary Contribution Scheme), an application must be made within the period of three months ending with the day on which the member is first entitled to receive benefits under Part D (or would be apart from any abatement under Part H).
- (4) The Minister may direct that an application under rule F.7 is to be treated for the purposes of this Part as having been made earlier than it was if he considers it reasonable to do so in the circumstances.
- (5) The Minister may direct that the time limit in paragraph (3) should be extended if he considers it reasonable to do so in the circumstances.

## **F.9 Acceptance of transfer value payments**

- (1) Where an application is duly made by a member under rule F.7, the Scheme administrator may accept the transfer value payment if such conditions as the Minister may require are met, unless paragraph (4) applies.
- (2) If the Scheme administrator accepts the payment, the member is entitled to count the appropriate period of reckonable service for the purposes of this Section of the Scheme.
- (3) In paragraph (2) “the appropriate period” means the period calculated in accordance with rule F.10.
- (4) The Scheme administrator may not accept a transfer value payment if—
  - (a) it would be paid otherwise than under the public sector transfer arrangements,
  - (b) it would be applied in whole or in part in respect of the member's or the member's spouse's entitlement to a guaranteed minimum pension, and

- (c) it is less than the amount required for that purpose, as calculated in accordance with guidance and tables determined by the Minister for the purposes of this paragraph, after consultation with the Scheme actuary.

## **F.10 Calculation of transferred-in reckonable service**

- (1) The period of reckonable service that a member is entitled to count under rule F.9(2) is calculated as at the date on which the transfer payment is received by the Scheme and in accordance with guidance and tables determined by the Minister for the purpose, after consultation with the Scheme actuary.  
This is subject to paragraph (3).
- (2) For the purposes of that calculation the member's pensionable earnings are to be taken to be the amount of those earnings as at—
  - (a) two months after the application under rule F.7 is received, or
  - (b) the date on which the transfer value payment is received,whichever is the later, and, in a case where the transfer value payment is received earlier than two months after that application is received, any necessary adjustment is to be made to that calculation to reflect any change in the amount of those earnings.
- (3) If the transfer value payment is accepted under the public sector transfer arrangements, the period the member is entitled to count is calculated—
  - (a) in accordance with those arrangements, and
  - (b) by reference to the guidance and tables provided by the Government Actuary for the purposes of this paragraph, that are in use on the date that is used by the transferring scheme for calculating the transfer value payment.

## **Miscellaneous provisions**

### **F.11 Public sector transfer arrangements**

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

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

### **F.12 Bulk transfers out**

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

- (2) This rule also applies where—
  - (a) the rights of one or more members (“the transferred members”) are transferred to another occupational pension scheme (“the new scheme”) from this Section of the Scheme without their consent in accordance with section 73(2)(a)(i) and (4)(b) of the Pension Schemes Act 1993, and
  - (b) the Minister has agreed special terms for the making of transfer value payments in respect of the transferred members to the new scheme, after consultation with the Scheme actuary.
- (3) In the case of the transferring members or the transferred members the transfer value payment to be paid—
  - (a) is not calculated in accordance with rule F.5, but
  - (b) is to be such amount as the Minister determines to be appropriate in accordance with the special terms after consulting the Scheme actuary.
- (4) This Part has effect with such modifications as are necessary to give effect to those terms.
- (5) If a Minister of the Crown gives an undertaking concerning the pension rights of transferring members or the transferred members, this Part has effect with such modifications as the Minister considers necessary to reflect the terms of the undertaking.
- (6) If the transfer is directly or indirectly attributable to an enactment, this Part has effect with such modifications as the Minister considers necessary in consequence of the transfer.

### **F.13 Bulk transfers in**

- (1) This rule applies where—
  - (a) the employment of one or more persons (“the transferred employees”) is transferred without their consent to a new employer,
  - (b) on that transfer the transferred employees cease to be active members of an occupational pension scheme (“the former employer's scheme”),
  - (c) after that transfer the transferred employees become active members of this Section of the Scheme,
  - (d) the Minister has agreed special terms for the acceptance of transfer value payments in respect of the transferred employees from the former employer's scheme, after consulting the Scheme actuary, and
  - (e) the transferred employees have consented in writing to their rights being transferred in accordance with those terms.
- (2) This rule also applies where—
  - (a) the rights of one or more persons (“the transferred members”) are transferred from an occupational pension scheme (“the former scheme”) to this Section of the Scheme without their consent in accordance with section 73(2)(a)(i) and (4)(b) of the Pension Schemes Act 1993, and
  - (b) the Minister has agreed special terms for the acceptance of transfer value payments in respect of the transferred members from the former scheme, after consultation with the Scheme actuary.
- (3) This Section of the Scheme has effect with such modifications as are necessary to give effect to the terms mentioned in paragraph (1)(e) or, as the case may be paragraph (2)(b).
- (4) If a Minister of the Crown gives an undertaking concerning the pension rights of the transferred employees or the transferred members, this Section of the Scheme has effect with such modifications as the Minister considers necessary to reflect the terms of the undertaking.

- (5) If the transfer is directly or indirectly attributable to an enactment, this Section of the Scheme has effect with such modifications as the Minister considers necessary in consequence of the transfer.

### **F.13A Transfers in of former members who do not become active members of this Section**

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

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

### **F.14 EU and overseas transfers**

- (1) This rule applies in the case of a member whose transfer is subject to transfer arrangements concluded with—
  - (a) the Communities Pension Scheme of the Institutions of the European Communities, or
  - (b) any other scheme for the provision of retirement benefits established outside the United Kingdom.
- (2) This Section of the Scheme applies in relation to the member with such modifications as the Minister considers necessary to comply with
  - (a) the terms of those arrangements,
  - (b) any applicable provision contained in or made under any enactment, and
  - (c) the requirements to be met by a scheme registered under Chapter 2 of Part 4 of the Finance Act 2004.

# Part G

## Re-employment

### Preliminary

#### G.1 Application of Part G: general

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

### Treatment of separate periods of service: aggregation

#### G.2 General rule: periods of service treated separately

- (1) The general rule is that—
  - (a) the reckonable service and qualifying service that a re-employed active member was entitled to count immediately before becoming an active member in the current employment is disregarded in determining rights in respect of his service in that employment, and
  - (b) the reckonable service and qualifying service that a re-employed active member is entitled to count as a result of his membership in the current employment is disregarded in determining rights in respect of his service in the earlier employment.

