

# **Principal Civil Service Pension Scheme**

## **Section II**

### **The 1972 Section**

#### **Section 1**

#### **Introduction**

- 1.1 Except where otherwise stated, this scheme applies to staff whose service ends on or after 1 June 1972 and before 1 October 2002 or who are in service on 30th September 2002.
- 1.2 Section 9 applies to staff whose service ended on or after 29 February 1972 and before 1 June 1972.
- 1.2a References in this Section II of the scheme to “this scheme” or “the scheme” shall be taken as referring to this Section II unless the context otherwise requires.
- 1.2b References in this Section II to “rules” are to rules in this Section II unless the context otherwise requires.
- 1.2c The rules of this Section II of the scheme are to be construed without reference to Section I of the scheme except where they refer to that Section.
- 1.2d References to “the 1972 Section” mean to this Section II of the scheme.
- 1.2e References to “the 2002 Section” mean to Section 1 of the scheme.
- 1.2f References to “the General Provisions Section” mean to Section IV of the scheme.
- 1.2g “The 2013 Act” means the Public Service Pensions Act 2013.
- 1.2h “The 2014 Regulations” means the Public Service (Civil Servants and Others) Pensions Regulations 2014.
- 1.2i “The 2015 Scheme” means the scheme established by the 2014 Regulations.

#### **Coverage of the scheme**

- 1.3 In these rules “Civil Service” means the Civil Service of the State or any of the employments or offices listed in Schedule 1 to the Superannuation Act 1972, as subsequently amended by any order under section 1(5) of that Act or by any enactment, or service as a section 1(4A) eligible person.
- 1.3a Except in relation to persons or classes of persons determined by the Minister, or where rule 1.3b, 1.3c, 1.3e or 1.3f applies, the 1972 Section is closed to persons serving in the civil service whose service begins, or whose service after re-employment begins, after 30 September 2002.
- 1.3b (i) This rule applies to a person—
  - (a) who was accruing rights under a scheme that is, in the Minister's opinion, analogous to the 1972 Section (“the analogous scheme”);
  - (b) who has applied for a transfer in respect of his rights under the analogous scheme to be made to the 1972 Section;
  - (c) whose service to which the analogous scheme relates ended as a result of—

PCSPS – Section II (The 1972 Section)

- (i) his resignation, or
    - (ii) the expiration of a fixed-term appointment; and
  - (d) whose service in the Civil Service began not more than 28 days after the end of the service to which the analogous scheme relates.
  - (ii) The 1972 Section applies to a person to whom this rule applies from the date that his current service in the Civil Service begins. This is subject to rule 1.4 and rule 1.4xa.
- 1.3c
- (i) A person re-employed in the Civil Service, other than on a casual basis, who is in receipt of a pension or lump sum in respect of pensionable service to which the 1972 Section applies (“the previous employment”) may elect in writing in such form as may be prescribed by the Minister that the 1972 Section is to apply to him in respect of his re-employment provided that at least one of conditions (a) to (c) apply to him:
    - (a) he is re-employed pursuant to a term of his previous employment that gave him the option to be treated for the purposes of this scheme as retired and then re-employed;
    - (b) the previous employment terminated at a higher responsibility level or grade than his current employment (but see paragraphs (ii) to (iv));
    - (c) the conditioned weekly hours of his current employment are on a part-time basis and do not exceed 75% of the weekly conditioned hours of the previous employment and the level of pay for his current employment takes account of that reduction in conditioned hours.
  - (ii) Paragraph (i)(b) is met if the previous employment was in a specialist grade or post and his current employment is in a non-specialist grade or post.
  - (iii) Paragraph (i)(b) is not met if the person is promoted, including temporarily, during his current employment to the same or a higher responsibility level or grade as the previous employment.
  - (iv) Where paragraph (iii) applies pensionable service in respect of the current employment will cease on the same date that the promotion takes effect.
  - (v) An election under this rule will take effect:
    - (a) from the start of the person’s employment to which the election applies provided that such election is made before the end of the period of three months beginning with the first day of the person’s employment, or
    - (b) where an election is not made under (a), at whatever date the Minister determines to be the earliest practicable date after receipt of the person’s election form by the scheme administrator.
  - (vi) This rule is subject to rule 1.3d and rule 1.4xa.
  - (vii) This rule does not apply to a person—
    - (a) re-employed in the Civil Service on or after 30 July 2007 after a break in service of more than 28 days; or
    - (b) re-employed on or after 1 March 2008, other than a person who meets condition (a) of paragraph (i) and who in respect of his previous employment had a pension age of 55 under rule 2.27.
- 1.3d
- Rule 1.3c does not apply to a person re-employed after he retired on medical grounds with benefits under the scheme or to a person re-employed after he left under the Compulsory

and Redundancy, Flexible or Approved categories referred to in the Civil Service Compensation Scheme.

- 1.3e (i) This rule applies to a person re-employed in the Civil Service—
- (a) to whom the 1972 Section previously applied;
  - (b) who is re-employed not more than 28 days after the end of the previous service that qualified him to belong to the 1972 Section;
  - (c) whose previous service ended as a result of—
    - (i) his resignation,
    - (ii) the expiration of a fixed-term appointment, or
    - (iii) his leaving under the Civil Service Management Code's Compulsory Early Retirement or Severance category or its Flexible Early Retirement or Severance category; and
  - (d) who has not received payment of a pension or lump sum in respect of pensionable service to which the 1972 Section applied.
- (ii) The 1972 Section applies to a person to whom this rule applies from the date that his reemployment begins. This is subject to rule 1.4 and rule 1.4xa.
- 1.3f A person is eligible to be an active member of this section of the scheme if 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 rule 17.1.
- 1.4 Except where otherwise stated, this scheme applies to all persons serving full-time or part-time in the Civil Service except the following:
- (i) casual staff;
  - (ii) staff engaged (including former civil servants re-employed) on a fee-paid or sessional basis;
  - (iii) staff whose terms of appointment state them to be outside the civil service superannuation arrangements;
  - (iv) unestablished staff engaged locally overseas;
  - (v) staff who are covered for their service in the Civil Service by another occupational pension scheme or the 2002 Section or who have a partnership pension account as defined in rule A.1(4) of that Section;
  - (vi) part-time staff who
    - (a) before 1 October 1982 worked less than 18 hours a week; or
    - (b) on or after 1 October 1982 and on or before 31 December 1994 worked less than 15 hours a week unless their service qualified under rules 2.7 or 2.7a,

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

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

## **Employment on and after 1st April 2015**

- 1.4xa (i) After 31st March 2015 no person is or is eligible to be in pensionable service under this scheme unless the person is a protected member.
- (ii) A person who ceases to be a protected member ceases to be or to be eligible to be in pensionable service under this scheme (but see Section 16 for the application of the rules to transition members with continuity of service).
- (iii) Where a person is not and is not eligible to be in pensionable service under this scheme, that person—
- a. is not receiving earnings that are pensionable earnings for the purposes of this scheme; and
  - b. is not and is not eligible to be a person to whom this scheme applies, subject to Section 16.
- (iv) In this rule, “protected member” means a full protection member, a tapered protection member or an ill-health protection member in relation to this scheme.

## **Right to opt out of the scheme**

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

- (iii) Subject to paragraph (iv) below, the effective date of the option is whatever date the Minister determines to be the earliest practicable after that on which the form of option, duly completed, is received by the scheme administrator.
  - (iv) However, if the date on which the form of option is so received is not more than 3 months after that on which the person entered the Civil Service, the effective date of the option is the date of entry into the Civil Service and not as provided by paragraph (iii).
- 1.4d
- (i) Where in any period of employment in the Civil Service a person has opted out of the scheme, he may once elect that the scheme is again to apply to him. The election must be in writing, in such form as may be prescribed by the Minister.
  - (ii) As from the effective date of his election, the person again becomes a civil servant within the meaning of the scheme.
  - (iii) The effective date is whatever date the Minister determines to be the earliest practicable after that on which the form of election, duly completed, is received by the scheme administrator.
  - (iv) This rule shall also apply in the case of a person who has opted out of the scheme and
    - (a) has made contributions to a personal pension scheme; and
    - (b) has suffered loss as a result of a contravention which is actionable under section 62 of the Financial Services Act 1986,notwithstanding that he has opted out of the scheme more than once.

## Inactive members

- 1.4e
- (i) A civil servant may opt to be treated as an inactive member of the scheme if
    - his relevant earnings are above an amount determined by the Minister, or
    - his relevant pension benefits are above an amount determined by the Minister.For the purposes of this paragraph the Minister shall determine what types of earnings and pension benefits are relevant.
  - (ii) The option must be exercised by notice in writing to the scheme administrator in such form as the Minister requires.
  - (iii) A person cannot revoke the option once it has been exercised.
  - (iv) A person who has exercised the option shall cease to be treated as a civil servant in service for the purposes of paragraph (v) and (vi) and shall, for the purposes of paragraphs (vii) and (viii), be treated as an inactive member from such date on or after the date the option is exercised as the Minister considers appropriate.
  - (v) He shall cease to be treated as a civil servant in service for the purposes of accruing reckonable service, except for the purposes of determining his pensionable earnings.
  - (vi) He shall cease to be treated as a civil servant in service for the purposes of the rules relating to contributions paid by civil servants.
  - (vii) An inactive member shall not be entitled to any enhancement to reckonable service for the purposes of calculating benefits on retirement on medical grounds.
  - (viii) For the purposes of calculating benefits payable on death in service of an inactive member there shall be no enhancement to reckonable service.

## Definitions

- 1.5 “Reckonable service” means service (in the Civil Service or elsewhere) which reckons towards a pension under this scheme. “Qualifying service” means service which counts towards the qualifying periods for benefits; it is usually, but not necessarily, the same as reckonable service. Section 2 sets out the different kinds of service which are treated as reckonable or qualifying. In all cases reckonable and qualifying service are counted in years and fractions of a year, with each completed day after a whole number of years counting as 1/365th of a further year.
- 1.6a Subject to rules 1.6aa, 1.6b and 2.33(iv), “pensionable earnings” means salary (or wages), including London weighting where appropriate, and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure (see rule 1.7). Where the last three years of service include leave at reduced pay, the full rate of pay will be taken. The full rate will also be taken when pay is temporarily abated in the national interest, and when pay is voluntarily surrendered in whole or in part. Where there is part-time service in the last three years of reckonable service the full-time rate of pay will be taken; if no full-time rate is specified, the full-time equivalent will be calculated by multiplying actual pensionable earnings by the proportion which full-time hours (excluding meal breaks except where such breaks are paid for the part-time staff) bear to part-time hours over the period in question or where a civil servant, appointed on or after 1 April 1987, surrenders part of his pay as an alternative to the voluntary abatement of a non-PCSPS public service pension. When a civil servant is seconded to another employer under an arrangement whereby such other employer pays his salary but the civil servant remains subject to this scheme, pensionable earnings will be calculated by reference not to his actual pay but to the pay he would have received if he had remained in the Civil Service. In the case of a civil servant to whom rule 2.17a applies, pensionable earnings in respect of any service that reckons under this scheme by virtue of that rule will be the pensionable earnings which would have applied if he had not been called out for service.
- Where a civil servant's last three years of reckonable service include a period on or after 23 June 1994 during which she received statutory maternity pay, the salary to be used for the purpose of calculating pensionable earnings will be the salary (or wages) and pensionable emoluments that she would have received during that period if she had not been on maternity leave, rather than the statutory maternity pay received.
- 1.6aa Subject to rule 1.6b, in the case of those fluctuating emoluments, or parts thereof, designated as pensionable by the Minister pursuant to paragraph 2 (ix) of Appendix 1 then “pensionable earnings” will in those cases be treated as meaning the total of:
- (a) pensionable earnings calculated according to rule 1.6a; and
  - (b) the average yearly amount of those fluctuating emoluments, or those parts of any fluctuating emoluments, which the Minister has agreed to count as pensionable pursuant to paragraph 2 (ix) of Appendix 1, (“the average yearly amount”) paid or payable in respect of the last three years of reckonable service ending with the last day of the pensionable earnings year;
- except that where a civil servant who has within the last three years of reckonable service commenced membership of a non-consolidated pay scheme and is still a member of such a scheme immediately prior to resignation or retirement then the period over which the average yearly amount shall be calculated shall be the actual period of reckonable service ending with the last day of the pensionable earnings year during which the civil servant was a member of such scheme.

For the purposes of this sub-paragraph (b), the “pensionable earnings year” shall mean the year of reckonable service used for the purposes of calculating pensionable earnings under rule 1.6a.

Where the year of service in respect of which a fluctuating emolument was paid has a different last day to that of the pensionable earnings year, the fluctuating emolument (or nil amount if appropriate) will be apportioned on a pro rata basis between whichever of the years of reckonable service into which it fell.

Where in the last three years or less of reckonable service referred to in sub-paragraph (b), no fluctuating emolument was awarded in one or more of those years or parts of a year, a nil amount will be included for that year or part of a year in calculating the average of fluctuating emoluments.

In determining the average yearly amount, fluctuating emoluments paid other than in respect of the pensionable earnings year may be increased in proportion to the increase in the retail price index from the last day of the year of payment up to the last day of the pensionable earnings year.

For the purposes of rules 1.6a and 1.7 “pensionable emoluments” shall be taken to exclude any fluctuating emolument treated as pensionable by the Minister pursuant to paragraph 2 (ix) of Appendix 1, and any such fluctuating emolument will instead be taken into account for the purposes of calculating pensionable earnings in the manner described in sub-paragraph (b) of this rule.

- 1.6b (i) Any pensionable earnings in excess of the permitted maximum shall be disregarded for the purpose of calculating the pensionable earnings of a person who becomes a civil servant on or after 1 June 1989. For the purposes of applying this rule, pensionable earnings will be assessed as one twelfth of the permitted maximum for the appropriate tax year for each month's service falling in that tax year. For periods of less than one month, the permitted maximum will be the same proportion of one twelfth of the permitted maximum that the number of days service bears to the number of days in the month.
- (ii) Rule 1.6b(i) does not apply to a person who becomes a civil servant on or after 1 June 1989 in the following circumstances:
- (A) benefits cease to accrue to him under another scheme, having the same rules as this scheme (the other scheme), and he thereupon becomes a civil servant; or
  - (B) benefits cease to accrue to him under this scheme, or under the other scheme
    - (a) by reason of his secondment or posting to another employer and
      - the period of his secondment or posting ends and he becomes a civil servant; and
      - at the time of his secondment or posting he had a definite expectation that he would again become a civil servant ; or
    - (b) by reason of his unpaid absence and, within one month of returning to work, he becomes a civil servant; or
    - (c) by reason of her pregnancy or confinement and, within one month of returning to work, she becomes a civil servant; or

PCSPS – Section II (The 1972 Section)

- (d) (where the circumstances are other than those prescribed in (a), (b) or (c) above) and, within one month of benefits ceasing so to accrue, he becomes a civil servant; and
- (C) the person was a member of this scheme or, as the case may be, of the other scheme, before 1 June 1989 and continued to be such a member until benefits so ceased to accrue to him, or
- (D) he moves from employment by a National Health Service Trust or by a Health Authority (in either case “the Earlier Employer”) to employment by the Department of Health or its equivalent in Scotland or Wales and immediately before the move:
  - (a) he was in pensionable service in an occupational pension scheme of the Earlier Employer, and
  - (b) his benefits under that scheme were not limited by reference to the permitted maximum referred to in rule 1.6b(i).
- (iii) Where a person who has become a civil servant on or after 1 June 1989 has been credited with reckonable service applicable to a transfer value under rule 6.22(iii), rule 1.6b(i) will not apply in calculating benefits referable to service rendered by him when he was a member of the scheme from which the transfer was accepted and paragraph 20 of Schedule 6 to the Finance Act 1989, or equivalent scheme provision, did not apply to him.

1.7 To determine, for the purposes of rule 1.6a, pensionable earnings in “whichever of the last three years of reckonable service gives the highest figure”, salary and pensionable emoluments in the year of reckonable service ending on the last day of reckonable service will be compared with salary and pensionable emoluments in each year of reckonable service ending on a prescribed date, where:

- (i) a “prescribed date” is a date 91 reckonable days before the last day of reckonable service, or any multiple of 91 reckonable days before the last day of reckonable service up to a maximum multiple of eight;
- (ii) a “year of reckonable service” is a calendar year where reckonable service is continuous; or 365 consecutive reckonable days where reckonable service is discontinuous; or 366 consecutive reckonable days where the year includes a 29 February;
- (iii) a “reckonable day” is a day which counts in whole or in part as reckonable service.

Where reckonable service is more than one year but less than 3 years, pensionable earnings will be calculated as described above on the whole period of reckonable service.

1.8 Where reckonable service is less than one year, “pensionable earnings” will be calculated by multiplying total pay and pensionable emoluments by the proportion which one year bears to the actual length of reckonable service.

1.9 “Pensionable emoluments” are defined in Appendix 1.

1.9A “Pensionable earnings for further contribution purposes”, in relation to a civil servant, means the civil servant's pensionable emoluments as defined in Appendix 1.



- 1.9B (i) In the circumstances specified in paragraph (ii), a civil servant is to be treated as receiving or as having received amounts equal to the pensionable earnings for further contribution purposes that the civil servant would have received if those circumstances did not apply, with such increase, if any, as the Minister considers appropriate; and the amounts that the civil servant is treated as receiving or as having received under this rule are referred to as “assumed pay”.
- (ii) The circumstances are that a civil servant is—
- (a) on secondment to a different employer under an arrangement which provides for the provisions of this scheme to continue to apply in respect of that civil servant, although the civil servant is paid by that other employer;
  - (b) on sick leave on reduced pay;
  - (c) receiving statutory maternity pay;
  - (d) on ordinary maternity leave;
  - (e) on ordinary adoption leave;
  - (f) on paternity leave;
  - (g) on unpaid leave for a period which counts as reckonable service under rule 2.10;
  - (h) 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;
  - (i) receiving pensionable earnings for further contribution purposes at a reduced rate in accordance with arrangements for civil servants required by the Minister where a civil servant is entitled—
    - (i) to pension benefits under an occupational pension scheme other than the PCSPS; or
    - (ii) to a payment under this Scheme, in respect of an earlier period of service; or
  - (j) voluntarily surrendering pensionable earnings for further contribution purposes in whole or in part.
- (iii) For the purposes of paragraph (ii)(b), “sick leave on reduced pay” does not include a period of leave during which a civil servant is paid at a rate which the civil servant's employer has determined to be appropriate because it is equivalent to the rate of the ill-health pension to which the civil servant would be entitled under rule 3.4 if he or she had become entitled to such a pension on the day on which the leave paid at that rate began.
- (iv) The service mentioned in paragraph (ii)(h) does not include a period of absence from duty because of being called out or recalled for service that qualifies the civil servant for benefits under—
- (a) the Armed Forces Pension Scheme, or
  - (b) any occupational pension scheme made under the Reserve Forces Act 1996.
- 1.9C “Scheme year” means a period of one year beginning with 1st April and ending with 31st March.

- 1.10 (i) “full-time hours” means the hours of attendance each week established by the Minister as the norm for a person employed in a particular grade or office;
- (ii) “full-time service” means service by an individual under conditions of employment requiring attendance each week for full-time hours;
- (iii) “part-time hours” means the actual number of hours of attendance of part-time service by an individual each week, together with the hours taken off by him within the ordinary annual leave and sick leave allowances;
- (iv) “part-time service” means service by an individual under conditions of employment not requiring attendance each week for full-time hours ;
- (v) “conditioned hours” means the number of hours required to be served by an individual each week under his conditions of employment.
- 1.11 “Pension age” means the earliest age at which a civil servant may retire voluntarily with a pension. For prison officers in post on 30 September 1987 the pension age is 55 (see rules 2.26 and 2.27); for civil servants with service in certain countries overseas it can be between 55 and 60 (see rules 2.29 and 2.31); and for all other civil servants it is 60. “Normal pension age” for the purposes of section 6 means the age specified in the foregoing sentence of this rule.
- 1.12 “Retirement on medical grounds” means retirement from the Civil Service with a medical certificate issued by the Scheme Medical Adviser which states that the person concerned is prevented by ill health from discharging his duties, and that his ill health is likely to be permanent.
- 1.13 “Resignation” means termination of service or voluntary retirement from the Civil Service before the pension age.
- 1.13a (i) “Contracted out employment” is to be construed in accordance with section 8 of the Pension Schemes Act 1993.
- (ii) “Contributions equivalent premium” has the meaning given in section 55(2) of the Pension Schemes Act 1993.
- (iii) “Guaranteed minimum” means the guaranteed minimum as defined in sections 14 and 17 of the Pension Schemes Act 1993 (minimum pensions for earners, widows and widowers)—
- (a) as increased in accordance with the requirements of section 109 of that Act (annual increase of minimum pensions), and
- (b) in a case where a reduction has been made under section 15A of that Act (reduction of guaranteed minimum in consequence of pension debit), as reduced in accordance with that section.
- (iv) “Guaranteed minimum pension” has the meaning given in section 8(2) of the Pension Schemes Act 1993.
- (v) “Occupational pension scheme” has the meaning given in section 1 of the Pension Schemes Act 1993.
- (vi) “Personal pension scheme” means, unless the context otherwise requires, a personal pension scheme, within the meaning of section 1 of the Pension Schemes Act 1993, that is registered under Chapter 2 of Part 4 of the Finance Act 2004.
- (vii) “State pension age” means pensionable age, as defined in section 181(1) of the Pension Schemes Act 1993.

- (viii) “Weekly rate”, in relation to a guaranteed minimum pension, has the same meaning as in regulation 55(1) of the Occupational Pension Schemes (Contracting-out) Regulations 1996.
- 1.13b “Basic social security pension” means the basic pension paid under section 44 of the Social Security Contributions and Benefits Act 1992.
- 1.13c “Fixed rate” (in the context of revaluation of guaranteed minimum pensions) means a fixed rate determined in accordance with the provisions of the Pension Schemes Act 1993 and of any relevant regulations made thereunder.
- 1.13d “Fixed term appointment” or “period appointment” means an appointment the maximum period of which is fixed at the time of the appointment, and references to a fixed term appointment or period appointment shall include:
- (i) contracts for an initial fixed term which may be extended for a further specified period at the employing department's option both after a specified portion of the fixed term has expired and subsequently at fixed intervals; and
  - (ii) contracts for an initial fixed term which have been automatically and continuously renewed until notice of non-renewal is given by the employing department.
- 1.13e “Standard pay terms” means the normal basic and performance pay terms for the grade concerned.
- 1.13f The “Compensation Scheme” means the Civil Service Compensation Scheme which came into force on 1 January 1995.
- 1.13ff The “Civil Service Injury Benefits Scheme” means the Civil Service Injury Benefits Scheme which came into force on 1 October 2002, as from time to time amended.
- 1.13g “The Minister” means the Minister for the Civil Service.
- 1.13h The “Scheme Actuary” is the actuary appointed by the Minister from time to time to provide a consulting service on a range of actuarial matters relevant to Civil Service pension and compensation arrangements.
- 1.13j The “Scheme Medical Adviser” is the person or body appointed for the time being by the Minister to provide a consultation service on medical matters in relation to Civil Service pension and injury benefit arrangements or, in a case where a function normally exercisable by that adviser is being exercised by another person or body on an appeal from that adviser's decision in accordance with procedures that are acceptable to the Minister, is that other person or body.
- 1.13k “Ordinary adoption leave” means leave under section 75A of the Employment Rights Act 1996.
- 1.13l “Ordinary maternity leave” means:
- (i) in relation to any period before 22 August 1996, leave under section 33 of the Employment Protection Consolidation Act 1978, and
  - (ii) in relation to any period after 21 August 1996, leave under section 71 of the Employment Rights Act 1996.
- 1.13(la) “Partially reduced earned pension” has the same meaning as in rule 12.3.12<sup>1</sup> of the Civil Service Compensation Scheme.

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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.

- 1.13m “Paternity leave” means leave under regulation 4 or 8 of The Paternity and Adoption Leave Regulations 2002.
- 1.13n “Retail prices index” means the general index (for all items) published by the Office for National Statistics or, if that index is not published for a relevant month, any substituted index or index figures published by that office.
- 1.13o (i) “Permitted maximum” means, unless the context otherwise requires—
- (a) in relation to any tax year before the tax year 2006–07, the figure specified for that tax year in an order made under section 590C of the Income and Corporation Taxes Act 1988, and
  - (b) in relation to any later year, the figure found for that year by virtue of paragraphs (ii) to (iv).
- (ii) The figure referred to in paragraph (i)(b) is £108,600. This is subject to paragraphs (iii) and (iv).
- (iii) If the retail prices index for the month of September preceding the tax year 2007–08 or any later tax year is higher than it was for the previous September, the figure for that year shall be an amount arrived at by—
- (a) increasing the figure for the previous tax year by the same percentage as the percentage increase in the retail prices index, and
  - (b) if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple.
- (iv) If the retail prices index for the month of September preceding the tax year 2007–08 or any later tax year is not higher than it was for the previous September, the figure for that year shall be the same as for the previous tax year.
- 1.13p (i) “Full retirement” means the time at which a civil servant who has already partially retired becomes entitled to receive any pension and lump sum payable to him under this scheme to which he is not already entitled under rule 3.3b; and
- (ii) “Partial retirement” means the time at which a civil servant becomes entitled to receive a pension and lump sum under rule 3.3b.
- 1.13q “Unreduced earned pension” has the same meaning as in rule 12.3.12<sup>2</sup> of the Civil Service Compensation Scheme.
- 1.13r “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 Principal Civil Service Pension Scheme.
- 1.13s “Section 1(4A) eligible person” means a person who is eligible to be an active member of the 1972 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.

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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.

- 1.13sa “Full protection member” has the meaning given in paragraph 9 of Schedule 2 to the 2014 Regulations.
- 1.13sb “Ill-health protection member” means a member of this scheme 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 scheme 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.
- 1.13t “Tapered protection member” has the meaning given in paragraph 19 of Schedule 2 to the 2014 Regulations.
- 1.13u “Transition date” in relation to a transition member has the meaning given in paragraph 1 of Schedule 2 to the 2014 Regulations.
- 1.13v “Transition member” means a person—
- (a) who is a member of this scheme by virtue of the person's pensionable service under this scheme 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.
- 1.13w “Pay period” in relation to a person means a period by reference to which the person's earnings in the employment by virtue of which the person is eligible for membership of this scheme are payable.

## **Power to determine questions**

- 1.14 Any question under the scheme shall be determined by the Minister, whose decision on it shall be final.

## **Pensioners' declarations**

- 1.15 The Minister may require a person in receipt of a pension under this scheme to provide evidence to establish
- (i) his identity; and
  - (ii) his continuing entitlement to the amount being paid
- and if such evidence is not provided the Minister reserves the right to stop payment of the pension.

## **Effect of additional voluntary contributions**

- 1.16 deleted
- 1.17 Where a civil servant has made an option under rule 7.2a of this scheme as in force on 5 April 2006 or has given notice under rule 5.1(c)(ii)(B) of the Civil Service Additional Voluntary Contribution Scheme as in force on 5 April 2006 or where he is granted added years under rule 2.24a

- (i) he will be treated for the purpose of rules 1.6b, 4.9, 4.12, 4.22, 4.35, 4.44, 7.3 and 7.4 as if he were a person who became a civil servant on or after 1 June 1989;
- (ii) This paragraph has been deleted.
- (iii) This paragraph has been deleted.

## **Administrator for purposes of tax legislation**

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

## **Conversion of lump sum into pension**

- 1.19 This rule applies where any benefit payable as a lump sum under the rules would be an unauthorised payment for the purposes of Part 4 of the Finance Act 2004 (see section 160(5) of that Act). The Minister may determine in such cases that some or all of the benefit shall instead be paid in the form of a pension calculated in accordance with guidance provided by the Scheme actuary. This rule does not apply to any refund of contributions payable under paragraph (xiii) of rules 4.19 or 4.23d.

## **Adjustment to benefits**

- 1.20 This rule applies if, apart from this rule, any part of a pension to which any person becomes entitled under sections 4, 5 or 9 on the death of a civil servant or former civil servant after reaching the age of 75 would not qualify as a dependants' scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules) (see paragraphs 16 to 16C of Schedule 28 to that Act). When this rule applies the benefit payable to the person may be adjusted in such manner as is determined by the Minister.

## Section 2

### Reckonable Service

- 2.1 So far as the reckoning of service before 1 June 1972 is concerned, the rules in this section are subject to any direction made before that date by the Treasury or by the Minister for the Civil Service under the Superannuation Act 1965 or any enactment repealed by that Act or otherwise, and such service before 1 June 1972 will accordingly reckon in the same way as it would have reckoned or have been permitted to reckon, by virtue of any direction or otherwise, had it ended immediately before that date.
- 2.2 Except where otherwise stated, reckonable service is also qualifying service and service which is not reckonable service is not qualifying service.
- 2.3 Except for the purposes of rules 1.6a, 1.7, 4.15(ii) and 4.16(ii) reckonable service cannot exceed 45 years in total. This is subject to the following. Before 1st March 2008 a member may not count as reckonable more than 40 years' service before the pension age. After 29th February 2008, a member who has accrued 40 years' reckonable service before the pension age may count any further service accrued on or after 1st March 2008 as reckonable, subject to the overall limit of 45 years.
- 2.3a After 6th April 2006, no period after the day before a person's 75th birthday shall count as reckonable service.
- 2.3b If a civil servant has exercised the option under rule 3.3b (partial retirement)—
- (a) the reckonable service that the civil servant can count on later full retirement is adjusted in accordance with rule 3.3b(viii)(c) or (ix)(c), and
  - (b) the civil servant's partial retirement will have no effect on the length of his qualifying service.

### Full-time service

- 2.4 Subject to the provisions of these rules, reckonable service is the period of a person's continuous full-time service in the Civil Service ending with his last day of service. For this purpose, service starts from the date of taking up duty. However:
- (i) service in an unestablished capacity under 18 years of age given before 1 June 1972 does not reckon;
  - (ii) service in the Civil Service excluded from the scheme by rule 1.4 and rule 1.4xa does not reckon or qualify except in the circumstances described in rule 2.22 (service in the Civil Service under FSSU) and rule 2.32 (casual service immediately preceding appointment as a civil servant);
  - (iii) service other than as a civil servant does not reckon or qualify except for particular purposes specified in former section 10 as set out at Appendix 2 of the Compensation Scheme, former section 11 of this scheme as set out in Appendix 16 and the Civil Service Injury Benefits Scheme.
- 2.5 This rule has been deleted.
- 2.6 This rule has been deleted.

### Part-time service

- 2.7 Where continuous service consists of or includes part-time service of:
- (i) 18 hours a week or more before 1 October 1982; or

PCSPS – Section II (The 1972 Section)

- (ii) in the case of a civil servant who was rendering full-time service or part-time service of 15 hours a week or more on 1 October 1982, less than 18 hours a week on or after 1 June 1972 and before 1 October 1982; or
- (iii) 15 hours a week or more on or after 1 October 1982,

that service will qualify as follows:

- (a) any week in which such part-time service is given will qualify as one week's full-time service;
- (b) on or after 1 December 1980, any regularly occurring unpaid absences which form part of the conditions of employment will qualify at their calendar length as full-time service;
- (c) part-time service under 18 years of age given before 1 June 1972 will not qualify at all;
- (iv) on or after 1 April 1987, any regularly occurring weeks of less than 15 hours which form part of the conditions of employment will qualify as one week's full-time service.

Subject to rule 2.7a(ii) below, this rule applies only to part-time service rendered before 1 January 1990.

2.7a This rule applies to part-time service rendered on or after 1 January 1990 and on or before 31 December 1994.

- (i) Where the conditioned hours of a civil servant
  - (a) are 15 or more per week; or
  - (b) in the case of conditions of employment requiring a repeated cycle of service, average 15 or more per week over the period of the cycle; or
  - (c) in the case of conditions of employment requiring service during only part or parts of the year, average 15 or more a week over that part or parts,

each week which forms part of the conditions of employment will qualify as one week's full-time service.

- (ii) Notwithstanding this rule, rule 2.7 shall continue to apply after 1 January 1990 to a civil servant whose part-time service qualified under rule 2.7 but does not qualify under this rule, provided that there is no change in the conditioned hours of the civil servant.

Except as provided in this rule or in rule 2.7 above or in rule 2.7c below, part-time service rendered on or before 31 December 1994 does not qualify, but two periods of continuous service which do qualify may be treated as continuous full-time service if they are separated by a period of continuous part-time service which does not qualify.

2.7b This rule applies to part-time service rendered on or after 1 January 1995. Each week which forms part of the conditions of employment will qualify as one week's full-time service.

2.7c (i) This rule applies to a civil servant who was not otherwise excluded from the scheme by rule 1.4 and who rendered part-time service on or after 8 April 1976 and before 1 January 1995 which does not qualify under rule 2.7 or rule 2.7a.

- (ii) Where a civil servant

- (a) has lodged a written claim in such form as the Minister may consider appropriate no later than 6 months after the end of the period of continuous



employment which includes the period of part-time service to which this rule applies; and

- (b) has paid the contributions due under Part 7 of Section 4 of this Section II of the scheme

each week of that service which forms part of the conditions of employment and for which contributions have been paid will qualify as one week's full-time service.

- 2.8 (a) Each week of qualifying part-time service of 15 hours or more reckons as follows:
- (i) if given before 1 June 1972, at half the length of equivalent full-time unestablished service;
  - (ii) if given on or after 1 June 1972, and before 1 January 1990 at the length of equivalent fulltime service multiplied by A/B where A is the number of part-time hours worked in that week and B is the number of full-time hours (excluding meal breaks except where such breaks are paid for part-time staff) provided that, in the case of a week qualifying under 2.7(ii) above, A shall be deemed to be 15.
- (a) Where a civil servant gives service to which rule 2.7a or 2.7b apply, all hours worked (including meal breaks where such breaks are paid for part-time staff), will reckon up to a limit of the full-time conditioned hours of the civil servant's grade. Reckonable service will be calculated by means of the formula  $A/B \div 52.2$ , where A is the total number of hours worked and B is the number of weekly full-time conditioned hours of the grade (excluding meal breaks, except where such breaks are paid for part-time staff).
- (b) Where a civil servant has given service to which rule 2.7c applies, such service will reckon in accordance with the formula in rule 2.8(b).