- (2) That general rule is subject to the following provisions of this Part (and see also rule A.11 (disregard of short breaks in service)).

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

- (1) Subject to paragraph (6), this rule applies in the case of a re-employed active member who immediately before becoming an active member in the current employment was entitled under these rules to count reckonable service and qualifying service.
- (2) The member may opt for that service—
  - (a) to be aggregated with the reckonable service and qualifying service that he is entitled to count as a result of his membership of this Section in the current employment for the purpose of determining rights under this Section in respect of that membership, and
  - (b) to be disregarded for all other purposes of the Scheme.This is subject to the following paragraphs.
- (3) If the service mentioned in paragraph (1) is service in respect of two or more earlier periods of membership, the member may only exercise the option under paragraph (2) in relation to the service in respect of the later of those periods (or, if there are more than two, the latest of them).
- (4) But in paragraph (3) the reference to the later or latest of those periods includes—
  - (a) any period (“the earlier aggregated period”) in respect of which the member has previously exercised the option under paragraph (2) or rule G.4 or an option under rule K.7 or L.6 if he had the right to exercise that option because of his being a member in that later or latest period of service, and
  - (b) any period earlier than the earlier aggregated period in respect of which the member previously exercised such an option if he had the right to exercise that option because of his being a member in the earlier aggregated period,and so on.
- (5) If the re-employed active member was a reserved joiner in respect of his service in the earlier employment, the reckonable service and qualifying service he may count as a result of the exercise of the option under this rule is to be calculated in accordance with guidance and tables provided for the purpose by the Scheme Actuary.
- (6) A person to whom rule B.3(4) applies (eligibility where pension or lump sum previously received) may not exercise the option in paragraph (2) in respect of the previous employment referred to in that rule.

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

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

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

- (3) If the member is entitled to more than one preserved pension under rule 3.11 of the 1972 Section, the member may only exercise the option under paragraph (2) in relation to the service to which the later (or, if there are more than two, the latest) of the awards relates.
- (4) Where a person exercises the option under paragraph (2), the reckonable service and qualifying service he may count as a result of the exercise of the option is to be calculated in accordance with guidance and tables provided for the purpose by the Scheme Actuary.
- (5) If—
  - (a) the award under the 1972 Section of a member who exercises an option under this rule is subject to a pension debit, and
  - (b) in the opinion of the Scheme administrator it is necessary for the purpose of giving effect to the pension debit for some or all of the benefits to which the pension member is entitled under this Section of the Scheme as a result of exercising the option to be taken in a different form from that in which he would otherwise be entitled to take them,the Scheme administrator may, after taking advice from the Scheme actuary, make such modifications to the member's rights as to the form of those benefits as he considers necessary for that purpose.
- (6) A person to whom rule B.3(4) applies (eligibility where pension or lump sum previously received) may not exercise the option in paragraph (2) in respect of the previous employment referred to in that rule.

## **G.5 Marriage gratuitants joining this Section for first time**

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

This is subject to paragraph (3).

- (3) A person may only exercise the option under paragraph (2) if she repays the amount of the marriage gratuity to the Minister in such manner as the Minister requires.
- (4) The reckonable service and qualifying service a person may count as a result of the exercise of the option is to be calculated in accordance with guidance and tables provided for the purpose by the Scheme actuary.

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

- (1) An option under rule G.3(2) or G.4(2) may only be exercised before the end of—
  - (a) the period of 12 months beginning with the day on which the current employment begins, or

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

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

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

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

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

### **G.9 Re-employed members with preserved pensions**

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

# Part H

## Abatement

### H.1 Application of Part H

- (1) This Part applies where a person who is a pensioner member or a deferred member of this Section of the Scheme is re-employed before his 75th birthday as a Civil Servant or in an employment or office of a kind listed for the time being in Schedule 1 to the Superannuation Act 1972 (whether or not he is an active member in that employment).
- (1A) An active member who becomes a pensioner member on becoming entitled to a pension under rule D.1A (partial retirement) in connection with exercising the option under that rule following a change in the terms on which the member holds an employment is treated for the purposes of this Part as a re-employed pensioner.
- (2) In this Part—
- (a) a person to whom this Part applies is referred to as a “re-employed pensioner”,
  - (b) the pension to which he is or will become entitled is referred to as the “old service pension”,
  - (bb) the “old service pension” includes—
    - (i) where paragraph (1A) applies, any contributed pension to which the member is entitled under rule D.1A, or
    - (ii) otherwise, any contributed pension to which the member is entitled under Part C1 in respect of which contributions were paid during the old service, and
  - (c) the service
    - (i) in the employment that has terminated, or
    - (ii) up to and including the relevant last day (as defined in rule D.1A(12)), and in respect of which the pension is or will be payable, is referred to as the “old service”, and
  - (d) the service
    - (i) that the person enters on re-employment, or
    - (ii) after the relevant last day (as defined in rule D.1A(12)),
 is referred to as the “new service”.
- (2A) In the case of a re-employed pensioner whose old service ends before 1st April 2007 and who has not exercised an option in accordance with paragraph (2B)(b), references in this Part to—
- (a) “the old rate” mean the amount of the annual rate of basic pay payable to the reemployed pensioner as at the last day of his old service; and
  - (b) “the new rate” mean the amount of the annual rate of the basic pay payable to him at the time he enters the new service.
- (2B) Paragraph (2C) applies to a re-employed pensioner—
- (a) whose old service ends after 31st March 2007; or
  - (b) (i) whose old service ends before 1st April 2007 and (ii) who has opted by notice in writing in such form and at such time as the Minister requires for paragraph (2C) to apply to him.

- (2C) In the case of a re-employed pensioner to whom this paragraph applies, references in this Part to—
- (a) “the old rate” mean his final pensionable earnings as at the last day of his old service as calculated for the purposes of rule E.15 (lump sum death benefit: active member), but without applying rule A.6 (permitted maximum); and
  - (b) “the new rate” mean the amount of the annual rate of his permanent pensionable earnings payable to him at the time he enters the new service.
- (3) This Part does not apply if the new service is —
- (a) for a period of less than 15 days in any 91 day period, or
  - (b) for periods totalling in aggregate less than 15 days in any 91 day period.
- (4) In the case of a person who is re-employed on a fee-paid basis, references in this Part to the annual rate of the basic pay or permanent pensionable earnings payable to him at the time he enters the new service include references to the fees payable to him, expressed as an annual rate.
- (5) This Part does not apply to a re-employed pensioner who has reached the age of 75.