## Broken service

- 2.9 Where there is a break between reckonable service and earlier service in the Civil Service, then in certain circumstances that earlier service may count as reckonable and qualifying. Where the earlier service ended on or after 1 June 1972, the rules for its treatment are set out under "re-employment" (see rules 3.25 to 3.36). Where the earlier service ended before 1 June 1972, the rules for its treatment are set out in Appendix 7.

## Leave

- 2.10 Annual leave and maternity leave on full pay count as reckonable service. Special leave, injury leave and sick absence on full or half pay count as reckonable service, as does maternity leave on statutory maternity pay on or after 23 June 1994; subject to rule 2.10a unpaid absences, unpaid leave and leave at pension rate neither qualify nor reckon except that:
- (i) where a civil servant's annual entitlement to paid leave was less than 3 weeks, unpaid leave may reckon to the extent that the entitlement fell short of 3 weeks;
  - (ii) unpaid special leave for training in one of the reserve forces may reckon to the extent authorised by the Minister ;
  - (iii) for industrial civil servants in post on 8 December 1967 unpaid special leave of up to 50 days a year granted for trade union and civic duties may reckon;

- (iv) unpaid special leave taken on or after 1 December 1980 for the purpose of voluntary public service may reckon to the extent authorised by the Minister;
- (v) unpaid absences taken by part-time staff will qualify to the extent provided under rules 2.7, 2.7a, 2.7b and 2.7c;
- (vi) unpaid maternity leave granted on or after 6 April 1988 will qualify as full-time service.

- 2.10a Periods of unpaid sick absence, unpaid leave and leave at pension rate taken on or after 1 April 1997 count as qualifying service.
- 2.10b Ordinary maternity leave, ordinary adoption leave or paternity leave whether paid or unpaid will count as reckonable service.

## **War service and national service**

- 2.11 No period of service in the armed forces may reckon under this scheme if it also reckons for the purpose of naval, military or air force non-effective pay or if there is any break in subsequent service in the Civil Service other than such a break as is permitted in accordance with rule 2.9.
- 2.12 Subject to rule 2.11, any service in the armed forces during which a civil servant was eligible to receive balance of civil pay may reckon as if it were a continuation of his service in the Civil Service.

Rules 2.13 to 2.16 have been deleted.

- 2.17 An established or unestablished civil servant who was recalled on or after 15 July 1950 for certain service in the Reserve and Auxiliary Forces may reckon that service as if he had stayed in the Civil Service. A person who was successful in an examination for the Civil Service or who was nominated for an established post, but was prevented by recall to the Reserve and Auxiliary Forces from taking up that post until later, may reckon that service as established civil service. Reckoning under this rule will be subject to the conditions which were laid down in the Superannuation (Reserve and Auxiliary Forces) Rules 1952 (SI 1952/135).
- 2.17a Where a civil servant is called out or recalled for permanent service in the reserve forces or regular forces in pursuance of a call-out order made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996, or under an Order in Council made on 18 May 1982, that service will reckon under this scheme, unless it reckons under one of the armed forces pension schemes. In the case of a civil servant who, at the date of calling out, is serving a period of notice, any service which reckons under this scheme by virtue of this rule will cease to reckon on the day that the period of notice expires.

## **Other service outside the Civil Service**

- 2.18 A civil servant with previous service in one of the bodies listed in the first column of Appendix 3 may reckon that service if:
- (i) he was transferred to the Civil Service on the date or within the dates shown in the second column; and
  - (ii) he has satisfied the other conditions (where appropriate) which were set out in the enactment or statutory instrument shown in the third column.

His service will count as reckonable or qualifying service in accordance with the provisions which were set out in that enactment or statutory instrument.

- 2.19 A civil servant who before 1 June 1972 transferred into the Civil Service from an outside employment under one of the transfer rules listed in Appendix 4 may count his service in that employment as reckonable or qualifying service in accordance with the provisions which were set out in that rule, as amended or extended by the Principal Civil Service Pension Scheme (Transfer Scheme) 1972.
- 2.19a With the exception of those provided for in the Superannuation (Territorial and Auxiliary Forces Associations and Civil Service) Transfer Rules 1969 (SI 1969/34) this rule applies:
- (i) to those staff who as a consequence of the reorganisation of the Army Reserves provided for in the Reserve Forces Act 1966 were taken into the Civil Service together with their work between 1 April 1967 and 30 September 1967 having previously been employed by the Territorial and Auxiliary Forces Associations;
  - (ii) to those staff who as a consequence of the reorganisation of the Army Reserves provided for in the Reserve Forces Act 1966 were first transferred to the Territorial Auxiliary and Volunteer Reserve Associations and subsequently taken into the Civil Service with their work between 1 April 1967 and 28 February 1973.

For such staff any previous service which was reckonable under the Territorial and Auxiliary Forces Associations Pension Fund or the gratuity scheme set out in the Territorial Army Civilian Staff Regulations will be reckonable as service in an unestablished capacity in the Civil Service.

- 2.19b Those staff who were employed by the Territorial, Auxiliary and Volunteer Reserve Association East Anglia on 31 March 1974, who on that date had service which was reckonable under the Territorial Army Volunteer Reserve Association gratuity scheme, and who on 1 April 1974 were taken into the Civil Service together with their work may count such reckonable service as service in an unestablished capacity in the Civil Service, provided that no gratuity was received from the Territorial Army Volunteer Reserve Association gratuity scheme in respect of such service or that any such gratuity has subsequently been paid over to the Ministry of Defence.
- 2.20 A civil servant joining the Civil Service on or after 1 June 1972 may transfer into the scheme his accrued pension benefits under, and in accordance with, the rules set out in section 6 or Appendix 11, whichever is applicable. Reckonable and qualifying service will therefore be credited in the scheme in accordance with those rules. Appendix 12 of this scheme shall continue to have effect for the purposes of paragraph 16 of Appendix 11.
- 2.21 A civil servant with previous service in a “public office” may count that service as reckonable or qualifying. The rules for doing so are set out in statutory instruments. The power to make them is contained in sections 38 and 42(1) of the Superannuation Act 1965, and the rules themselves are in the Superannuation (Public Offices) Rules 1967 (SI 1967/364) as amended by the Superannuation (Public Offices) (Amendment) Rules 1982 (SI 1982/1207). The employments which qualify as public offices are specified in section 39 of the 1965 Act, as extended by the Superannuation (Designation of Public Offices) Orders 1965 and 1967 (SI 1965/1357 and SI 1967/666).

## **Service in the Civil Service under FSSU**

- 2.22 Service in the Civil Service under the Federated Superannuation System for Universities does not reckon, but counts as qualifying service if it is followed immediately by service in the Civil Service which does reckon. The provision of Appendix 13 shall, however, have effect in relation to the reckoning of service of civil servants who are in service on 1 April 1975 and elect to relinquish their rights in respect of the policies and other assets held for them under FSSU.

## Added years

- 2.23 This rule has been deleted.
- 2.24 The Minister has discretion to grant added years of reckonable service to a civil servant if there are special circumstances to justify this. The number of added years which may be granted will be subject to the limits set out in rule 2.3 (limit on length of reckonable service). Subject to those limits, the Minister may determine whether the added years are to be treated as accruing evenly over the period from the date of entry into the Civil Service until the pension age or over such other period as the Minister may specify.
- 2.25 A civil servant may increase his reckonable and qualifying service by buying added years at full cost to himself, subject to certain limits. The rules for buying added years are set out in section 7.

## Prison Officers

- 2.26 “Service as a prison officer” means service as a civil servant serving in an institution to which the Prison Act 1952 or the Prisons (Scotland) Act 1952 applies, in one of the grades or pay bands listed in Appendix 5.
- 2.27 For prison officers with service as a prison officer who were in post on 30 September 1987, the pension age is 55 (but see rule 3.12); and after 20 years of actual service as a prison officer (including service that reckons under this scheme because of rule 2.17 or 2.17a and which preceded or interrupted service as a prison officer) further service reckons (subject to the maximum limits laid down in rules 2.3 and 3.31) at double its length, and will so reckon for the purposes of any payment under rule 3.2, or rule 3.32a or, subject to the provisions of rules 2.2 or 2A.5 of the Compensation Scheme, rules 2.1, 2A.4, 3.1 or 3A.4 of the Compensation Scheme. This is subject to rule 7.13.
- 2.28 Service as a mental health officer is treated as service as a prison officer, if the person concerned subsequently joined the Civil Service under the Superannuation (Transfer of Mental Health Officers) Order 1965 (SI 1965/1041), or under the corresponding transfer arrangement under section 6.
- 2.28a Where a prison officer joins the Civil Service on or before 30 September 1987 and a transfer value under section 6 has been received in respect of service by him as a member of the armed forces of the Crown, a policeman, a fireman, or a prison officer in Northern Ireland, which is reckonable under the Armed Forces Pension Scheme or pensionable under the Police Pensions Regulations or the Fireman's Pension Scheme or the Principal Civil Service Pension Scheme (Northern Ireland) as the case may be, such service may be treated as service as a prison officer and paragraphs 9 to 11 of Appendix 11 or rules 6.22, 6.23 and 6.27 as appropriate will not operate, if this would result in a larger pension under this scheme.

## Service overseas

- 2.29 Service in certain places overseas reckons at one and a half times the length at which it would otherwise have reckoned, if given before 1 June 1972, or if given after that date but as part of a tour of duty which began (or for which a posting was accepted) before it. The places in question are listed in the first column of Appendix 6, and this rule applies to service in those places after the dates shown in the second column.
- 2.30 Rule 2.29 does not apply:
- (i) for the purposes of qualifying (as opposed to reckonable) service;
  - (ii) to any service which would otherwise have reckoned at more than one and a half times its actual length;

- (iii) if the civil servant was resident in the country or area in question when he entered the Civil Service (unless the Minister expressly agrees otherwise);
- (iv) this paragraph has been deleted;
- (v) to absences or leave in the United Kingdom, or to absences or leave of more than one month in any period of 12 months spent outside the United Kingdom, whether or not in one of the places listed in Appendix 6.

2.31 For each completed year of actual service (established or unestablished) to which rule 2.29 applies, the pension age of the civil servant in question is reduced by three months, though not so as to reduce it below 55.

## Casual service

2.32 Where a person employed on a casual appointment is appointed to a post as a civil servant, a proportion of the period of casual service immediately preceding the appointment as a civil servant will count as qualifying and reckonable service. The proportion of casual service that qualifies and reckons under this rule will be as determined by the Minister on the advice of the Scheme Actuary. This rule applies to persons employed on casual appointments or as civil servants on or after 20 July 1995 and before 31 July 2006, with casual service on or after 1 April 1993.

## Pay restructuring

- 2.33 (i) This rule shall apply to a civil servant where the department or other body employing him:
- (a) proposes to agree (as part of a collective or other agreement on pay) that this rule shall apply in respect of an Increase; and
  - (b) informs the Minister that it considers that the proposed agreement is capable of being validly implemented;

and the Minister agrees, after consulting persons appearing to him to represent persons likely to be affected by the proposed application of this rule, to the application of this rule. This rule shall not apply to any Increase with a Starting Date on or after 31 July 2006.

- (ii) Paragraphs (iii) and (iv) shall only apply for the purposes of:
- (a) calculating any benefit (apart from any enhancement) for or in respect of the civil servant under any of rules 3.1, 3.35, 4.3, 4.21 and 4.41, and
  - (b) calculating any other benefit for or in respect of him under this scheme, to the extent that this involves a calculation on the same basis as applies under, or in relation to, any of those rules.
- (iii) In relation to the civil servant :
- (a) his reckonable service (and any relevant period of that service) before the “Starting Date” shall either be reduced by multiplying it by  $X/Y$ , where:
    - X is his pensionable earnings as at the date immediately before the Starting Date, and
    - Y is X plus the annual rate of the Increase,or be subject to such smaller reduction as the Minister may decide with the advice of the Scheme Actuary;

PCSPS – Section II (The 1972 Section)

- (b) rule 2.3 shall apply so that his reckonable service as reduced under paragraph (a) above and his reckonable service on and after the Starting Date shall not in aggregate exceed the limits prescribed by rule 2.3 (limit on length of reckonable service);
  - (c) for the purposes only of calculating any benefit under rule 4.41 “A” and “B” in rule 4.43 shall each be the period of reckonable service stated in rule 4.50 in respect of that abbreviation, but reduced in each case in accordance with (a) above in respect of any part or the whole of that period of reckonable service falling before the Starting Date.
- (iv) At any date (the “Calculation Date”) during the period of one year starting on the Starting Date the civil servant's pensionable earnings shall be the greater of:
  - (a) his pensionable earnings calculated without reference to (b) below, and
  - (b) his total pay and pensionable emoluments for the period starting on the Starting Date and ending on the Calculation Date multiplied by the proportion which one year bears to that period.
- (v) For all purposes of this scheme except those specified in paragraph (ii), any reference to the period of a civil servant's reckonable service or pensionable earnings shall be to his reckonable service or pensionable earnings calculated without reference to paragraphs (iii) and (iv). For the avoidance of doubt, circumstances in which accordingly paragraph (iii) shall not apply include (though not exclusively) the calculation of any of:
  - (a) his reckonable service for the purpose of determining the amount of any enhancement to that service;
  - (b) his reckonable service credited under Section 6;
  - (c) his reckonable service in respect of added years purchased under Section 7 or granted under rule 2.24;
  - (d) the length of his reckonable service referred to in the table in rule 11.7 of Appendix 16 or rule 1.7 of the Civil Service Injury Benefits Scheme, as the case may be; and
  - (e) any period of his qualifying service.
- (vi) In this rule:
  - (a) an “Increase” is a specific part or the whole of a proposed increase in the civil servant's salary or wages; and
  - (b) the “Starting Date” is the date of the start of the period of service in respect of which the Increase is payable.

## Section 2A

### Further Contributions

#### Meaning of “pensionable pay”

- 2A.1 (i) For the purposes of this Section 2A, a civil servant's pensionable pay for any period is the sum of—
- (a) the civil servant's permanent pensionable pay in respect of that period; and
  - (b) the civil servant's fluctuating pensionable pay in respect of that period.
- (ii) The money value of any benefit in kind forms part of a civil servant's pensionable pay if—
- (a) the benefit is expressly provided on a pensionable basis; or
  - (b) the Minister determines the benefit forms part of the civil servant's permanent pensionable pay or fluctuating pensionable pay.
- (iii) If a benefit in kind is expressly provided on a pensionable basis, the Minister must determine whether the benefit forms part of the civil servant's permanent pensionable pay or fluctuating pensionable pay.
- (iv) In this rule—
- “benefit in kind” means anything other than money provided to a civil servant in connection with the civil servant's pensionable service ;
- “money value”, in relation to a benefit in kind, means—
- (a) an amount determined by the employer in accordance with the arrangement under which the benefit is provided; or
  - (b) otherwise, an amount determined by the Minister;
- “permanent pensionable pay”, in respect of any period, means—
- (a) basic pay in respect of that period;
  - (b) any allowance granted on a permanent basis that the Minister determines to be permanent pensionable pay in respect of that period; and
  - (c) the money value of any benefit in kind that the Minister determines to be permanent pensionable pay in respect of that period;
- “fluctuating pensionable pay”, in respect of any period, means any of the following that the Minister determines to be fluctuating pensionable pay in respect of that period—
- (a) any non-consolidated performance-related pay not forming part of basic pay;
  - (b) any allowance not granted on a permanent basis; and (c) the money value of any benefit in kind.

#### Rate of further contributions

- 2A.2 (i) A civil servant must pay contributions to this scheme (“further contributions”) on the civil servant's pensionable pay for each pay period at a rate determined under this rule (“further contributions rate”).
- (ii) The further contributions rate which applies to a civil servant's pensionable pay is the rate which applies when the civil servant's pensionable pay is paid.

PCSPS – Section II (The 1972 Section)

- (iii) For the purposes of paragraph (ii),
  - (a) assumed pay for any pay period is treated as having been paid when pensionable pay for that period would have been paid had the circumstances in rule 1.9B(ii) which apply to the civil servant not applied; and
  - (b) payment of the money value of any benefit in kind which forms part of a civil servant's pensionable pay is treated as having been made at a time or apportioned across a period of time as determined by the Minister.
- (iv) The further 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 civil servant's annualised rate of pensionable pay calculated in relation to each payment of a civil servant's pensionable pay.
- (v) Where the civil servant's pensionable pay for a scheme year is payable to the civil servant in 12 instalments, the civil servant's annualised rate of pensionable pay is calculated as follows, rounded down to the nearest whole pound—

$$12P$$

where P is the amount of a payment of the civil servant's pensionable pay.