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

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

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

- (1) This rule applies where after the re-employed pensioner enters the new service any of the following changes occurs—

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

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

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

#### **H.5 Minister's power to modify Part H**

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

#### **H.6 Adjustment of the old rate**

- (1) If the re-employed pensioner's new service does not begin immediately after the old service ceases, the old rate is taken to be the adjusted old rate.
- (2) In paragraph (1) "the adjusted old rate" means the old rate, increased by the same amount, if any, as a pension would have been increased under the Pensions (Increase) Act 1971 by the day on which the new service began if—
- (a) the amount payable was equal to the old rate,
  - (b) it came into payment on the day after the old service ceased, and
  - (c) it was eligible to be increased under that Act.

#### **H.7 General disregard of effect of abatement**

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



## Part J

# Miscellaneous and Supplementary Provisions

### Pension credit members with two or more pension credits

#### J.1 Pension credit members with two or more entitlements

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

### Forfeiture

#### J.2 Events enabling forfeiture

- (1) This paragraph applies to a member who is an active member, a deferred member or a pensioner member if he—
  - (a) is convicted of one or more offences under the Official Secrets Acts 1911 to 1989 for which the member has been sentenced on the same occasion—
    - (i) to a term of imprisonment of at least 10 years, or
    - (ii) to two or more consecutive terms amounting in the aggregate to at least 10 years,
  - (b) is convicted of an offence in connection with the employment that qualifies the member to belong to this Scheme, in respect of which a Minister of the Crown has issued a forfeiture certificate, or
  - (c) has after becoming a member of this Scheme incurred a monetary obligation to the Crown or, if the member is not employed by the Crown, to the member's employer which—
    - (i) arises out of a criminal, negligent or fraudulent act or omission by the member, and
    - (ii) arises out of or is connected with the member's employment relationship with the member's employer.
- (2) This paragraph applies to a person who is convicted of the murder or manslaughter of the member or any other offence which involves the unlawful killing of the member.

- (3) In paragraph (1)(b) “forfeiture certificate” means a certificate that the Minister issuing the certificate is satisfied that the offence—
  - (a) has been gravely injurious to the State, or
  - (b) is liable to lead to a serious loss of confidence in the public service.

### **J.3 Forfeiture of benefits**

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

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

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

This is subject to paragraph (4).

- (3) If the member has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to benefits under this Section of the Scheme, paragraph (1) only applies to so much of the member's pension as exceeds that guaranteed minimum, unless rule J.2(1)(a) (Official Secrets Acts offences) applies.
- (4) In the case of a pension payable to the surviving spouse of a member, paragraph (1) is subject to rule E.27 (guaranteed minimum pensions for surviving spouses).
- (5) Where rule J.2(1)(c) (monetary obligations) applies—
  - (a) if the amount of the obligation is in dispute, paragraph (1) only applies if the obligation has become enforceable—
    - (i) under an order of a competent court, or
    - (ii) in consequence of an award of an arbitrator. or, in Scotland, an arbiter to be appointed (failing agreement by the parties) by the sheriff,
  - (b) only benefits to which the member himself is entitled may be withheld, and
  - (c) the benefits withheld must not exceed the amount of the monetary obligation or, if less, the value of the person's entitlement or the accrued right in question (as determined under section 93(2) of the Pensions Act 1995).
- (6) This rule is without prejudice to section 2 of the Forfeiture Act 1870 (under which forfeiture is required in cases of treason, subject to whole or partial restoration under section 70(2) of the Criminal Justice Act 1948).

### **J.4 Procedure and appeals**

- (1) If the Minister proposes to withhold a person's benefits under rule J.3, he must notify the person in writing that he proposes to do so.
- (2) The person may appeal against the Minister's proposal to the Civil Service Appeal Board.
- (3) On such an appeal the Civil Service Appeal Board—
  - (a) may confirm or reject the Minister's proposal, or
  - (b) may amend it so as reduce the extent to which the benefits are withheld.
- (4) The Minister must comply with the Board's decision.

- (5) If the Minister withholds benefits under rule J.3 in a case where rule J.2(1)(c) (monetary obligations) applies, the member must be given a certificate showing any amount withheld and the effect of its being withheld on his benefits under this Section of the Scheme.

## Commutation of small pensions

### J.5 Commutation of small pensions

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

those pensions may only be commuted under this rule if they do not in aggregate exceed the amount that is permitted to be commuted under all the commutation requirements that apply in the circumstances in question.

- (4) The payment of a lump sum under this rule in respect of a pension discharges all liabilities under these rules in respect of that pension.
- (5) In this rule—

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

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

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

## Determination of questions

### J.6 Determination of questions

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

## Information, evidence, suspension etc

### J.7 Information and evidence

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

### J.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 the employer 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.

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

- (1) This rule applies where—
  - (a) an ill-health pension has been awarded to a member, or
  - (b) the Minister has accepted an application by the member for a transfer value payment from another scheme, and subsequently it appears to the Minister that the member made a false declaration about his health or deliberately suppressed a material fact.
- (2) The Minister may—
  - (a) cease paying the pension,
  - (b) withhold the whole or part of the pension, or (c) recover any payment made.

### **J.9 Administrator for purposes of tax legislation**

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

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

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

### **J.11 Reduction of benefits where lifetime allowance charge payable**

- (1) This rule applies if—
  - (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to a member,
  - (b) the member and the scheme administrator for the purposes of section 217 of the Finance Act 2004 (“the administrator”) are jointly and severally liable in relation to that event, and

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

### **J.12 Reduction of prospective benefits at member's request**

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

## Part J1

# 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

### J1.1 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.

### J1.2 Additional Protections for the scheme

- (1)
  - (a) If the final pensionable earnings, calculated in accordance with rule A.4(1), of a section 1(4A) eligible person who is an active member of this Section of the Scheme (“P”) 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.4(1) 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 earnings 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.

### **J1.3 Application of Rules**

- (1) A.11 has no application where a person (“P”) who is a section 1(4A) eligible person ceases to be employed in the employment that qualifies P to be an active member of the Scheme in that capacity unless after a period not exceeding 6 months P is employed in the civil service of the state or in an office or employment listed in Schedule 1 to the Superannuation Act 1972.
- (2) 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.
- (3) 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.
- (4) Where an employer of a section 1(4A) eligible person proposes to make an additional contribution under C1.5 (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.
- (5) 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.
- (6) Part H (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 D.1A (partial retirement) in connection with exercising the option under that rule following a change in the terms on which the member holds an employment; and such a person is treated for the purposes of Part H as a re-employed pensioner.

## Part K

### 1972 Section Leavers: Unreserved Joiners

#### Preliminary

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

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

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

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

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

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

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

#### Transfer of service from the 1972 Section

### K.3 Service credited from the 1972 Section

- (1) On becoming an unreserved joiner, a member becomes entitled to count the following service under this Section.
- (2) The member may count as qualifying service a period equal in length to the period of qualifying service which the member was entitled to count under the 1972 Section (but not exceeding 40 years).
- (3) The period of reckonable service which the member may count under this Section is calculated by multiplying the period of reckonable service in years (not exceeding 40 years) which the member is entitled to count under the 1972 Section by 0.92 or, in a case where paragraph (4) applies, the factor specified in that paragraph for that case.  
This is subject to paragraphs (5) and (6) and rule K.7 (treatment of preserved awards).
- (4) If the member has not paid contributions for all the reckonable service he may count under the 1972 Section so as to entitle a surviving spouse of the member to a surviving spouse's pension at half the rate of the member's retirement pension—
  - (a) for the period of reckonable service in years in respect of which the member paid such contributions so as to entitle a surviving spouse of the member to a surviving spouse's pension at a third of the rate of the member's pension—
    - (i) if the member is a man, the factor is 0.88, and
    - (ii) if the member is a woman, the factor is 0.91, and
  - (b) for the period of reckonable service in years in respect of which the member paid no contributions so as to entitle a surviving spouse of the member to a surviving spouse's pension—
    - (i) if the member is a man, the factor is 0.80, and
    - (ii) if the member is a woman, the factor is 0.89.
 This is subject to paragraphs (5) and (6) and rule K.7 (treatment of preserved awards).
- (5) If a reduction under rule 3.19 of the 1972 Section (modification on account of National Insurance benefits) would have applied if a pension had become payable in respect of the unreserved joiner under section 3 of that Section, then the reckonable service the member may count under this Section, as calculated under paragraphs (2) and (3), is reduced.
- (6) The amount of the reduction is—
 
$$A \times (B/C)$$
 where—
  - A is the amount of the annual reduction in pension that would have applied under rule 3.19 from the member's state pension age,
  - B is such factor as the Scheme actuary may advise by reference to the member's sex and to the member's age on 30th September 2002, and
  - C is the member's pensionable earnings at that date for the purposes of the 1972 Section.
- (7) When an unreserved joiner becomes a member of this Section under this Part all rights in respect of him under the 1972 Section by reference to qualifying or reckonable service that is taken into account in calculating the reckonable service or qualifying service he is entitled to count under this Section cease.

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

- (1) An unreserved joiner may apply to make contributions to reinstate a period of part-time service on or after 8th April 1976 and before 1st January 1995 which was formerly not pensionable and which forms part of a period of continuous employment ending no earlier than six months before the date on which the application is made.
- (2) The application is to be made by notice in writing to the Scheme administrator in such form as the Minister may prescribe or is willing to accept.
- (3) The amount of contributions payable is calculated as it would have been under rule 4.69 of the 1972 Section in respect of the reckonable service the unreserved joiner could have applied to reinstate under the 1972 Section.
- (4) If an unreserved joiner leaves service when he has paid some but not all the contributions due under paragraph (3), he may elect to pay the outstanding contributions due.
- (5) If an unreserved joiner dies when he has paid some but not all of the contributions due under paragraph (3), the outstanding contributions due are to be deducted from any lump sum death benefits payable or, if none are payable, his personal representatives may elect to make a single lump sum payment of the outstanding amount.
- (6) If the outstanding contributions referred to in paragraphs (4) and (5) are not made, the period of reckonable service the unreserved joiner may count under this rule is reduced.
- (7) The amount of the reduction is—  

$$A \times (B/C)$$
 where—  
 A is the period of reckonable service the unreserved joiner could have counted under paragraph (8),  
 B is the amount of the outstanding contributions, and  
 C is the amount of contributions payable under paragraph (3).
- (8) The period of reckonable service which an unreserved joiner may count under this rule is calculated by applying rule K.3(3) to the period of reinstated reckonable service in years which he would have been entitled to count under the 1972 Section.

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

- (1) For the purposes of rule K.3(3), the reckonable service of a member who—
  - (a) has bought added years under section 7 of the 1972 Section, or
  - (b) is buying them under a contract which is in force on 30th September 2002,
 is first calculated as if he were leaving the Scheme on that date before multiplying by the factor specified in rule K.3(3) or, in a case where paragraph (2) applies, the factor specified in that paragraph for that case.
- (2) Where, if the member had left the Scheme on that date, any period of added years bought by him would not entitle a surviving spouse of the member to a surviving spouse's pension, then for that period—
  - (a) if the member is a man, the factor is 0.80, and
  - (b) if the member is a woman, the factor is 0.89.

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

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

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

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

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

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

## **K.6 Treatment of added years: grants**

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

## **K.7 Treatment of preserved awards**

- (1) This rule applies where a member who is an unreserved joiner—

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

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

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

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

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

## **K.9 Transfers in: transitional provision**

- (1) This rule applies where—
  - (a) a member applied in writing for the 1972 Section to accept a transfer value payment in respect of him,
  - (b) the member is an unreserved joiner, and
  - (c) the transfer value payment is received on or after 1st October 2002.
- (2) If the transfer value payment is received before the expiry of the period of one year beginning with the date on which the member became an active member (or if he has become such a member more than once, the last such date), the period of reckonable service that the member is entitled to count for the purposes of this Section of the Scheme—
  - (a) is first calculated in accordance with the 1972 Section, and
  - (b) is then reduced in accordance with rule K.3 as if it were reckonable service that the member was entitled to count under the 1972 Section.
- (3) If the transfer value payment is not received as mentioned in paragraph (2), the period of reckonable service that the member is entitled to count for the purposes of this Section of

the Scheme is calculated in accordance with the rule F.10, but the date for the purposes of rule F.10(1) and rule F.10(2) is taken to be the date on which the payment is received.

- (4) The period that the member is entitled to count as a result of the transfer value payment is treated as reckonable service on or after 1st October 2002.