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

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

where—

P is the amount of a payment of the civil servant's pensionable pay ; and

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

- (vii) For the purposes of paragraph (vi) the applicable payment period is—
  - (a) if it is the civil servant's first payment of pensionable pay in relation to a continuous period of pensionable service in an employment in respect of which the person is civil servant to whom this scheme applies, the number of days in the period beginning on the day the civil servant 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 civil servant's pensionable pay was made and ending on the day before the day that this payment was made.
- (viii) If the scheme year in which the payment of pensionable pay is made includes 29th February, paragraph (vi) has effect with the substitution for “365” of “366”.
- (ix) Nothing in this section 2A affects any of the provisions regarding contributions in Section 4 (widows' and dependants' benefits) of this Section of the Scheme.

Scheme Year 1st April 2015 to 31st March 2016

Annualised rate of pensionable pay	Further contributions rate
Up to but not including £15,001	1.5%



## PCSPS – Section II (The 1972 Section)

£15,001 to but not including £21,001	3.1%
£21,001 to but not including £47,001	3.95%
£47,001 to but not including £150,001	5.85%
£150,001 and above	6.55%

### Scheme year 1st April 2016 to 31st March 2017

Annualised rate of pensionable pay	Further contributions rate
Up to but not including £15,001	2.3%
£15,001 to but not including £21,211	3.1%
£21,211 to but not including £48,472	3.95%
£48,472 to but not including £150,001	5.85%
£150,001 and above	6.55%

### Scheme Year 1st April 2017 to 31st March 2018

Annualised rate of pensionable pay	Further contributions rate
Up to but not including £15,001	3.1%
£15,001 to but not including £21,423	3.1%
£21,423 to but not including £51,006	3.95%
£51,006 to but not including £150,001	5.85%
£150,001 and above	6.55%

### Scheme Year 1st April 2018 to 31st March 2019

Annualised rate of pensionable pay	Further contributions rate
Up to but not including £15,001	3.1%
£15,001 to but not including £21,637	3.1%
£21,637 to but not including £51,516	3.95%
£51,516 to but not including £150,001	5.85%
£150,001 and above	6.55%

## Amount of pensionable pay

- 2A.2A (i) For the purpose of rule 2A.2, the amount of a civil servant's pensionable pay for any pay period is determined in accordance with this rule.
- (ii) Unless paragraph (iii) or (iv) applies, the amount of the civil servant's pensionable pay during any period of assumed pay is equal to the civil servant's assumed pay.
- (iii) For any period of assumed pay under rule 1.9B(ii)(b) (civil servant on sick leave on reduced pay), the amount of the civil servant's pensionable pay equal to the civil servant's reduced pay while on sick leave.

- (iv) For any period of assumed pay while the member is on ordinary maternity leave, ordinary adoption leave or paternity leave, the amount of the civil servant's pensionable pay is the amount of contractual remuneration or statutory pay actually paid to or for the civil servant in respect of the period of leave.
- (v) For the purposes of rule 2A.2(i), the pensionable earnings of a civil servant to whom rule 1.6(b) (i) applies may not exceed one twelfth of the permitted maximum for the appropriate tax year for each month's service falling into that tax year.

## **Payment of further contributions**

- 2A.2B
- (i) Further contributions are to be deducted by the civil servant's employer from the civil servant's pensionable pay for each pay period.
  - (ii) A civil servant's employer—
    - (a) may make contributions on the civil servant's behalf in circumstances determined by the Minister; and
    - (b) must do so for any period of assumed pay under rule 1.9B(ii)(g) (unpaid leave which counts as reckonable service).
  - (iii) A civil servant is not required to pay further contributions while the civil servant is on unpaid ordinary maternity leave, unpaid ordinary adoption leave or unpaid paternity leave.
  - (iv) A civil servant is not required to pay further contributions on pensionable pay for any period of service that is not reckonable service.
  - (v) Contributions paid on service which reckons at double its length under rule 2.27 shall be paid as if rule 2.27 did not apply.

## **Repayment of further contributions**

- 2A.3
- (i) The contributions made by a civil servant under this section 2A are not repayable in any circumstances except where paragraph (ii) applies.
  - (ii) This paragraph applies where—
    - (a) a civil servant leaves pensionable service or opts-out of the scheme without immediately receiving a pension,
    - (b) the civil servant does not fall within rule 3.11 (including rule 3.11 as applied by rule 3.12),
    - (c) the civil servant has not required a payment to be made in respect of him or her under section 6 (transfers).
  - (iii) Where paragraph (ii) applies, the civil servant is entitled to be paid an amount equal to the sum of the contributions made under this section 2A, less an amount equal to the income tax payable under section 205 of the Finance Act 2004 by virtue of the repayment.
  - (iv) Where a refund is made under paragraph (iii) the civil servant's rights under this Section of the Scheme are extinguished.

## Section 3

### Retirement and Death Benefits

#### Ordinary retirement

- 3.1 Subject to the other provisions of these rules, a civil servant who retires or, if earlier, reaches the day before his 75th birthday on or after 6 April 2006, shall be paid the following benefits on or after reaching the pension age:
- (a) an annual pension of 1/80th of his pensionable earnings multiplied by the length of his reckonable service;
  - (b) a lump sum of 3/80ths of his pensionable earnings multiplied by the length of his reckonable service.

For the limits on reckonable service see rule 2.3.

Where the civil servant is already entitled to receive a pension under rule 3.3b (partial retirement), the reckonable service used to calculate his full retirement pension will be reduced in accordance with rule 3.3b(viii)(c) or (ix)(c).

- 3.1a This rule applies to a civil servant (including, as appropriate, a person who has opted out of the scheme) who, on or after 1 February 1996,
- (i) retires at, or after, the pension age or, if earlier reaches the day before his 75th birthday after 5 April 2006 with benefits under rule 3.1, or receives early payment of such benefits in the form of both pension and lump sum under rule 3.15; or
  - (ii) receives benefits at the pension age under rules 3.11 or 3.24a(ii), or receives early payment of such benefits in the form of both pension and lump sum under rule 3.15; or
  - (iii) receives early payment of actuarially reduced benefits under rules 3.10a, 3.10b, or 3.10c; or
  - (iv) retires early with benefits awarded under rules 2.2, 2.9, 3.1, 3.4 or 4.1 ; or
  - (v) is entitled to receive payment of benefits as a result of exercising the partial retirement option under rule 3.3b.

In such cases, the civil servant may, before his or her benefits are due to come into payment,, elect to surrender the whole, or part, of any superannuation lump sum forming part of those benefits, or any contributed lump sum payable to the civil servant under section 14 (contributed pension and lump sum) so as to receive, instead, the equivalent commutation value of that superannuation lump sum and/or contributed lump sum in the form of an increase,

- (a) if the surrender relates to contributed lump sum payable under section 14, in either:
  - (i) his or her contributed pension from the date that such pension comes into payment; or
  - (ii) his or her contributed pension as in (a)(i) above and in any dependant's contributed pension, as appropriate, which may become payable under Rule 14.21, on the death of the civil servant to the person who is the civil servant's spouse or civil partner at the time the increase in the civil servant's own pension comes into effect, or
- (b) otherwise, in either:

- (i) his or her annual pension from the date that such a pension comes into payment; or
- (ii) his or her annual pension as in (a) above and in any widow's, widower's or surviving civil partner's pension, as appropriate, which may become payable under section 4 on the death of the civil servant to the person who is the civil servant's spouse or civil partner at the time the increase in the civil servant's own pension comes into effect.

An election made under this rule will be irrevocable from the date that the benefits in (i)–(v) above are due to come into payment. For the purposes of determining any increases under this rule, the appropriate tables drawn up by the Scheme Actuary shall be used. Any amount of lump sum elected to be surrendered shall be an amount determined in multiples of £100. Where an election is made under this rule, the increased element of the civil servant's pension, or any increase in the widow's, widower's or surviving civil partner's pension resulting from the operation of this rule shall be ignored, as appropriate for the purposes of abatement under rule 3.26 or a pension under parts 3 or 5 of section 4.

3.1b In the case of a civil servant whose continuous service includes service in one or more designated appointments, the benefits referred to in rule 3.1 above will be calculated separately in respect of each of the following periods of service:

- (i) any period of service before a designated appointment;
- (ii) any period of service under a designated appointment; and
- (iii) any period of service after a designated appointment,

and subject to rule 3.1c, the civil servant will receive the aggregate of the benefits so calculated. Without prejudice to the requirements of the social security legislation the benefits calculated in respect of each period shall be treated as though they comprised a separate pension for that period and references to “pension”, “pensionable earnings” and “reckonable service” shall be construed accordingly where it is necessary to do so to give effect to the calculation of benefits under this rule.

- 3.1c
- (i) A civil servant who continues to render service after the designated appointment may have his reckonable service rendered before the designated appointment counted with reckonable service rendered after the designated appointment toward a single pension award based on pensionable earnings at the later period of service.
  - (ii) Where, in the case of a civil servant who continues to render reckonable service after the designated appointment, the pensionable earnings relating to that reckonable service exceeds the pensionable earnings on the last day of the designated appointment (increased by the proportion by which a pension of that amount beginning on the following day would have been increased under the Pensions (Increase) Act 1971 as amended) the civil servant may be paid benefits calculated under rule 3.1, if those benefits would be greater than the aggregate of benefits calculated under rule 3.1b or rule 3.1c(i).

3.1d A designated appointment is a period appointment made before 1 November 2007

- (i) in which the civil servant is paid at a rate higher than the range of pay or overall band maximum, or band maximum for the grade of the post, or
- (ii) to which a civil servant is appointed and which is more than one grade (or where his grade is 7 or 5, more than 2 grades) above his grade immediately before the appointment.

- 3.2 If a civil servant serving on or after the pension age has completed 45 years' reckonable service, a payment may be made of 3/80ths of pensionable earnings for each year (including fractions of a year) of any further service after the pension age excluding, if the civil servant's 75th birthday is after 5 April 2006, any service on and after his 75th birthday. This will be payable when he retires or, if earlier, on the day before his 75th birthday if the day before his 75th birthday is after 5 April 2006, and will be in addition to his pension and lump sum under rule 3.1.
- 3.3 This rule has been deleted.
- 3.3a (i) Where a person's relevant entitlements do not exceed the small pensions commutation maximum and the commutation requirements that apply are met, the scheme administrator may pay the person entitled to any of the following pensions a lump sum of such an amount as the Scheme Actuary advises represents the capital value of the pension if—
- (a) that person consents, and
  - (b) in a case where that person is a civil servant and the pension is one which may not be less than his guaranteed minimum, he has reached state pension age.
- (ii) Those pensions are—
- (a) a pension to which a civil servant is entitled under section 3,
  - (b) a pension payable to any person under section 4,
  - (c) a pension payable to a pension credit member under section 12, or
  - (d) a pension payable to any person under section 14.
- (iii) If—
- (a) a civil servant is entitled to more than one pension in respect of the employment by virtue of which he is eligible for membership of this Section of the scheme, or
  - (b) a person is entitled to more than one pension in respect of the same civil servant and the same employment of the civil servant, or
  - (c) a pension credit member is entitled—
    - (i) to more than one pension under rule 12.2, or
    - (ii) to one or more pensions within sub-paragraph (a) in addition to one or more pensions under rule 12.2,
- those pensions may only be commuted under this rule if they, together with the pension equivalent of any lump sum payable, do not in aggregate exceed the amount that is permitted to be commuted under all the commutation requirements that apply in the circumstances in question.
- (iv) The payment of a lump sum under this rule in respect of a pension discharges all liabilities under these rules in respect of that pension.
- (v) This paragraph has been deleted.
- (vi) This paragraph has been deleted.
- (vii) In this rule—
- “the small pensions commutation maximum” means the amount that is permitted to be commuted, having regard to all the commutation requirements that apply in the circumstances in question, and

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

- (a) by regulation 20 or 60 of the Occupational Pension Schemes (contracting-out) Regulations 1996,
- (b) by paragraph 7 of Schedule 29 to the Finance Act 2004 or, in relation to a pension payable under section 4, by paragraph 20 of schedule 29 to the Finance Act 2004, or
- (c) by regulation 3(2)(b) of the Pension Sharing (Pension Credit Benefit) Regulations 2000.

## Partial retirement

3.3b (i) This rule applies if—

- (a) a civil servant has not retired from an employment that qualifies the civil servant to belong to this scheme,
- (b) if he had so retired the civil servant would be entitled to a pension for life and a lump sum by virtue of—
  - (1) rule 3.1 (normal retirement), provided that he has not reached the day before his 75th birthday, or
  - (2) rule 3.10a (early payment of pension and lump sum with actuarial reduction), if he had opted under that rule to receive immediate payment of a pension and lump sum after actuarial reduction,
- (c) the terms on which the civil servant holds the employment change on or after 1st March 2008,
- (d) as a result the amount of the civil servant's salary is reduced to 80% or less of its amount before the change, and
- (e) the civil servant opts for this rule to apply.

This is subject to paragraph (iii).

(ii) This rule also applies if—

- (a) a civil servant who reached pension age before 1st March 2008 has not retired from an employment that qualifies the civil servant to belong to this scheme,
- (b) the civil servant has not reached the day before his 75th birthday,
- (c) on or after the date on which he reached pension age but before 1st March 2008, the civil servant's salary has reduced as a result of a change to the terms on which he holds the employment, each such reduction being “an earnings reduction”, (d) either—
  - (1) if the civil servant has only had one earnings reduction, the amount of the civil servant's salary was reduced to 80% or less of its amount before the earnings reduction, or
  - (2) if the civil servant has had more than one earnings reduction, the cumulative change percentage (see paragraph (iv)) is 80% or less, and
- (e) the civil servant opts before 1st June 2008 for this rule to apply.

This is subject to paragraph (iii).

(iii) This rule does not apply to a prison officer who has a pension age of 55 under rule 2.27.

PCSPS – Section II (The 1972 Section)

- (iv) The cumulative change percentage is found by—
  - (a) expressing the amount of the civil servant's salary immediately after each earnings reduction as a percentage of the civil servant's salary immediately before that earnings reduction to obtain “the change percentage” for each earnings reduction, and
  - (b) multiplying the change percentages.
- (v) The option under this rule—
  - (a) may only be exercised once,
  - (b) may only be exercised by notice in writing in such form as the Minister requires, and
  - (c) except in the case of a civil servant to whom paragraph (ii) applies, may only be exercised in the period of three months beginning with the day on which the reduction in salary by virtue of which it is exercisable takes effect.
- (vi) A civil servant who exercises the option—
  - (a) is entitled to a pension payable for life and a lump sum under this rule with effect on and from the day after the relevant last day, and
  - (b) will be treated both as a civil servant in service and a civil servant whose pension has come into payment for the purposes of this scheme.
- (vii) The option must specify —
  - (a) whether the civil servant requires payment of part or the whole (calculated on the relevant last day) of the civil servant's pension, and
  - (b) if only part of the pension, the proportion required (“the partial retirement proportion”).
- (viii) If the civil servant exercises the option in respect of the whole of the civil servant's pension—
  - (a) the annual amount of pension to which the civil servant is entitled is, subject to paragraph (x), determined by—
    - (1) calculating the annual amount of pension that would be payable to the civil servant under rule 3.1 (ordinary retirement) using the civil servant's pensionable earnings as if his last day of reckonable service was the relevant last day and using his reckonable service up to and including the relevant last day,
    - (2) adding the annual amount of the civil servant's full retirement contributed pension specified in the civil servant's pension account under rule 14.13A, and
    - (3) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a (immediate payment of preserved pension and lump sum after actuarial reduction), and
  - (b) the amount of lump sum to which the civil servant is entitled is determined by—
    - (1) taking the unreduced amount of the civil servant's annual pension calculated in accordance with paragraphs (viii)(a)(1) and (2) of this rule before applying any reduction under rules 3.19 to 3.23a (modification on account of national insurance benefits) and multiplying it by three, and
    - (2) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a, and

PCSPS – Section II (The 1972 Section)

- (c) the civil servant's reckonable service accrued for the period up to and including the relevant last day is adjusted, with effect from the day after the relevant last day, to zero.
- (ix) If the civil servant exercises the option in respect of part of the civil servant's pension—
  - (a) the annual amount of pension to which the civil servant is entitled is, subject to paragraph (x), determined by—
    - (1) calculating the partial retirement proportion of the civil servant's reckonable service up to and including the relevant last day, rounded up or down to the nearest whole day (“the partial reckonable service”),
    - (2) calculating the annual amount of pension that would be payable to the civil servant under rule 3.1 using the civil servant's pensionable earnings as if his last day of reckonable service was the relevant last day and using his partial reckonable service instead of his reckonable service, and
    - (3) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a,
  - (b) the amount of lump sum to which the civil servant is entitled is, subject to paragraph (xi), determined by—
    - (1) taking the unreduced amount of the civil servant's annual pension calculated in accordance with paragraphs (ix)(a)(1) and (2) of this rule before applying any reduction under rules 3.19 to 3.23a (modification on account of national insurance benefits) and multiplying it by three, and
    - (2) if the civil servant has not reached pension age at the relevant last day, applying the reduction that would be determined under rule 3.10a, and
  - (c) the civil servant's reckonable service is adjusted, with effect from the day after the relevant last day, by subtracting the civil servant's partial reckonable service from his total reckonable service up to and including the relevant last day, to determine the civil servant's “remaining reckonable service”. The civil servant's remaining reckonable service, together with any reckonable service accrued after the relevant last day, will be used to calculate the benefits due to the civil servant on full retirement.
- (x) If the civil servant has a guaranteed minimum under section 14 of the Pension Schemes Act 1993 in relation to service by reference to which he is entitled to benefits under the 1972 Section, the partial retirement proportion must be at least enough to ensure that the weekly rate of the pension payable to the civil servant under this rule (after any commutation under rule 3.50 and after applying any actuarial reduction) is not less than the rate of the guaranteed minimum pension payable from state pension age (regardless of whether or not the civil servant has reached pension age).
- (xi) Where a civil servant exercises the option in respect of part of his pension, the partial retirement proportion must be enough to ensure that the lump sum payable to him under this rule is no less than any deduction that will apply to that lump sum under rule 4.17(i) or rule 4.23b(i).
- (xii) Rules 3.24 to 3.24d (downgrading) cease to apply to a civil servant when he exercises the option under this rule.
- (xiii) Special terms apply if a civil servant who exercises the option under this rule is subsequently retired on medical grounds (see rule 3.4(i)) or dies before full retirement (see rules 3.8(vii), 3.9(ba), 4.6(iv), 4.21c(iv) and 4.30(iii)).
- (xiv) In this rule—



“the relevant last day” means the day before the date on which the civil servant's salary is reduced or, if later, 29th February 2008, and

“salary” means the annual rate of the civil servant's salary or wages and pensionable emoluments, other than any fluctuating emoluments designated by the Minister as pensionable pursuant to paragraph 2(ix) of Appendix 1.