## **Miscellaneous provisions**

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

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

### **K.11 Repayment of certain contributions**

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

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

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

### **K.13 Pension debit members**

- (1) This rule applies where—
  - (a) on becoming a member of this Section of the Scheme an unreserved joiner is a pension debit member, and

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

#### **K.14 Disapplication of rule E.7**

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

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

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

those periods are excluded from the service that is taken into account under rule D.8(3)(b)(i).

- (3) The periods of service that are taken into account under that rule are taken into account at their full length, disregarding any reduction applicable under rule K.3 in determining the amounts of service that are to be counted for the purposes of this Section.

## Part L

# 1972 Section Leavers: Reserved Joiners

## Preliminary

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

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

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

- (1) A person who—
  - (a) would be eligible to join this Section of the Scheme by virtue of his employment if he met the condition in rule B.1(5)(a) (which requires that the person's employment began on or after 1st October 2002), and
  - (b) immediately before that date was an active member of the 1972 Section by virtue of his employment,may opt to join this Section of the Scheme under the terms of this Part unless he has been reemployed on or after his reaching pension age.
- (2) The option may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires not later than 31st March 2003.

For this purpose the notice is treated as having been given on the date on which it is received by the Scheme administrator. This is subject to paragraph (6).
- (3) The option has effect from 1st October 2002.
- (4) If contributions due from the member under Part C in respect of any periods beginning on or after 1st October 2002 are not made when they are due because of the time when the option is exercised, the amount overdue is to be paid by deduction from the member's pensionable earnings in such manner and at such rate as the Minister requires.

- (5) If, in a case where paragraph (4) applies, the member ceases to be an active member before the amount overdue has been paid under that paragraph, the amount outstanding becomes payable immediately.
- (6) The Minister may direct that the time limit in paragraph (2) should be extended if he considers that the person has not had a reasonable opportunity to consider whether to exercise the option.

## **Transfer of service from the 1972 Section**

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

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

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

- (1) A reserved joiner may apply to make contributions to reinstate a period of part-time service on or after 8th April 1976 and before 1st January 1995 which was formerly not pensionable and which forms part of a period of continuous employment ending no earlier than six months before the date on which the application is made.
- (2) The application is to be made by notice in writing to the Scheme administrator in such form as the Minister may prescribe or is willing to accept.
- (3) The amount of contributions payable is calculated as it would have been under rule 4.71 of the 1972 Section in respect of the reckonable service the reserved joiner could have applied to reinstate under the 1972 Section.
- (4) If a reserved joiner leaves service when he has paid some but not all the contributions due under paragraph (3), he may elect to pay the outstanding contributions due.
- (5) If a reserved joiner dies when he has have paid some but not all of the contributions due under paragraph (3), the outstanding contributions due are to be deducted from any lump sum death benefits payable or, if none are payable, his personal representatives may elect to make a single lump sum payment of the outstanding amount.
- (6) If the outstanding contributions referred to in paragraphs (4) and (5) are not made, the period of reckonable service the reserved joiner may count under this rule is reduced. This is subject to paragraph (9).
- (7) The amount of the reduction is—
$$A \times (B/C)$$
where—
  - A is the period of reckonable service the reserved joiner could have counted under paragraph (8),

- B is the amount of the outstanding contributions, and  
 C is the amount of contributions payable under paragraph (3).
- (8) The period of reckonable service which the reserved joiner may count under this rule is the period of reckonable service which he would have been entitled to count under rule 2.8c of the 1972 Section and such reckonable service is to count in this Section as reckonable service before 1st October 2002.
- (9) Rule L.19 is to apply to the contributions paid by a reserved joiner under this rule, the contributions being deemed to have been paid during the period of part-time service he is entitled to count under this rule, starting at the beginning. To the extent that contributions paid under this rule are refunded under rule L.19, the period of reckonable service is not to be reduced under paragraph (6).

#### **L.4 Treatment of added years**

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

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

- (5) Where any period of added years bought by those contributions would have entitled a surviving spouse of the member to a surviving spouse's pension under the 1972 Section at half the rate of the member's retirement pension, then instead of that period the member may count under this Section a period of reckonable service equal to that period in years, multiplied by 0.92 or, in a case where paragraph (6) applies, by the factor specified in that paragraph for that case.
- (6) Where, any period of added years bought by the member's contributions would not have entitled a surviving spouse of the member to a surviving spouse's pension under the 1972 Section, then for that period—
- (a) if the member is a man, the factor is 0.80, and
  - (b) if the member is a woman, the factor is 0.89.
- (7) Where—
- (a) the contributions payable under rule C.4 by virtue of paragraph (2) would exceed the amounts permitted by rules C.4(6) and C.13, and
  - (b) only one contract was in force on 30th September 2002,

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

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

## **L.5 Treatment of added years: grants**

- (1) This rule applies where a grant of a period of added years has been made under rule 2.23, 2.24 or 2.24a of the 1972 Section in respect of a member who is a reserved joiner.
- (2) For the purposes of calculating the period of reckonable service that the member was entitled to count immediately before 1st October 2002 under the 1972 Section, the period attributable to the grant of added years is calculated as if he were leaving the Scheme on 30th September 2002.
- (3) That period counts as service before 1st October 2002.
- (4) The reckonable service attributable to the remaining period of the grant of added years—
  - (a) continues to accrue on and after 1st October 2002 at the same rate as it did before that date, subject to paragraph (5), and
  - (b) counts as service on or after that date.
- (5) In respect of any period that would have accrued on or after that date the member may count under this Section—
  - (a) a period of qualifying service equal to the period that would have accrued, and
  - (b) a period of reckonable service equal to the period that would have accrued, multiplied by 0.92.

## **L.6 Treatment of preserved awards**

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

For this purpose, a pension is treated as being in payment if it would be apart from abatement under rule 3.26 of the 1972 Section.
- (2) Rule L.3 does not apply to the qualifying and reckonable service in respect of which the member was awarded the preserved pension, unless when the member exercises the option under rule L.2(1) (option to join this Section under the terms of this Part) he opts for it to do so; and if a member does so opt, that service is disregarded for all purposes of the 1972 Section.

- (3) If the member has been awarded more than one preserved pension in respect of which paragraph (1) applies, he may only exercise the option under paragraph (2) in respect of the later or latest award.
- (4) An option under paragraph (2) may only be exercised by giving notice in writing to the Scheme administrator in such form as the Minister requires.

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

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

## **L.8 Transfers in: transitional provision**

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

## **Retirement benefits**

### **L.9 Retirement benefits under this Part: general**

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

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

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

“partial new reckonable service” means—

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

“partial old reckonable service” means—

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

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

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

“remaining new reckonable service” means the member's new reckonable service up to and including the relevant last day, less the member's partial new reckonable service, plus any reckonable service accrued by the member after the relevant last day; and

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

## **L.10 Retirement benefits: normal retirement**

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

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

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

- (4) When calculating the benefits to which the reserved joiner is entitled on full retirement, references to old reckonable service shall be construed as references to remaining old reckonable service (if any) and references to new reckonable service shall be construed as references to remaining new reckonable service.

### **L.11 Retirement benefits: early retirement with actuarial reduction**

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

#### **L.11A Option to buy out actuarial reduction**

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

### **L.12 Retirement benefits: early retirement on ill health**

- (1) The amount of the annual pension payable to a reserved joiner under rule D.4 (early payment of pensions: ill-health) is equal to the sum of the old service amount and the enhanced new service amount.  
This is subject to paragraph (4A).
- (2) In paragraph (1) “the old service amount” means 1/80th of the member's final pensionable earnings, multiplied by his old reckonable service.
- (3) In paragraph (1) “the enhanced new service amount” means 1/60th of the member's final pensionable earnings, multiplied by the enhanced service.
- (4) In paragraph (3) “the enhanced service” means N (as found under rule D.4), less the member's old reckonable service.
- (4A) If the reserved joiner is entitled to a pension under rule D.1A (partial retirement), paragraph (1) applies with the substitution of the words “new service amount” for the words “enhanced new service amount”.
- (4B) In paragraph (4A) the “new service amount” means 1/60th of the member's final final pensionable earnings, multiplied by the member's new reckonable service.
- (5) If the reserved joiner is entitled to a pension in respect of any of his new reckonable service calculated by reference to a larger fraction than 1/60th, in paragraphs (3) and (4A) a reference to that fraction is to be substituted for the reference to 1/60th, so far as it applies to that service.
- (6) A reserved joiner who is entitled to a pension under rule D.4 is also entitled to a lump sum payable at the time when that pension becomes payable.

- (7) The amount of that lump sum is equal to 3/80ths of the reserved joiner's final pensionable earnings, multiplied by his old reckonable service.

**L.13** This rule has been deleted.

### **L.13A Additional service lump sum**

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

This is subject to paragraph (4).

- (2) If R takes the additional service pension with actuarial reduction under rule D.3, R must also take the additional service lump sum with actuarial reduction under rule L.11.
- (3) If R opts, under Rule D.3A, to buy out the actuarial reduction that would otherwise apply to the additional service pension R must also, under rule L.11A, buy out the actuarial reduction that would otherwise apply to the additional service lump sum.
- (4) If R—
  - (a) is a member to whom rule D.3(3) applies; and
  - (b) has not yet reached 55 years of age,R's additional service lump sum must be paid at the same time as R's earned pension and additional service pension come into payment, with actuarial reduction under rule L.11, or having bought out the actuarial reduction under rule L.11A.
- (5) The amount of the additional service lump sum is found by calculating three-eightieths of R's final pensionable earnings, multiplied by the amount of R's old reckonable service that is not current reckonable service.
- (6) In this rule, "current reckonable service" has the same meaning as in rule D.7(2).

### **L.14 Retirement benefits: supplementary provisions**

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

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

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

## **Miscellaneous provisions concerning retirement**

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

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

### **L.17 Repayment of certain contributions**

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

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

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

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

- (1) This rule applies where a member who is a reserved joiner—
  - (a) is not married on 30th September 2002, and

- (b) does not marry before his pension comes into payment under this Section.
- (2) The member is entitled when his pension comes into payment to repayment of any periodical contributions paid by him under the 1972 Section in respect of widow's or widower's benefits, together with compound interest.

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

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

This is subject to paragraph (2C).

- (2C) An old rules member may opt for this paragraph to apply to him instead of paragraph (2B). The option may only be exercised by notice to the Scheme administrator in such form and at such time as the Minister may require. Where an option has been exercised in accordance with this paragraph the old rules member shall receive at age 60 the repayment he would have been entitled to under old rule L.19, disregarding its provision for deduction of tax.
- (3) If any of those contributions were paid at a time when the member was married, the member is only entitled to repayment of the contributions paid since he ceased to be married or, if he has been married more than once, since he last ceased to be married.
- (4) If the member has a guaranteed minimum in respect of his service, there is to be deducted from the amount otherwise due under paragraph (2) an amount equal—
  - (a) if the member is a man, to 20% of the annual value of the widow's guaranteed minimum pension that would have been payable under rule E.27 (guaranteed minimum pensions for surviving spouses) if—
    - (i) he had died leaving a widow at the time the amount becomes payable, and
    - (ii) no other pension had been payable to her under Part E of these rules, or
  - (b) if the member is a woman, to 20% of the annual amount of the widower's guaranteed minimum pension that would have been payable under that rule if—
    - (i) she had died leaving a widower at the time the amount becomes payable, and
    - (ii) no other pension had been payable to him under Part E of these rules.

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

- (5) If a member who is a man is entitled to a guaranteed minimum and his last marriage ended after 5th April 1978 but not later than 5th April 1997, instead of the amount referred to in paragraph (4) the amount of the deduction under that paragraph is equal to  $D \times A/B$ , where—
  - D is the amount that would be the amount of the deduction under paragraph (4) apart from this paragraph,
  - A is the period beginning with the end of the member's marriage and ending with 5th April 1997, and

B is the period beginning with 6th April 1978 and ending with 5th April 1997.

This is subject to paragraph (7).

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

D is the amount that would be the amount of the deduction under paragraph (4) apart from this paragraph,

C is the period beginning with the end of the member's marriage and ending with 5th April 1997, and

E is the period beginning with 6th April 1988 and ending with 5th April 1997.

This is subject to paragraph (7).