## **Retirement on medical grounds**

- 3.4 (i) Subject to rules 3.6, 3.7 and 3.24d, a civil servant (other than a person on a period appointment) who is retired on medical grounds and who would qualify for a pension under rule 3.1 or a preserved pension under rules 3.11 or 3.24a will be paid an ill health pension and lump sum. The pension and lump sum paid under this rule are calculated as under rule 3.1 but in the following cases enhancement may apply, where:
- (a) the person concerned would qualify for a pension under rule 3.1; or
  - (b) the person would qualify by virtue of rule 3.11 and has 5 or more years' qualifying service; or
  - (c) the person is a woman qualifying under rule 3.11 and is retired on medical grounds on or after 6 April 1978 and after the end of the tax year preceding that in which she attains the age of 60.

Enhancement does not apply to a civil servant who becomes entitled to receive a pension under rule 3.3b (partial retirement) on or before the day before he is retired on medical grounds.

Where enhancement applies, the person's reckonable service is enhanced as follows:

- (i) if it is less than ten years, it will be enhanced to double its length;
- (ii) if it is ten years or more, it will be enhanced in whichever of the following ways gives the better result:
  - (a) to 20 years
  - (b) by  $6\frac{2}{3}$  years.
- (iii) For the purposes of (i) and (ii) above, in the case of a civil servant whose benefits fall to be calculated under rule 3.1b but who is not serving in a designated appointment at the time of retirement on medical grounds, the whole of his reckonable service shall be taken into account and enhancement shall apply to the benefits related to his last period of service.

However, enhanced reckonable service under (i) or (ii)(a) may not exceed what would have been his reckonable service if he had stayed in service in a full-time capacity until five years after the pension age ; and enhanced reckonable service under (ii)(b) may not exceed what would have been his reckonable service if he had stayed in service in a full-time capacity until the pension age. For the purpose of calculating the limits on enhancements of reckonable service under this rule,

- (1) added years shall be brought to account as reckonable service in accordance with rule 7.11;
- (2) this sub-paragraph has been deleted;
- (3) in the case of a prison officer who retires on or after 1 June 1972 to whom rule 2.27 applies, no account shall be taken of the doubling of further reckonable

## PCSPS – Section II (The 1972 Section)

service provided for in that rule but total benefits paid shall not amount to less than those which would otherwise have been paid under rule 3.12.

Except as provided by rule 3.4(ii), a person on a period appointment will not be dealt with under this rule but will be treated as if he had resigned.

- (ii) Subject to rules 3.6 and 3.7 a civil servant serving on a period appointment who is retired on medical grounds on or after 1 February 1991 will be paid an ill health pension and lump sum as follows:
  - (a) if he took up a designated appointment after a period of service as a civil servant, he will be awarded benefits calculated in accordance with rule 3.1b with reckonable service enhanced as if he had continued in service to the end of the designated appointment or (where he is retired on or before 9 July 2002) by 5 years whichever is the lesser period;
  - (b) in all other cases, a civil servant serving on a period appointment will be awarded an ill health pension and lump sum calculated as under rule 3.1 with his reckonable service under the period appointment enhanced as if he had continued in service to the end of the appointment or (where he is retired on or before 9 July 2002) by 5 years whichever is the lesser period.

3.4a This rule has been deleted.

3.4b Where a civil servant who is retired on medical grounds with benefits under rules 3.4(i) or 3.4(ii), or a person whose preserved benefits are brought into immediate payment under the provisions of rule 3.14, has a life expectancy of less than 12 months as assessed by the Scheme Medical Adviser, he or she may elect, before the aforementioned benefits are due to come into payment, to commute his or her ill health pension into a lump sum payment. This is subject to the lump sum being a serious ill-health lump sum for the purposes of Part 4 of the Finance Act 2004 (see paragraph 4 of Schedule 29 to that Act). The lump sum payment shall be an amount equal to five times the annual rate of the ill health pension, less an amount equal to the ill health lump sum. The ill health lump sum and the lump sum resulting from the commutation will be paid immediately. An election made under this rule shall not affect the value of any benefits payable under Parts 1 or 2 of section 4. For the purposes of determining benefits under rules 4.7a, 4.8(iv), 4.21e, 4.21f(iv), 4.30, 4.31, 4.54 and rule 11.7 of Appendix 16 or rule 1.7 of the Civil Service Injury Benefits Scheme, as the case may be, the pre-commutation value of the ill health pension shall be used.

3.4c If a civil servant to whom rule 3.4b applies makes an election to commute his ill health pension into a lump sum payment under rule 3.4b, he may also elect to commute his contributed pension payable under section 14 into a lump sum payment, subject to and on the same terms as set out in rule 3.4b.

3.5 This rule has been deleted.

3.6 (i) In this rule—

“contribution rebate service” means the reckonable service in respect of which a restricted civil servant was entitled to a rebate under rule 3.6(iii) of the old rules;

“former excluded civil servant” means a civil servant who on 31 December 2006 was an excluded civil servant for the purposes of rule 3.6 of the old rules, being a person who did not meet the required health standard;

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

“restricted civil servant” means a former excluded civil servant who has not made an election under paragraph (ii).

- (ii) A former excluded civil servant may elect in such form and by such time as the Minister requires to be treated as if he had never been an excluded civil servant for the purposes of rule 3.6 of the old rules.
  - (iii) A former excluded civil servant who has made an election under paragraph (ii) must make the contributions to this scheme that he would have been required to pay had he not been entitled to a rebate under rule 3.6(iii) of the old rules. The contributions must be paid in accordance with the terms set out in the notice of election.
  - (iv) If a restricted civil servant is retired on medical grounds before the pension age, for the purposes of rule 3.4 the reckonable service, after any enhancement, used for calculating his pension and lump sum is reduced by his contribution rebate service.
  - (v) A restricted civil servant to whom paragraph (iv) applies will be awarded a preserved pension and lump sum. These will be brought into payment when the civil servant reaches the pension age, and will be calculated in the way described in rule 3.1 but by reference to his contribution rebate service instead of all of his reckonable service.
- 3.7
- (i) This rule applies where in any case of retirement on medical grounds a civil servant has:
    - (a) made a false declaration about his health; or
    - (b) deliberately suppressed a material fact.
  - (ii) In the circumstances set out in sub-paragraphs (i)(a) or (b), the Minister may:
    - (a) cease paying the pension;
    - (b) withhold the whole or part of the pension; or
    - (c) recover any payment made.

## Death benefits

- 3.8
- (i) Subject to paragraph (vii), if a civil servant dies in service, a death benefit may be paid to one person nominated by him to receive it or, in the absence of a valid nomination, to his personal representatives.
  - (ii) A nomination shall not be valid at the time of the nominator's death;
    - (a) if the person nominated was the nominator's husband or wife at the time the nomination was made but the marriage has come to an end; or
    - (b) if the Minister is of the opinion that payment of the death benefit to the person nominated is not reasonably practicable in all the circumstances, or is prevented by the operation of the common law rule of forfeiture; or
    - (c) if the person nominated has died; or
    - (d) if the nomination was not by notice in writing, in such form as the Minister may from time to time require.
  - (iii) A nomination may be revoked by a subsequent notice in writing in such form as the Minister may from time to time require.
  - (iv) Subject to (vi) where death occurs before 1 July 1987, the death benefit will be the greater of:

- (a) his pensionable earnings; and
  - (b) the lump sum that would have been paid under rule 3.4 if he had been retired on medical grounds on the date of his death.
- (v) Subject to (vi), where death occurs on or after 1 July 1987 the death benefit will be the greater of:
- (a) two years' pensionable earnings; and
  - (b) the lump sum that would have been paid under rule 3.4 if the civil servant had been retired on medical grounds on the date of his death.
- (vi) Where there is part-time service in the last three years of reckonable service, the “pensionable earnings” in (iv)(a) and (v)(a) above will be calculated by reference to the actual pay and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure, rather than by reference to the full-time rate of pay. The actual pay and pensionable emoluments will not include any amount of pay which would be disregarded under rule 1.6b(i), if pensionable earnings were being calculated by reference to the full-time rate of pay.

In the case of a civil servant whose benefits have been calculated under rule 3.1b the “pensionable earnings” in (v)(a) above will be the pensionable earnings relating to the last period of service.

- (vii) Where a civil servant is entitled to receive a pension under rule 3.3b (partial retirement) on the day before his death rule 3.9(ba) applies instead of this rule.

- 3.9 (a) Where a civil servant is awarded a pension under this scheme in respect of service ending before 1 July 1987 and subsequently dies after the pension has come into payment, the following sums will be calculated:
- (i) the death benefit that would have been payable under rule 3.8 if he had died on his last day of service, reduced in the case of a civil servant who has been awarded a preserved pension and a lump sum, to a sum bearing the same proportion to the full death benefit so calculated as his actual reckonable service bears to what would have been his reckonable service if he had stayed in service in a full-time capacity until the pension age;
  - (ii) the lump sum and pension already paid to him.

If the sum in (ii) is less than the sum in (i) a supplementary death benefit equal to the difference between these two amounts may be paid to the person nominated by him for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his personal representatives.

- (b) Where a civil servant retires on or after 1 July 1987 and dies after a pension or, if it came into payment before 6 April 2006, an annual compensation payment has come into payment, and paragraph (ba) does not apply the following sums will be calculated:
- (i) five times the annual rate of pension or annual compensation payment in payment to him at the date of death (including any contributed pension payable under section 14 and any increase under the Pensions (Increase) Act 1971, as amended but excluding any additional pension resulting from an election under rule 3.1a);

- (ii) the total of lump sums and pension or annual compensation payment already paid to him including any contributed lump sum and pension paid under section 14.

If the sum in (ii) is less than the sum in (i), a supplementary death benefit equal to the difference between these two amounts may be paid to the person nominated by him for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his personal representatives. This is subject to rules 3.9b and 3.9c.

- (ba) Where a civil servant partially retires under rule 3.3b and dies after becoming entitled to a pension under rule 3.3b but before full retirement, a supplementary death benefit may be paid to the person nominated by him under rule 3.8 for a death benefit, or (in the absence of a valid nomination) to his personal representatives, which will be the greater of:

- (i) an amount obtained by calculating:
  - (1) five times the annual rate of pension in payment to him at the date of death (including any contributed pension payable under section 14 and any increase under the Pensions (Increase) Act 1971, as amended but excluding any additional pension resulting from an election under rule 3.1a), plus
  - (2) five times the annual rate of pension that would have come into payment to him if he had taken full retirement at the date of death (disregarding any early payment reduction and including any contributed pension payable under section 14), less
  - (3) the total of any lump sums and pension already paid to him including any lump sum and pension paid under section 14; and
- (ii) an amount obtained by calculating:
  - (1) the benefit that would have been paid in respect of the civil servant if rule 3.8(v) applied at the date of his death, less
  - (2) any lump sum already paid to him on partial retirement.

This is subject to rules 3.9b and 3.9c.

- (c) A lump sum that is payable under paragraph (b) of this rule shall for the purposes of the Finance Act 2004 be treated as a defined benefit lump sum death benefit, unless paragraph (d) applies.
- (d) A lump sum that is payable under paragraph (b) of this rule shall for the purposes of the Finance Act 2004 be treated as a pension protection lump sum death benefit if—
  - (i) the civil servant has specified in writing to the scheme administrator that any such lump sum is to be treated as a pension protection lump sum death benefit; or
  - (ii) paragraph 36 of schedule 36 to the Finance Act 2004 applies to the civil servant in relation to this rule (where he has an actual right to a pension on 5 April 2006).

3.9a In any case whereby an order made under:

- (i) section 23 of the Matrimonial Causes Act 1973 by virtue of section 25C of that Act; or

- (ii) section 8(2) of the Family Law (Scotland) Act 1985 by virtue of section 12A(3) of that Act; or
- (iii) article 25 of the Matrimonial Causes (Northern Ireland) Order 1978 by virtue of article 27C of that order,

a court has required the Minister to pay part of any lump sum payable in respect of a civil servant's death to his former spouse, any balance of death benefit payable under rule 3.8 or rule 3.9 may be paid to the person nominated by the civil servant for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his personal representatives.

- 3.9b (a) This rule applies in the case of a civil servant—
  - (i) whose pension came into payment on or after 6 April 2006;
  - (ii) who reached the age of 75 or over at the date of his death; and
  - (iii) in respect of whom, but for this rule, a lump sum benefit would have been paid under paragraph (b) of rule 3.9.
- (b) When this rule applies no lump sum benefit shall be paid under paragraph (b) of rule 3.9 and a pension may be paid instead.
- (c) The pension payable will be equal to the pension that would have been payable after the date of civil servant's actual death had he been alive until the end of the pension protection period.
- (d) The pension will be payable for the pension protection period.
- (e) The pension protection period, expressed in years and part years, is calculated by dividing the lump sum benefit that, but for this rule, would have been payable under paragraph (b) of rule 3.9 by the annual pension payable under this rule.
- 3.9c This rule applies if the person who is the scheme administrator for the purposes of section 206 of the Finance Act 2004 ("the administrator") is liable for tax under that section in respect of a pension protection lump sum death benefit. The administrator may deduct from the lump sum paid under rule 3.9 the tax payable in respect of it.

## **Termination of pensionable service on resignation or option out of the scheme**

- 3.10 A civil servant
  - (i) who resigns on or before 31 December 1985 may be eligible for the payment of a transfer value to his new employer, subject to the provisions set out in Appendix 11;
  - (ii) who resigns on or after 1 January 1986 or who opts out of the scheme may be eligible for the payment of a transfer value in respect of his accrued pension benefits under, and in accordance with, the provisions set out in section 6.
- 3.10a (i) Where a civil servant aged 50 or over, or if rule 3.10aa applies aged 55 or over, ceases to be a civil servant and is eligible for a preserved pension and lump sum under rule 3.11, he may opt for that rule not to apply and instead receive immediate payment of the preserved pension and lump sum after actuarial reduction
- (ii) A civil servant to whom rule 3.24a(ii) applies who ceases to be a civil servant, and if rule 3.10aa applies is aged 55 or over, may opt to receive immediate payment, after actuarial reduction, of the preserved pension and lump sum in respect of service before the move to the lower grade.

These options are not available unless the Minister is satisfied that the actuarially reduced rate of pension will not be less than the rate of the guaranteed minimum pension payable from state pension age. Subject to rule 3.10b, the reduction in the individual's personal benefits will be determined by reference to factors provided by the Scheme Actuary. Rule 3.19 and 3.22 will apply to an actuarially reduced pension. Payment of benefits under this rule will not be taken to affect the pension age of civil servants as defined in rule 1.11.