- (7) Where paragraph (4) applies and a transfer value payment has been accepted—

(a) in the case of a member who is a man, in respect of service of the member in the period beginning with 6th April 1978 and ending with 5th April 1997, and

(b) in the case of a member who is a woman, in respect of service of the member in the period beginning with 6th April 1988 and ending with 5th April 1997,

the amount of the deduction under paragraph (4) (or the amount to be substituted for it by virtue of paragraph (5) or (6)) is equal to—  $D \times F/G$ , where—

D is the deduction that would be made under paragraph (4) (or the amount to be substituted for it by virtue of paragraph (5) or (6)), apart from this paragraph,

F is so much of the period mentioned in sub-paragraph (a) or (b) as is a period during which the member paid periodical contributions under the 1972 Section, and

G is the period by reference to which the guaranteed minimum pension mentioned in that subparagraph would have been calculated.

- (8) Where paragraphs (4), (5), (6) or (7) apply and the member's pension comes into payment before age 60, the amount otherwise due under this rule may be subject to further reduction in accordance with guidance provided by the Scheme actuary.

- (8A) Where a member becomes entitled to a pension under D.1A (partial retirement) no entitlement to repayment of periodical contributions arises under paragraph (2) until the member takes full retirement.

- (9) In this rule “compound interest” means—

(a) in respect of the period beginning on 1st April 1995, interest at the yearly average of the building society average rate for share accounts as announced annually by the Minister, with yearly rests,

(b) in respect of the period beginning on 1st April 1990 and ending on 31st March 1995, interest at the yearly average of the building society basic rate as announced annually by the Minister, with yearly rests, and

(c) in respect of any period before 1st April 1990, interest at the rate of 5% per annum, with yearly rests.

## L.20 Pension debit members

- (1) This rule applies where—

(a) on becoming a member of this Section of the Scheme a reserved joiner is a pension debit member, and

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

**L.21** This rule has been deleted.

## **Death benefits: general**

### **L.22 Death benefits under Part L**

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

### **L.23 Meaning of expressions relevant to death benefits — general**

(1) In this Part—

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

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

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

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

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

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

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

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

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

- (a) the member could only count reckonable service that is old reckonable service, and

- (b) the full payment assumptions are applied;
- “relevant old reckonable service”, in relation to a deceased member, means the sum of—
- (a) the old reckonable service for which the member paid contributions under the 1972 Section so as to entitle the member's surviving spouse to a surviving spouse's pension at half the rate of the member's retirement pension, and
  - (b) the old reckonable service for which the member paid such contributions so as to entitle the member's surviving spouse to a surviving spouse's pension at one third of the rate of that pension, multiplied by 2/3.

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

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

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

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

## **Death benefits: pensions for adult dependants**

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

- (1) In the case of a reserved joiner who was an active member, the annual amount payable under rule E.3(1) (pension payable under rules E.1 and rule E.2) is—
  - (a) in the case of a pension under rule E.1 (surviving spouses' pensions), an amount equal to A + B, and
  - (b) in the case of a pension under rule E.2 (other adult dependants' pensions), an amount equal to B.
- (2) In this rule—

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

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

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

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

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

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

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

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

- (1) In the case of a reserved joiner who was a pensioner member, the annual amount payable under rule E6(3) (pension payable under rules E.1 and rule E.2 in cases other than where an illhealth pension is payable under rule D.4(3)(a)) is—
  - (a) in the case of a pension under rule E.1 (surviving spouses' pensions), an amount equal to A + B, and
  - (b) in the case of a pension under rule E.2 (other adult dependants' pensions), an amount equal to B.
- (2) In this rule—

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

B is 37.5% of the amount of the pension to which the member was entitled at the date of death, less the old service pension (as so defined).
- (3) If the member's pension was commuted under rule D.8 (general option to exchange part of pension for lump sum), the annual pension to which the member would have been entitled at the date of death if it had not been so commuted is used to calculate B.

### **L.27 Disapplication of rule E.7**

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

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

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

- (a) a pensioner to whom paragraph (1) has applied ceases to be married, or to cohabit as mentioned in that paragraph, and
  - (b) the Minister so directs,
- paragraph (1) is to be disregarded from the time specified in the direction.

## Death benefits: pensions for eligible children

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

- (1) This rule applies instead of rule E.10 for determining in the case of a deceased active member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).
- (2) Where one or two pensions are payable under rule E.8(1) immediately after the date of the member's death, the annual amount of each pension is equal to A + B, where—
  - A is the appropriate old service percentage (see paragraph (4)) of the member's old service pension (as defined in rule L.23), and
  - B is the appropriate new service percentage (see paragraph (4)) of—
    - (a) the amount of the member's assumed new service pension (as defined in rule L.23), or
    - (b) the amount of the annual pension to which he would have been entitled on the full payment assumptions if his basic reckonable service were service for the assumed period and his old reckonable service was disregarded (except for calculating the assumed period),
 whichever is the greater.

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

- (a) 10 years, or
  - (b) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the date of death until reaching pension age,
- whichever is the lower.
- (5) Where this rule applies in the case of a member who was a pension debit member, the references in E.21(2)(b) to rule E.10, the member's assumed pension and rule E.10(2)(a) and (b) are to be taken as a references to this rule, the member's old service pension and assumed new service pension and paragraph (2) respectively.

### **L.30 Amount of children's pension under rule E.8: deferred members**

- (1) This rule applies instead of rule E.11 for determining in the case of a deferred member the annual amount of a pension payable under rule E.8(1) (surviving children's pensions).
- (2) Where one or two pensions are payable under that rule immediately after the date of the member's death, the annual amount of each pension is equal to  $A + B$ , where—
- A is the appropriate old service percentage of the old service pension, and
- B is the appropriate new service percentage of—
- (a) the amount of the annual pension to which the member would have been entitled on that date on full payment assumptions if his old reckonable service was disregarded, or
  - (b) the amount of the annual pension to which he would have been entitled on those assumptions if his basic reckonable service were service for the assumed period and his old reckonable service was disregarded (except for calculating the assumed period),
- whichever is the greater.
- This is subject to paragraph (2A).
- (2A) Where the deceased member was entitled to receive a pension under rule D.1A (partial retirement) at the date of his death, B is the appropriate new service percentage (see paragraph (4)) of the member's new service pension (as defined in rule L.23).
- (3) Where three or more pensions are so payable, the annual amount of each pension is equal to twice the amount mentioned in paragraph (2), divided by the number of pensions so payable.
- (4) In this rule—
- “the appropriate new service percentage” and “the appropriate old service percentage” have the same meaning as in rule L.29(4), “the assumed period” means—
- (a) 10 years, or
  - (b) the total basic reckonable service the member could have counted if he had continued in service on the same terms as at the cessation date from that date until reaching pension age,
- whichever is the lower, and
- “the cessation date” means the date on which the member's service in the employment in which he was eligible to belong to this Section of the Scheme ceased.