- 3.10aa This rule applies to a person who became a civil servant for the purposes of the 1972 Section after 5 April 2006, unless
- (i) he had an actual or prospective right to a benefit under the scheme on 5 April 2006 that gives him in relation to the scheme a protected pension age of 50 under paragraphs 21 and 22 of Schedule 36 to the Finance Act 2004,
  - (ii) as a result of a transfer that is a block transfer for the purposes of paragraph 22(6) of Schedule 36 to the Finance Act 2004 he has in relation to the scheme a protected pension age of 50 or less under paragraphs 21 to 23 of that Schedule or,
  - (iii) the following apply to him:
    - (a) immediately before becoming a member of this scheme he belonged to a scheme that was, in the Minister's opinion, analogous to this scheme ("the by-analogy scheme"),
    - (b) he was a member of the by-analogy scheme before 6th April 2006, and
    - (c) his pension will become payable before 6th April 2010 if he exercises the option under rule 3.10a.
- 3.10b Where a civil servant has a reduced pension age by virtue of rule 2.31 then, for the purpose of calculating the actuarial reduction of benefits that rule shall be ignored but the age of the civil servant on retirement shall be increased by the same period in years and days as the pension age of the civil servant in question has been reduced under rule 2.31, and the factors provided by the Scheme Actuary applied accordingly. Where a civil servant under this rule is below age 55 at the date of retirement, the Scheme Actuary will provide individually determined factors.
- 3.10c Where a civil servant over the age of 50, or if rule 3.10aa applies, 55, has been awarded benefits under rules 3.11 or 3.24(a)(ii) or, where the civil servant was under that age at the time of the award under rule 3.11 and has since attained that age, he may opt, at any time before the preserved benefits are otherwise brought into payment, to be treated in accordance with rule 3.10a and for the preserved pension and lump sum to be paid immediately after actuarial reduction. For the purpose of determining the appropriate factors, and subject to rule 3.10b, the civil servant's age on retirement shall be that on the day preceding the date from which the benefits under rule 3.10a are to be paid.
- 3.10d This rule has been deleted.
- 3.11 A civil servant who resigns or opts out of the scheme and who
- (i) has two or more years' qualifying service; or
  - (ii) is a woman civil servant who resigns on or after 6 April 1978 and who leaves the Civil Service after the end of the tax year preceding that in which she attains the age of 60 (notwithstanding that she has not completed 2 years' qualifying service); or
  - (iii) was formerly entitled to rights under a personal pension scheme in respect of which a transfer payment has been made to this scheme

and who does not opt to transfer the whole or, under rule 6.2(iv), part of his accrued pension benefits out of this scheme, will be awarded a preserved pension and lump sum in respect of such part of his accrued pension benefits as is not transferred. Subject to rule 3.12, these will be brought into payment when the civil servant reaches the pension age, and will be calculated in the way described in rule 3.1.

3.12 The preserved pension and lump sum payable under rule 3.11 to a prison officer to whom rule 2.27 applies, excluding such a prison officer who is retired early under rules 2.2 or 3.1 of the Compensation Scheme, or has been retired early under former rules 10.4 or 10.10, or former section 10 rules 10.5 or 10.10, will be brought into payment at age 60 and will be calculated on the basis of “uniform accrual”. That is, the preserved pension will be equal to 1/80th of his pensionable earnings multiplied by his reckonable service which for the purposes of this rule and for calculating contributions under section 4 will be taken to be A/B times C, where

- A is his reckonable service (but not exceeding 30 years), excluding any double reckoning under rule 2.27;
- B is what would have been his reckonable service (but not exceeding 30 years) if he had stayed in service until age 55, excluding any double reckoning under rule 2.27;
- C is what would have been his reckonable service (including any double reckoning under rule 2.27) if he had stayed in service as a prison officer until age 55.

The preserved lump sum will be equal to 3/80ths of his pensionable earnings multiplied by A/B times C.

In this rule “reckonable service” refers only to service as a prison officer (including reckonable war-time service which preceded or interrupted service as a prison officer, and service which is treated under rules 2.28 and 2.28a as service as a prison officer); any other reckonable service which is not service as a prison officer is taken into account, at its normal length, after the calculation of “uniform accrual” has been completed.

For the purposes of B and C of this rule, it shall be assumed that a prison officer would have continued in service which reckoned on the same basis (whether as full-time service or part-time service) as applied to his service immediately before he came within rule 3.11.

3.13 This rule has been deleted.

- 3.14 (i) Subject to paragraphs (ii) to (vi), where a person:
- (a) has been awarded a preserved pension and lump sum,
  - (b) has left the service, and
  - (c) falls ill before attaining the age of 60
- the pension and lump sum may be brought into immediate payment if it is established that the illness would have led to his retirement on medical grounds had he remained in the Civil Service.
- (ii) Where the person was a restricted civil servant, (i) applies with the modifications in (iii) and (iv).
- (iii) There may be substituted for the preserved pension and lump sum,
- (a) a pension and lump sum calculated by reference to his reckonable service less his contribution rebate service ; and
  - (b) a pension and lump sum calculated by reference to his contribution rebate service.



(iv)

- (a) The pension in sub-paragraph (iii)(a) will be brought into immediate payment; and
- (b) the pension in sub-paragraph (iii)(b) will be brought into payment when the person reaches the age of 60.

(v) In this rule, “contribution rebate service” and “restricted civil servant” have the same meanings as they have in rule 3.6.

(vi) This rule does not apply to a preserved pension awarded under rule 3.6(v).

3.14a Where a person to whom rule 3.14 applies left with compensation payments or benefits under the Compensation Scheme, then, having regard to the compensation payments and benefits received and having regard to guidelines at any time agreed by the Minister with representatives of persons who are likely to be affected, it may be determined that

- (i) any amount brought into early payment shall be reduced to such extent as is considered appropriate
- (ii) any amount shall only come into immediate payment from a specified date
- (iii) any compensation in payment under the Compensation Scheme shall be withdrawn provided the amounts brought into immediate payment are of overall benefit to the applicant after such withdrawal.

However:

- (a) no such reduction or postponement shall be made in respect of a person with a life expectancy of less than 12 months as assessed by the Scheme Medical Adviser and
- (b) this rule applies in respect of applications made or renewed on or after 22 August 1996, regardless of when the circumstances giving rise to the application first arose.

3.14b Subject to rule 3.14, where a person:

- (i) has been awarded a preserved pension and lump sum,
- (ii) falls ill before attaining the age of 60, and
- (iii) having opted out of the scheme while remaining in the Civil Service, is retired on medical grounds because of his illness

— the pension and lump sum may be brought into immediate payment.

3.14c This rule has been deleted.

3.14d Before any pension and any lump sum become payable under rule 3.14 or rule 3.14b a person with a life expectancy of less than 12 months as assessed by the Scheme Medical Adviser may make an election under rule 3.4b.

3.15 In the case of a person to whom this rule applies, the Minister may bring a preserved pension and a preserved lump sum into payment if:

- (a) there are personal circumstances which compel him to give up employment or (as the case may be) prevent him from seeking employment, and
- (b) he is aged 50 or over, or if rule 3.10aa applies, aged 55 or over.

Where the preserved pension and lump sum are to be brought into payment under this rule, the person may, before those benefits come into payment, make an election under rule 3.1a. This rule applies to a civil servant, or a former civil servant, or a person who, while remaining in the Civil Service has opted out of the scheme.

3.16 If a person who has been awarded a preserved pension and lump sum dies before they come into payment, a death benefit equal to the preserved lump sum, together with three times the provisional amount of the civil servant's deferred contributed pension specified in his pension account under rule 14.12 (if applicable), may be paid to the person nominated by him or her for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his or her personal representatives.

3.16a In any case whereby an order made under:

- (i) section 23 of the Matrimonial Causes Act 1973 by virtue of section 25C of that Act; or
- (ii) section 8(2) of the Family Law (Scotland) Act 1985 by virtue of section 12A(3) of that Act; or
- (iii) article 25 of the Matrimonial Causes (Northern Ireland) Order 1978 by virtue of article 27C of that order,

a court has required the Minister to pay part of any lump sum payable in respect of a civil servant's death to his former spouse, any balance of death benefit payable under rule 3.16 may be paid to the person nominated by the civil servant for a death benefit under rule 3.8 or (in the absence of a valid nomination) to his personal representatives.

3.17 This rule has been deleted.

3.18 This rule has been deleted.

## **Dismissal**

3.18a A civil servant who is dismissed will be awarded the same superannuation benefits (if any) to come into payment at the pension age as if he had resigned voluntarily. But this is subject to the Minister's power to withhold benefits under rule 8.2.

## **Modification on account of national insurance benefits**

3.19 Subject to rules 3.20, 3.21 and 3.21a, a pension payable under section 3 will be reduced in respect of flat-rate national insurance pensions or basic social security pension. The reduction will apply from state pension age. The amount of the reduction will be £1.70 a year for each year of reckonable service, and so in proportion for any period of less than a year; except that the total reduction may not exceed £67.75 a year.

3.20 The reduction will apply to all years of reckonable service (including any enhancement of reckonable service under these rules) except for:

- (i) reckonable service (including any such enhancement) on or after 1 April 1980;
- (ii) periods of reckonable service outside the United Kingdom during which the civil servant is not required to pay contributions under the National Insurance Acts or under any scheme which is the subject of a reciprocal agreement under section 105 of the National Insurance Act 1965;
- (iii) service in an outside employment which is treated as "unmodified" reckonable service in the Civil Service under a transfer arrangement (see paragraph 14 of Appendix 11);
- (iv) added years of reckonable service bought under section 7.

3.21 The reduction will apply to all civil servants except:

- (i) those whose reckonable service commenced on or after 1 April 1980;

- (ii) those with service in the Civil Service before 1 March 1948 which reckons in full or in part towards their pension;
- (iii) those who were recruited to the Civil Service on or after 1 March 1948 by a reconstruction competition, or by a competition through which anyone became an established civil servant on or before 1 March 1948;
- (iv) any other civil servant whom the Minister may determine, in accordance with the rules which were set out in the National Insurance (Modification of the Superannuation Acts) Regulations 1948 (SI 1948/498), to be exempt from the reduction.

3.21a Where a civil servant whose pension is required to be reduced under rule 3.19 opts to take a partial retirement pension under rule 3.3b—

- (i) if he has reached state pension age on the day before the day on which he becomes entitled to a pension under rule 3.3b, rule 3.19 will apply to the pension payable to him under rule 3.3b (subject to rule 3.20), and
- (ii) otherwise, rule 3.19 will apply to the pension payable to him on later full retirement (subject to rule 3.20).

When rule 3.19 is applied, the reduction will apply in respect of every year of the civil servant's reckonable service that is required to be reduced, regardless of the amount of reckonable service actually used to calculate the civil servant's pension under rule 3.3b or on later full retirement (as applicable).

3.22 Subject to rule 3.23, a pension under section 3 will also be reduced to take account of graduated national insurance pensions. The reduction will apply from state pension age. A civil servant who is not contracted out of the Graduated Pension Scheme for any part of his reckonable service will have his pension reduced by the amount of pension earned by graduated contributions payable under the National Insurance Act 1965, that is by contributions of:

- (i) 4¼% of earnings between £9 and £15 a week, from 3 April 1961 to 31 May 1963;
- (ii) 4¼% of earnings between £9 and £18 a week, from 1 June 1963 to 5 April 1975;

except that there will be no reduction if the graduated pension earned by these contributions is £5.20 a year or less. (A pension under section 3 may also be reduced by the amount of equivalent pension benefit purchased by any superannuation scheme, if the person in question subsequently joined the Civil Service with a transfer value from that scheme which had been reduced on account of the equivalent pension benefit — see paragraph 14 of Appendix 11.)

3.23 There will be no reduction for graduated pension earned by contributions paid during service contracted out of the Graduated Pension Scheme, or in respect of graduated contributions which are in addition to those payable under the National Insurance Act of 1965.

3.23a Where a civil servant whose pension is required to be reduced under rule 3.22 opts to take a partial retirement pension under rule 3.3b—

- (i) if he has reached state pension age on the day before the day on which he becomes entitled to a pension under rule 3.3b, rule 3.22 will apply to the pension payable to him under rule 3.3b (subject to rule 3.23), and
- (ii) otherwise, rule 3.22 will apply to the pension payable to him on later full retirement (subject to rule 3.23).

When rule 3.22 is applied, the reduction will apply in respect of all of the civil servant's reckonable service that is required to be reduced, regardless of the amount of reckonable service actually used to calculate the civil servant's pension under rule 3.3b or on later full retirement (as applicable).

- 3.23a Rules 3.19 to 3.23 will apply to superannuation allowances deemed by paragraph 1(1) of Schedule 7 to the Superannuation Act 1972 to have been granted under the Principal Civil Service Pension Scheme, in the same way as to pensions under section 3 of this scheme.

## Downgrading

- 3.24 (i) If a civil servant moves from a higher to a lower substantive grade before the pension age he may, when he retires and if this produces a larger total pension than would otherwise be the case, be deemed to have resigned at the time he changed grades and to have been immediately reemployed as a civil servant in circumstances in which he validly opted to be treated in accordance with rules 3.35(ii) or 3.35d as appropriate. Subject to total reckonable service not exceeding the limitations in rule 2.3, a pension will be awarded in respect of the service after the change of grade, irrespective of the length of such service, with reckonable service before the change of grade being counted as qualifying service for this purpose. In the application of this rule on or after 17 February 1992, in determining whether the rule would give rise to a larger total pension, account will be taken of any increases that would be due on the earlier pension under the Pensions (Increase) Act 1971 as amended.
- (ii) A civil servant who has continued in service after the pension age without retiring and who subsequently moves from a higher to a lower substantive grade may, when he retires and if this produces a larger total pension than would otherwise be the case, be deemed to have retired at the time he changed grades and to have been immediately re-employed as a civil servant.
- (iii) A movement from a higher to a lower substantive grade during re-employed service after the pension age may, on subsequent retirement and if this produces a larger total pension than would otherwise be the case, be deemed to have been a retirement for the purposes of an award under rule 3.31.
- (iv) References to "grade" in this rule and rules 3.24a to 3.24g shall include "pay band".
- 3.24a Where on or after 17 February 1992, a civil servant aged 50 or over with five or more years' qualifying service moves from service in a higher grade to service in a lower substantive grade before the pension age, the employing department may determine that rule 3.24(i) should not apply and that instead:
- (i) This paragraph has been deleted.
- (ii) he will be awarded a preserved pension equal to the amount of the preserved pension and lump sum which would have been awarded under rule 3.11 if he had resigned on the day before he moved to the lower grade. Subject to rules 3.24c and 3.24d, if the employing department considers it appropriate his reckonable service before the move to the lower grade may be enhanced up to the maximum allowable under rule 2.2 of the Compensation Scheme.
- (iii) Subject to rule 2.3, his service after the move to the lower grade will reckon towards a second pension award irrespective of the length of such service, with reckonable service before the move to the lower grade being counted as qualifying service for this purpose, but with reckonable service after the move to the lower grade reduced by the amount (if any) by which his reckonable service had been enhanced under (ii) above.

- 3.24b Where a civil servant, to whom rule 3.24a(ii) applies, dies during the period of service in the lower grade or designation, death benefit payable under rule 3.8 will be reduced by the amount of the death benefit payable under rule 3.16 in respect of any service before the move to the lower grade or designation.
- 3.24c If the employing department has considered it appropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii), and that civil servant opts out of the scheme or resigns from the lower grade post before the pension age (other than in the circumstances described in rule 3.24d), when his length of service in the lower grade is less than the amount of any enhancement of reckonable service under rule 3.24a(ii), the amount of that enhancement will be reduced to the length of his service in the lower grade.
- 3.24d A civil servant to whom rule 3.24a(ii) applies who retires from the lower grade on medical grounds under rule 3.4, will be treated in one of the following ways:
- (i) where the employing department has considered it inappropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii), in calculating the pension to be awarded in respect of his service after the move to the lower grade, he will be treated as qualifying for enhancement under rule 3.4 and the total of his reckonable service before and after the move to the lower grade shall be used for the purpose of calculating the amount of any enhancement to reckonable service after the move to the lower grade under either of those rules;
  - (ii) where the employing department has considered it appropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii), the civil servant's pension and lump sum will be calculated for the purposes of rule 3.4 according to whichever of the calculations in subparagraphs (a) and (b) below produces a larger total pension. In determining which calculation would give rise to a larger total pension, account will be taken of any increases that would be due on the earlier pension under the Pensions (Increase) Act 1971 as amended:
    - (a) the total of:
      - the pension awarded under rule 3.24a(ii) (including any enhancement of reckonable service under that rule) and
      - a pension calculated under rule 3.1 by reference to reckonable service, if any, after the move to the lower grade (reduced in accordance with rule 3.24a(iii)), and excluding any enhancement of reckonable service under rule 3.4; or
    - (b) the total of:
      - the pension awarded under rule 3.24a(ii) (excluding any enhancement of reckonable service under that rule) and
      - a pension calculated under rule 3.1 by reference to reckonable service after the move to the lower grade (without any reduction under rule 3.24a(iii)), and including any enhancement of reckonable service under rule 3.4. That enhancement is to be calculated by reference to the total of his reckonable service before and after the move to the lower grade (and for the purposes of this rule, the civil servant will be treated as qualifying for enhancement under rule 3.4).

## **Restructuring resulting in reduction in pensionable earnings**

- 3.24e (i) Where the pensionable earnings of a civil servant are reduced as a result of restructuring, the Minister may direct that this rule applies.
- (ii) Where this rule applies, and if it produces a larger total amount payable by way of pension and lump sum than that which would otherwise be awarded under rule 3.1, rule 3.1 applies with the following modifications.
- (iii) The civil servant will be awarded—
- (a) a first pension and lump sum calculated under rule 3.1 but by reference to—
    - (1) the civil servant's pensionable earnings determined as if he had resigned on the day before the day on which the reduction in earnings took effect; and
    - (2) the length of his reckonable service up to and including that date; and
  - (b) a second pension and lump sum calculated under rule 3.1 but by reference to the length of his reckonable service on and after the day on which the reduction in earnings took effect, disregarding any service in excess of the limit in rule 2.3.
- (iv) In determining whether the calculations under paragraph (iii) would produce a larger total amount payable by way of pension and lump sum, account will be taken of any increases due on the first pension under the Pensions (Increase) Act 1971.

## **Re-employment**

- 3.25 Rules 3.26 to 3.36 describe the treatment on re-employment of civil servants whose earlier period of service ended on or after 1 June 1972. Rule 3.26 also applies to a civil servant who exercises the option under rule 3.3b (partial retirement), as if the civil servant was re-employed on the day on which he becomes entitled to receive a pension under rule 3.3b. For this purpose, references to the “earlier period of service” or the “earlier service” refer to service up to and including the “relevant last day” as defined in rule 3.3b(xiv). Appendix 7 describes the treatment of those whose earlier period of service ended before 1 June 1972.
- 3.25a In respect of a re-employed civil servant whose earlier service ends before 1 April 2007 and who has not exercised an option in accordance with rule 3.25b(ii), references in rules 3.25d to 3.27 to—
- (i) “salary” mean the annual rate of salary or wages, excluding pensionable and other additional emoluments, and
  - (ii) “old salary” mean salary, as defined in paragraph (i), as at the last day of his earlier service.
- 3.25b Rule 3.25c applies to a person—
- (i) whose earlier service ends after 31 March 2007, or
  - (ii) (a) whose earlier service ends before 1 April 2007 and (b) who has opted by notice in writing in such form and at such time as the Minister requires for rule 3.25c to apply to him.
- 3.25c In respect of a re-employed civil servant to whom this rule applies, references in rules 3.25d to 3.27 to—
- (i) “salary” mean, except in the term “old salary”, the annual rate of his salary or wages and pensionable emoluments, other than any fluctuating emoluments designated by the Minister as pensionable pursuant to paragraph 2(ix) of Appendix 1, and

- (ii) “old salary” mean his pensionable earnings as at the last day of his earlier service as calculated for the purposes of rule 3.8 (lump sum on death in service), but without applying rule 1.6b (permitted maximum).

3.25d For the purposes of rule 3.26 a relevant event in respect of a re-employed civil servant is—

- (i) a change to the weighting of his Civil Service post,
- (ii) a change to the number of his working hours,
- (iii) a change to his salary as a result of being on, or returning, from sick leave, or
- (iv) in the case of a civil servant to whom rule 3.25c applies, his starting, or ceasing, to receive pensionable emoluments other than any fluctuating emoluments designated by the Minister as pensionable pursuant to paragraph 2(ix) of Appendix 1.

3.26 If a person receiving a pension under rule 3.1 or a preserved pension under rules 3.11 or 3.24a(ii) or a person entitled to receive a partial retirement pension under rule 3.3b is re-employed in the Civil Service before his 75th birthday at a salary equal to, or higher than, his old salary, the whole of the pension will be suspended. If he is re-employed at a salary lower than his old salary, the pension in payment to him (including any increase under the Pensions (Increase) Act 1971 as amended) will be reduced to the amount by which his old salary exceeds his salary on his first day of re-employment. While he is re-employed, the pension in payment will attract pensions increase but will not be otherwise adjusted unless a relevant event specified in rule 3.25d occurs. In any of those events, the amount of abatement will be increased (or decreased) by the amount of increase (or decrease) in his annual rate of salary resulting from the change; except that

- (i) if the change results in an increase in salary, and before the change the whole of his pension was in payment; or
- (ii) if the change results in a decrease in salary, and before the change the whole of his pension was suspended; or
- (iii) if the change results in a return to a post in the Civil Service of equivalent weighting to the post held immediately before retirement,

he will be treated for the purposes of this rule as having been newly re-employed on the date of the change.

In applying this rule, no account shall be taken of any increases in pension resulting from an election made under rule 3.1a, or rule 5.8(b) of the Compensation Scheme or of any decreases in pension resulting from the exercise of the option under rule 3.50. This rule does not apply to a re-employed pensioner who has reached his 75th birthday.

3.26a The Minister may, to such extent as he sees fit in a particular case or particular cases, decide that the pension shall not be suspended or reduced in accordance with the provisions of rule 3.26 if he considers there are special circumstances justifying exceptional treatment. This discretion may only be exercised in respect of a reduction or suspension falling due on or after 1 February 2001.

3.27 Where the earlier service ended before the pension age or where there has been a break between the earlier service and the date of re-employment, then for the purpose of calculations under rule 3.26 the old salary will be increased by the proportion by which a pension of that amount beginning on the following day would have been increased, by the date of re-employment, under the Pensions (Increase) Act 1971 as read with section 59 of the Social Security Pensions Act 1975. Where there was more than one period of earlier service which ended before the pension age giving rise to more than one preserved pension, abatement of pension under rule 3.26 will be related to whichever is the greatest old salary (plus pensions increase as calculated above). Where the first retirement took place on or after the pension age, rule 3.26 will be applied by reference to the old salary relating to the first

## PCSPS – Section II (The 1972 Section)

retirement. The old salary used for the first application of rule 3.26 (updated by pensions increase) will continue to be used for the calculation of abatement on any subsequent re-employment.

- 3.28 Subject to the application of rules 3.35 and 3.35d if a person who has been awarded a preserved pension under rules 3.11 or 3.24a(ii) is re-employed in the Civil Service before the pension comes into payment, rule 3.26 will apply from the date it comes into payment as if he had been newly re-employed on that date.
- 3.29 If a person receiving an ill health pension under rule 3.4 is re-employed in the Civil Service, that pension will be reduced for the period of the re-employment to exclude the element of enhancement under rule 3.4, and rule 3.26 will apply to the reduced pension.
- 3.30 Rules 3.26 to 3.29 will apply whether or not this scheme applies to the civil servant during reemployment, unless he is re-employed after a break for a short period or periods totalling less than 15 days in any 91-day period. If he is re-employed on a fee-paid basis, “salary” in rule 3.26 will be taken to include fees, expressed at an annual rate.
- 3.31 Subject to rule 3.32 and the limit on reckonable service under rule 2.3 and provided that this rule does not apply to a person who is entitled to receive a pension under rule 3.3b (partial retirement), a person who has been awarded a pension under this section, and who is re-employed as a civil servant after the pension age will:
- (a) if his final retirement occurs before 6 April 2006, on final retirement receive a revised pension based on reckonable service in the earlier period of employment (excluding any enhancement under rule 3.4) together with reckonable service (up to a maximum of five years) after reemployment; or
  - (b) if his final retirement occurs on or after 6 April 2006, on final retirement receive an additional pension calculated so that when it is added to his existing pension the resulting aggregate pension is based on reckonable service in the earlier period of employment (excluding any enhancement under rule 3.4) together with reckonable service after re-employment.

The revised or aggregate pension will be calculated on the greater of:

- (i) pensionable earnings at his earlier retirement;
- (ii) pensionable earnings at his final retirement. (In calculating this, only service during reemployment will be taken into account if there was a break of at least one working day between the earlier service and the date of re-employment, and if the civil servant is re-employed for at least a year. If he is re-employed after a break for less than a year, pensionable earnings at final retirement will be taken to be his pay and pensionable emoluments in the last 365 days of reckonable service.)

In the case of a civil servant who has been awarded a pension under rule 3.1b, pensionable earnings in (i) shall be the pensionable earnings in respect of the last period of service which is not a designated appointment.

In addition, he will be paid the difference between the lump sum associated with the revised or aggregate pension and the lump sum already paid to him.

- 3.32 Rule 3.31 will not apply if:
- (i) the aggregate pension calculated under that rule is less than his existing pension;
  - (ii) at earlier retirement he was not a civil servant; or
  - (iii) he is re-employed on a designated appointment and the pensionable earnings at his final retirement is higher than the pensionable earnings at his earlier retirement (increased by the proportion by which a pension of that amount beginning on the following day would have been increased under the Pensions (Increase) Act 1971).



Instead the person concerned will qualify for an additional award based on service during any period of re-employment and his pensionable earnings at the end of it.

- 3.32a Where a person to whom rule 3.31 or 3.32 applies has reached the maximum of 45 years' reckonable service during re-employment after the pension age, any further service may count towards a payment calculated as in rule 3.2. This is subject to the following with regard to service before 1st March 2008. Where a person to whom rule 3.31 or 3.32 applies has completed 5 years' reckonable service before 1st March 2008 during re-employment after the pension age, any further service before 1st March 2008 may count towards a payment calculated as in rule 3.2.
- 3.33 Where a person to whom rule 3.31 applies is re-employed more than once after the pension age, the limit of 5 years on the amount of further service which reckons will apply to his total service during reemployment; and the reference in rule 3.31(i) to his earlier retirement will be taken as a reference to the officer's first retirement.
- 3.34 This rule has been deleted.
- 3.35 This rule applies to a person who has been awarded a preserved pension under rule 3.11 and is re-employed as a civil servant before pension age. This rule is subject to rules 3.35a and 3.35d. A person may opt at the time specified in rule 3.35f, to be treated in one of two ways:
- (i) his preserved pension and lump sum are cancelled from the date of re-employment, and he counts his previous reckonable service with his service during re-employment for a single pension award based on pensionable earnings at final retirement. If the preserved pension and lump sum have already been brought into payment under rule 3.14 or 3.15, the lump sum will be deducted from the lump sum payable at final retirement;
  - (ii) his preserved pension and lump sum are retained, and his service during re-employment reckons towards a second pension with rule 3.28 applying to the preserved pension when it comes into payment (except that he will be treated as if his re-employment had begun at the pension age, and so will be given a revised award under rule 3.31 if it applies to him with his service during reemployment before the pension age ignored, if this gives a better result). Rules 2.3 and 3.2 apply to his total reckonable service in both periods of employment;

except that:

- (a) where the civil servant leaves the Civil Service on or after 6 April 1975 and is re-employed as a civil servant after a break not exceeding 31 days;
- (b) where the civil servant leaves the Civil Service on or after 6 April 1978 and is re-employed as a civil servant after a break not exceeding 6 months;
- (c) where a woman civil servant who leaves the Civil Service has a right to return to the Civil Service under section 71 or section 73 of the Employment Rights Act 1996 (ordinary and additional maternity leave), and does in fact return pursuant to that right within the period prescribed;

the option in paragraph (ii) is not available and such a person must be treated in accordance with paragraph (i).

If a person who has the option between paragraph (i) and paragraph (ii) referred to above dies before exercising that option, it will be deemed to have been exercised in whichever way produces (or would produce) a larger widow's or widower's pension under section 4. If he is re-employed a second time he may not reverse his original option, but he will (subject to paragraphs (a), (b) and (c) above) have a further option as to whether or not to link his current service with the preceding period of reckonable service. If a person who had the option between paragraph (i) and paragraph (ii) did not exercise it within the time available under rule

3.35f and he is still alive immediately after that time, he shall be deemed to have opted to be treated in accordance with paragraph (ii).

3.35a Where a person has:

- (a) opted out of the scheme, thereby obtaining a preserved award of benefit under rule 3.11, and
- (b) subsequently rejoins the scheme, either as a result of an election under rule 1.4(d) or in consequence of re-employment,

he does not have the option otherwise available under rule 3.35(i) to aggregate the reckonable service in which the preserved award was based. The option in respect of the reckonable service on which the preserved award was based remains unavailable to him even if, following the termination of that period of employment, he again enters the Civil Service for another period of employment.

3.35b Subject to rule 3.35e, if a person in receipt of an actuarially reduced pension under rule 3.10a is re-employed as a civil servant, the pension will be retained although subject to abatement under rule 3.26 in the same way as a pension under rule 3.1 would be abated. When the period of re-employment ends, a separate award will be authorised based on service during re-employment and pensionable earnings at the end of re-employment except that where the civil servant (other than a civil servant whose benefits fall to be calculated under rule 3.1b) is re-employed before 6 April 2006 as a civil servant after a break not exceeding 6 months, the actuarially reduced award will be cancelled and the previous reckonable service will be counted with his service during re-employment for a single award based on pensionable earnings at the end of the period of re-employment. On final retirement, the lump sum under rule 3.10a before actuarial reduction or, as the case may be, any lump sum remaining after commutation under rule 3.1a, will be deducted from the lump sum payable at final retirement. Rule 3.31 will not apply to a person re-employed in these circumstances.

- 3.35c
- (i) Where a civil servant who has been awarded a preserved pension is re-employed as a civil servant before the pension age on a designated appointment, or where he has been awarded a preserved pension in respect only of a designated appointment and is re-employed as a civil servant before the pension age, he will not have the option in rule 3.35 but will be treated under rule 3.35(ii).
  - (ii) Where a civil servant whose preserved pension has been calculated under rule 3.1b is reemployed as a civil servant before the pension age and he opts to be treated under rule 3.35(i), he will be treated in the following way:
    - he may exercise that option only in relation to service rendered other than in a designated appointment and
    - his preserved pension and lump sum in respect of any designated appointment will fall to be paid at the same time as his re-calculated pension.
  - (iii) Where under (i) or (ii) above the pensionable earnings relating to re-employed service (not being a designated appointment) at the time of the option under rule 3.35 exceeds the pensionable earnings on the last day of the last designated appointment in respect of which a preserved pension has been awarded (increased by the proportion by which a pension of that amount beginning on the following day would have been increased under the Pensions (Increase) Act 1971 as amended), the civil servant may exercise the option in rule 3.35(i) in relation to the whole of his pension benefits.
  - (iv) Where a civil servant has opted to be treated under rule 3.35(i) and subsequently takes up a designated appointment, that option will apply only in relation to service rendered other than in a designated appointment.

- (v) In the case of the exceptions referred to in paragraphs (b) and (c) of rule 3.35 the employment of a civil servant who falls to be treated under this rule will not be treated as having ceased to be contracted out employment and his benefits will be calculated under rule 3.1b.

3.35d A person whose reckonable service has been enhanced under rule 3.10d, who has been awarded a preserved pension under rule 3.11 and is re-employed as a civil servant before pension age may opt at the time specified in rule 3.35f, to be treated in one of two ways:

- (i) his preserved pension and lump sum are cancelled from the date of re-employment, and he counts his previous reckonable service (excluding the enhancement under rule 3.10d) with his service during re-employment for a single pension award based on pensionable earnings at final retirement, with this service enhanced by the smaller of:

- (a) the original enhancement under rule 3.10d, or
- (b) the actual period between the date of resignation and the date of re-employment.

If the preserved pension and lump sum have already been brought into payment under rule 3.14 or 3.15, the lump sum will be deducted from the lump sum payable at final retirement;

- (ii) his preserved pension and lump sum are retained, and his service during re-employment reckons towards a second pension. In the application of this sub-paragraph, if the enhancement of reckonable service under rule 3.10d exceeds the period between the date of resignation and the date of re-employment, his reckonable (but not his qualifying) service in the second period of employment will be reduced by the amount of the excess. Rule 3.28 will apply to the preserved pension when it comes into payment (except that he will be treated as if his re-employment had begun at the pension age, and so will be given a revised award under rule 3.31 with his service during re-employment before the pension age ignored, if this gives a better result). Rules 2.3 and 3.2 apply to his total reckonable service in both periods of employment;

except that:

- (a) where the civil servant leaves the Civil Service and is re-employed as a civil servant after a break not exceeding 6 months, or
- (b) where a woman civil servant who leaves the Civil Service has a right to return to the Civil Service under section 71 or section 73 of the Employment Rights Act 1996 (ordinary and additional maternity leave), and does in fact return pursuant to that right within the period prescribed;

the option in paragraph (ii) is not available and such a person must be treated in accordance with paragraph (i).

If a person who has the option between paragraph (i) and paragraph (ii) referred to above dies before exercising that option, it will be deemed to have been exercised in whichever way produces (or would produce) a larger widow's or widower's pension under section 4. If he is re-employed a second time he may not reverse his original option, but he will (subject to paragraphs (a) and (b) above) have a further option as to whether or not to link his current service with the preceding period of reckonable service. If a person who had the option between paragraph (i) and paragraph (ii) did not exercise it within the time available under rule 3.35f and he is still alive immediately after that time, he shall be deemed to have opted to be treated in accordance with paragraph (ii).

3.35e Where a person's reckonable service has been enhanced by virtue of rule 3.10d and that person is in receipt of an actuarially reduced pension under rule 3.10a and is re-employed as a civil servant, the pension will be retained although subject to abatement under rule 3.26 in the same way as a pension under rule 3.1 would be abated. When the period of

re-employment ends, a separate award will be authorised based on service during re-employment and pensionable earnings at the end of reemployment except that where the civil servant is re-employed before 31 July 2006 as a civil servant after a break not exceeding 6 months, the actuarially reduced award will be cancelled and the previous reckonable service will be counted with his service during re-employment for a single award based on pensionable earnings at the end of the period of re-employment. In the application of this rule, if the enhancement of reckonable service under rule 3.10d exceeds the period between the date of his resignation and the date of re-employment, his reckonable (but not his qualifying) service in respect of his service during re-employment will be reduced by the amount of the excess. On final retirement, the lump sum under rule 3.10a before actuarial reduction will be deducted from the lump sum payable at final retirement. Rule 3.31 will not apply to a person re-employed in these circumstances.