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

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

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

### **L.32 Children's pensions: supplementary**

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

## **Death benefits: lump sum benefits**

### **L.33 Lump sum death benefits**

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

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

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

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

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

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

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

death, less the annual amount of that pension payable in respect of the member's old reckonable service.

- (4) Any increases in the pension which might have become payable after the date of death are disregarded for the purposes of paragraphs (2), (3), (3A) and (3B).
- (5)
- (a) Where rule E.17A applies in the case of a reserved joiner, the pension payable under rule E.14(1A) will be equal to the new service pension that would have been payable to the reserved joiner had he been alive until the end of the pension protection period.
  - (b) The pension shall be payable for the pension protection period. (c) For the purposes of this paragraph—
    - (i) the new service pension is the pension that would have been paid, (including any contributed pension that would have been paid under Part C1), less the amount of that pension that would have been payable in respect of the reserved joiner's old reckonable service; and
    - (ii) the pension protection period is the period from the date of the reserved joiner's death until the fifth anniversary of the date on which the reserved joiner's pension became payable.
- (6)
- (a) Where paragraph (5) applies, an additional pension shall be payable under rule E.14(1A) if the reserved joiner died before the second anniversary of the date on which his pension became payable.
  - (b) The additional pension will be equal to the old service pension that would have been payable to the reserved joiner had he been alive until the end of the additional protection period.
  - (c) The additional pension shall be payable for the additional protection period. (d) For the purposes of this paragraph—
    - (i) the old service pension is the amount of the pension that would have been payable in respect of the reserved joiner's old reckonable service; and
    - (ii) the additional protection period is the period from the date of the reserved joiner's death until the second anniversary of the date on which the reserved joiner's pension became payable.

**L.34** This rule has been deleted.

## **Transfers out: mixed transfer values**

### **L.35 Transfers out: mixed transfer values**

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

## Index of expressions defined in this Part

### L.36 Index of expressions defined in this Part

In this Part—

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

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

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

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

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

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

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

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

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

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

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

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

## Part M

### Members of Former By-analogy Schemes

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

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

## Part N

# 2015 Scheme Members: Transition Members

## Preliminary

### N.1 Application of Part N

- (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.

### N.2 Interpretation of Part N

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

### N.3 Application of rule A.4

- (1) In determining the final pensionable earnings of a transition member with continuity of service, rule A.4 (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.

### N.4 Application of rule A.8

- (1) Rule A.8 (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 in relation to this Section and any continuous period of pensionable service under the 2015 Scheme taken together, subject to paragraph (3).
- (3)
  - (a) Qualifying service (“the past period of qualifying service”) that a re-employed active member (“M”) was entitled to count immediately before becoming an active member of this Section in the current employment does not include pensionable service under the 2015 Scheme unless sub-paragraph (b) applies.
  - (b) This paragraph applies if the past period of qualifying service is aggregated with the qualifying service that M is entitled to count as a result of M's membership of this Section in the current employment, following an option exercised in accordance with rule G.3.

## **N.5 Application of rule A.9**

- (1) Rule A.9 (reckonable service) 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 reckonable service for the purposes of this Section.

## **N.6 Application of rule C.1**

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

## **N.7 Application of rule C1.1**

- (1) A transition member cannot exercise a new option under rule C1.1 (option to pay additional periodical contributions to purchase pension) to make additional periodical contributions to this Section.
- (2) An option already made by a transition member to make additional contributions to this Section under rule C1.1 continues to have effect during any such period as the circumstances in subparagraph (3) are met.
- (3) The circumstances are—
  - (a) the member opted to make the additional periodical contributions to this section under rule C1.1 before the member's transition date; and
  - (b) the member is an active member of the 2015 Scheme with continuity of service.
- (4) Part C1 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 or such shorter period as may be specified in the option.
- (5) Where a transition member with continuity of service cancels an option to make additional periodical contributions, the option cannot be exercised again.

## **N.8 Application of rules on added years (rules C.4 to C.11)**

- (1) An option made by a transition member to make additional contributions to this Section under rule C.4 (member's option to pay additional contributions to increase service) continues to have effect during any such period as the member is an active member of the 2015 Scheme with continuity of service.
- (2) Rules C.4 to C.11 (buying added years) apply 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 contractual option period ends when the member ceases to be an active member of the 2015 Scheme or such shorter period as may be specified in the option.
- (3) when a transition member with continuity of service cancels an option to make additional contributions the option cannot be exercised again.

## **N.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 rule D.4 (early payment of pensions: ill-health) to payment of a lower tier pension, an upper tier top up pension, pension calculated without actuarial reduction or additional pension under D.4(10D), or to be treated as being so entitled under rule D.6 (provisional ill-health awards).
- (3) The following rules do not apply to T—
  - (a) D.3 (early payment of pensions with actuarial reduction);
  - (b) D.8 (general option to exchange part of pension for lump sum);
  - (c) L.10(2) (payment of lump sum on normal retirement of reserved joiner);
  - (d) L.10A(3) (payment of lump sum on partial retirement of reserved joiner);
  - (e) L.11 (early retirement with actuarial reduction, lump sum); and
  - (f) L.13A (additional service lump sum for reserved joiner).
- (4)
  - (a) 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.
  - (b) In calculating the pension that T is entitled to under D.1 on reaching pension age, the following are subtracted—
    - (i) 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
    - (ii) an amount equal to any transfer payment made to another scheme before the member reached normal pension age under the PCSPS.
- (5) Before the amounts in paragraph (4)(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.

## **N.10 Application of Part E in relation to active members of the 2015 Scheme**

- (1) This rule applies in relation to a transition member with continuity of service—
  - (a) who 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 E (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 E.2(3)(a); and

- (b) replaces any previous declaration under or which has effect as a declaration under rule E.2(3)(a) of this Section.
- (4) Where the transition member revokes a declaration under regulation 101(2) of the 2014 Regulations, that cancellation has effect as a cancellation of any declaration under or which has effect as a declaration under rule E.2(3)(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 E.20 of this Section; and
  - (b) replaces any previous nomination under or which has effect as a nomination under rule E.20 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 E.20 of this Section.

## **N.11 Application of Part F**

- (1) In relation to a transition member with continuity of service (T), Part F (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 the 2002 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.