- 3.35f The time when a person may exercise an option under rule 3.35 or rule 3.35d is, if the pension is in payment before his re-employment starts, immediately on re-employment. If the pension is not in payment before his re-employment starts the time when a person may exercise an option is:
- (a) if the person is re-employed before 12 November 2005 and has not opted to take a partial retirement pension under rule 3.3b, either:
    - (i) when the pension is due to come into payment or at the end of his re-employment, whichever is earlier; or
    - (ii) any time before 25 February 2006, provided the pension has not come into payment and his re-employment has not ended;
  - (b) if the person is re-employed after 11 November 2005, during the first year of his re-employment ; and
  - (c) if the person is re-employed before 12 November 2005 and has opted to take a partial retirement pension under rule 3.3b, on or before the date on which he becomes entitled to his pension under rule 3.3b.
- 3.36 Subject to (iii) below, where a re-employed civil servant dies during the period of re-employment, then:
- (i) the death benefit payable under rule 3.8, will be reduced by the amount of any lump sum already paid. Additionally, where the civil servant had opted, or had been deemed to opt, for rule 3.35 (ii), 3.35d (ii) or rule 6.4(b) of the Compensation Scheme (or former rule 10.24(ii) as set out at Appendix 1 of the Compensation Scheme or former rule 10.26(ii) as set out at Appendix 2 of the Compensation Scheme) to apply, the death benefit due under this rule will be reduced by the amount of any death benefit payable under rule 3.16.
  - (ii) If the civil servant would have qualified for a revised award under rule 3.31 had he instead retired on his date of death, the death benefit payable will be the greater of the following amounts:
    - (a) a sum equal to the additional lump sum which would have been payable under rule 3.31 (including any increase under the Pensions (Increase) Act 1971, as amended) had the officer been treated as having retired on his date of death; or
    - (b) two years' pensionable earnings calculated in accordance with rule 3.8(v) and (vi) reduced by the amount of any lump sum already paid.
  - (iii) Where the period of re-employment follows payment of actuarially reduced benefits under rule 3.10a or 3.10c, then notwithstanding the above and irrespective of the date of death, the death benefit payable will be reduced by the lump sum payable before actuarial reduction and not the amount actually paid under rule 3.10a or 3.10c as

appropriate. The same applies where he would have the option but for the operation of rule 3.35a.

Rules 3.37 to 3.44 have been deleted.

## **Staff on approved employment, etc**

- 3.45 A person who left the civil service before 1 June 1972 on approved employment terms under section 40 of the Superannuation Act 1965 will remain subject to the terms of that section — except that when he reaches the pension age he shall be deemed for the purposes of that section to have retired from approved employment under the conditions required by that section for the award of a superannuation benefit, provided that he was in approved employment on 31 May 1972. If he returns to the civil service before age 50 his previous service will reckon with his current service. If he returns after age 50 a preserved benefit by analogy with section 7 of the Superannuation Act 1965 may be awarded in respect of his previous service and rule 3.35 will apply.

Rules 3.46 to 3.48 have been deleted.

## **Guaranteed Minimum Pensions**

- 3.49 Notwithstanding anything to the contrary in this scheme, if any employment of persons to whom this scheme applies becomes contracted out employment by reference to this scheme and if a civil servant has a guaranteed minimum :
- (i) he will, subject to this rule, be paid for life a pension upon his attaining the state pension age unless:
    - (a) the civil servant's accrued rights thereto are transferred from this scheme in accordance with regulations made under section 20(1) of the Pension Schemes Act 1993, or have been extinguished by payment of the appropriate state scheme premium under that Act,
    - (b) his pension is forfeited under rule 8.2(i)(a) or as a result of a conviction for treason,
    - (c) he continues to be employed as a civil servant after the pension age without having been awarded a pension under rule 3.1;
  - (ii) the weekly rate of such pension will be not less than the guaranteed minimum.

A pension paid to a civil servant under this rule will be limited to the amount by which his guaranteed minimum exceeds the aggregate pension (including any increase under the Pensions (Increase) Act 1971 as amended) paid to him as a civil servant under the other provisions of this scheme. If a civil servant to whom this rule applies is employed in the civil service after the state pension age his consent will be required for any postponement of his guaranteed minimum pension by virtue of employment to which the scheme does not relate and any postponement of his guaranteed minimum pension after the expiration of 5 years from the date on which he attains the state pension age. When the commencement of his guaranteed minimum pension is postponed for any period the civil servant's guaranteed minimum will be increased to the extent (if any) specified in section 15 of the Pension Schemes Act 1993. This rule is subject to rule 3.3a and rule 3.4b.

## **General option to exchange part of pension for extra lump sum**

- 3.50
- (i) A civil servant who is in pensionable service after 30 September 2007 may opt to exchange part of a pension to which the civil servant would otherwise be entitled under this section or section 14 (contributed pension and lump sum) for an extra lump sum.
  - (ii) If a civil servant so opts, for every £1 by which the civil servant's annual pension is reduced, the civil servant is to be paid an extra lump sum of £12.
  - (iii) A civil servant may not exchange pension for lump sum under this rule to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of the Finance Act 2004 (see section 241 of that Act).
  - (iv) If a civil servant has a guaranteed minimum in relation to the pension, paragraph (i) only applies to so much of the pension, after any allocation under section 5, as exceeds the guaranteed minimum, multiplied by such factor as is indicated for a person of the civil servant's description in tables provided by the Scheme Actuary.
  - (v) The option under this rule may only be exercised by giving notice in writing to the scheme administrator in such form as the Minister requires before the time when the first payment in respect of the pension is made.

### **Option to buy out actuarial reduction**

- 3.51
- (i) A civil servant who opts for immediate payment of a preserved pension and lump sum under rule 3.10a or 3.10c may buy out all of the actuarial reduction that would otherwise apply to the civil servant's pension and lump sum under those rules and a civil servant who is entitled to a pension under rule 3.3b may buy out all of the actuarial reduction that would otherwise apply to the civil servant's pension and lump sum or to the civil servant's contributed pension and lump sum under rule 3.3b.
  - (ii) A civil servant exercises the option under this rule by giving notice in writing to the scheme administrator in such form as the Minister requires.
  - (iii) The cost of buying out the actuarial reduction is determined by the Minister after consulting the scheme actuary.
  - (iv) The civil servant must meet the cost of buying out the actuarial reduction by—
    - (a) paying a special contribution to the scheme;
    - (b) opting for the whole or part of any lump sum payable to the civil servant under the Civil Service Compensation Scheme to be paid by the civil servant's employer to the scheme by way of special contribution; or
    - (c) such combination of the options described in paragraphs (a) and (b) as the member decides.
  - (v) Where a civil servant exercises the option under this rule, the amounts of the civil servant's pension and lump sum in respect of which the civil servant has bought out the actuarial reduction are calculated under rule 3.3b, 3.10a or 3.10c (as applicable) as if the reference to applying an actuarial reduction to that pension and lump sum were omitted.

## **Option to buy out actuarial reduction for partially reduced earned pension following a payment under the Civil Service Compensation Scheme**

- 3.51A (i) Where the member is entitled to immediate payment of a partially reduced earned pension in accordance with the rules of the Civil Service Compensation Scheme, the member may make a special payment to the scheme to reduce or eliminate the actuarial reduction that would otherwise apply to the member's pension and lump sum.
- (ii) 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.
- (iii) A member exercises the option under this rule by giving notice in writing to the scheme administrator in such form as the Minister requires.
- (iv) 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 3.52(1a) applies as if the reference were to the actuarial reduction determined under this rule (if any).

## **Calculation of unreduced or partially reduced earned pension**

- 3.52 (1) If the member is entitled to immediate payment of an unreduced earned pension, the earned pension and lump sum are calculated in the same way as the preserved pension and lump sum to which the civil servant would be entitled under rule 3.11 on ceasing to be a civil servant, except that those benefits must be calculated by reference to the civil servant's current reckonable service, rather than the civil servant's reckonable service.
- (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 3.52(1) less an actuarial reduction.;
- (ii) the actuarial reduction referred to above will be determined by the Minister by reference to 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", except that it shall include any period of service that the Minister has determined shall count as part of the member's reckonable service under rule 12.1.4(3) of the Civil Service Compensation Scheme and shall not otherwise include—
- (a) any reckonable service which is attributable to service prior to the current period of continuous service in the Civil Service;
- (b) any period of resettlement leave;
- (c) any reckonable service which results from a credit of reckonable service in accordance with the transfer provisions of section 6; and
- (d) any reckonable service which results from a purchase of added years under section 7 or from a grant of added years under rule 2.24.

## **Additional service pension and lump sum**

- 3.53 (i) This rule applies where—
- (a) a civil servant is entitled to immediate payment of an unreduced earned pension; and

PCSPS – Section II (The 1972 Section)

- (b) the civil servant's reckonable service is greater than the civil servant's current reckonable service.
- (ii) If this rule applies, the civil servant —
  - (a) is entitled to an additional service preserved pension and lump sum, payable at pension age under rule 3.11; and
  - (b) may opt to take the additional service preserved pension and lump sum early, with actuarial reduction, under rule 3.10a(i) or rule 3.10c, and may exercise the option under rule 3.51 to buy out the actuarial reduction that would otherwise apply.

This is subject to paragraph (iii).
- (iii) If this rule applies and the civil servant—
  - (a) is a civil servant to whom an exclusion in rule 3.10aa (i)-(iii) applies; and
  - (b) has not yet reached 55 years of age

the civil servant is entitled to an additional service preserved pension and lump sum, which must be taken at the same time as the civil servant's earned pension, with actuarial reduction under rule 3.10a(i) or rule 3.10c, or having exercised the option under rule 3.51 to buy out the actuarial reduction that would otherwise apply.
- (iv) An additional service preserved pension and lump sum is calculated in the same way as the preserved pension and lump sum to which the civil servant would be entitled under rule 3.11 on ceasing to be a civil servant, except that those benefits must be calculated by reference to the amount of the civil servant's reckonable service in excess of the civil servant's current reckonable service.
- (v) In this rule “current reckonable service” has the same meaning as in rule 3.52.



## Section 4

### Widows' and Dependants' Benefits

#### Part 1

#### Widows' Pensions

- 4.1 This part of section 4 applies to all male pensionable civil servants in service on or after 1 June 1972 including for the purposes of rule 4.6(ii) a person who became male after he left service.
- 4.1a If the civil servant is a pension debit member within the meaning of Section 12, this section must be read subject to PCSPS rule 12.13.
- 4.1b If the civil servant has reckonable service for which he has paid contributions under Part 7 of this Section, Part 1 of this Section is to be read subject to Part 7 and references to the length of his reckonable service and to the amounts of contributions due are to be adjusted accordingly.
- 4.2 In rules 4.3 to 4.19a “civil servant” means a civil servant to whom this part of section 4 applies.

#### Benefits

- 4.3 If a civil servant
- (i) dies in service on or before 5 April 1988 with five or more years' qualifying service; or
  - (ii) dies in service on or after 6 April 1988 with 2 or more years' qualifying service; or
  - (iii) dies in service on or after 6 April 1978 and on or after reaching the pension age; or
  - (iv) dies after retiring with a pension under rule 3.1, an ill health pension under rule 3.4, a preserved pension under rules 3.11 or 3.24a(ii) or an actuarially reduced pension under rule 3.10a; or
  - (v) dies in service and was formerly entitled to rights under a personal pension scheme in respect of which a transfer payment has been made to this scheme; or
  - (vi) dies in service when entitled to a partial retirement pension under rule 3.3b, dies after leaving service when entitled to a partial retirement pension under rule 3.3b and a preserved pension under rule 3.11, or dies after retiring with a partial retirement pension under rule 3.3b and a full retirement pension under rule 3.1, rule 3.4 or rule 3.10a,
- a widow's pension will be paid if he leaves an eligible widow.
- 4.4
- (i) In the case of a civil servant who retires before 6 April 1978, an eligible widow is a woman to whom he was married at the time of his death, and who was not living with a man as his wife; if he dies while no longer a civil servant, she must also have been married to him at some time while he was a civil servant.
  - (ii) In the case of a civil servant who retires or is due to retire on or after 6 April 1978, an eligible widow is a woman to whom he was married at the time of his death, whether or not the marriage took place while he was a civil servant.
- 4.5 A widow's pension under rule 4.3 will be paid from the day after the date of the civil servant's death until the date of his widow's death, except that:

- (i) where the civil servant retired or died in service before 6 April 1978 and his widow remarries or was living or begins to live with a man as his wife or, if the person died on or after 5 December 2005, his widow forms a civil partnership or was living or begins to live with a woman as her civil partner, the pension will not be payable thereafter;
- (ii) where the person ceased to be a civil servant or died in service on or after 6 April 1978;
  - (a) if his widow, before attaining the age of 60, remarries or was living or begins to live with a man as his wife or, if the person died on or after 5 December 2005, his widow forms a civil partnership or was living or begins to live with a woman as her civil partner, the pension will thereafter only be payable in respect of a period required by section 17(5) of the Pension Schemes Act 1993;
  - (b) if his widow, on or after attaining the age of 60, remarries or was living or begins to live with a man as his wife or, if the person died on or after 5 December 2005, his widow forms a civil partnership or was living or begins to live with a woman as her civil partner the pension will thereafter be restricted to the widow's guaranteed minimum pension.

In any case where the widow's pension ceases or is restricted under this rule the Minister, or if the Minister so directs, the scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if her second marriage or her civil partnership comes to an end or she ceases to live with a man as his wife or with a woman as her civil partner.

4.6 The annual amount of a widow's pension under rule 4.3 will be calculated as follows:

- (i) Where the pension is payable to the widow of a marriage which took place before the husband ceased to be a civil servant,  $\frac{1}{240}$ th of her husband's pensionable earnings multiplied by the length of reckonable service for which reduced contributions under rule 4.15(i) or (iii)(b) are due, and  $\frac{1}{160}$ th of her husband's pensionable earnings multiplied by the length of reckonable service for which full contributions under rule 4.15 are due. Where the civil servant dies in service, reckonable service will be enhanced as in rule 3.4 or, if rule 3.24a(ii) applies to the civil servant, according to the calculation in rule 3.24d, as though he had retired on medical grounds on the day of his death.

This paragraph does not apply in relation to the widow of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of his death.

- (ii) Subject to (iii) below, where the pension is payable to the widow of a marriage which took place after the husband ceased to be a civil servant,  $\frac{1}{160}$ th of her husband's pensionable earnings multiplied by the reckonable service for which full contributions under rule 4.15 or rule 4.16 are due or would have been due if the person had been male before he ceased to be a civil servant in respect of service falling or treated as falling under rule 4.15(ii) or rule 4.16(ii) as the case may be.

This paragraph does not apply in relation to the widow of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of his death.

- (iii) This paragraph applies in relation to the widow of—
  - (a) a person who had paid a premium in accordance with the refund arrangements in rule 4.19(iv)(a)(2) as in force on 5 April 2006 and who was not a civil servant after that date;

PCSPS – Section II (The 1972 Section)

- (b) a person to whom rule 4.19(xiii) applies; or
- (c) a person who was required to make a repayment under rule 4.19(ii)(b) and did not make the repayment.

When this paragraph applies the pension payable shall be the widow's guaranteed minimum pension as defined in rule 4.19a.

- (iv) This paragraph applies in relation to the widow of a civil servant who took partial retirement under rule 3.3b before his death. The widow's pension under rule 4.3 will comprise a partial retirement spouse's pension (see paragraph (v)(a) or (vi)(a)) and a remaining service spouse's pension (see paragraph (v)(b) or (vi)(b)).
- (v) Where the pension is payable to the widow of a marriage which took place before the husband ceased to be a civil servant —
  - (a) the partial retirement spouse's pension is found by applying the following formula—
    - (1) where the civil servant took part of the pension available to him on partial retirement—  
 $[1/240\text{th} \times \text{PEP} \times \text{PR}\% \times \text{RRS}] + [1/160\text{th} \times \text{PEP} \times \text{PR}\% \times \text{FRS}]$ , or
    - (2) where the civil servant took the whole of the pension available to him on partial retirement—  
 $[1/240\text{th} \times \text{PEP} \times \text{RRS}] + [1/160\text{th} \times \text{PEP} \times \text{FRS}]$ , and
  - (b) the remaining service spouse's pension is found by applying the following formula—
    - (1) where the civil servant took part of the pension available to him on partial retirement—  
 $[1/240\text{th} \times \text{PED} \times [100 - \text{PR}\%] \times \text{RRS}] + [1/160\text{th} \times \text{PED} \times [100 - \text{PR}\%] \times \text{FRS}] + [1/160\text{th} \times \text{PED} \times \text{NRS}]$ , or
    - (2) where the civil servant took all of the pension available to him on partial retirement—  
 $1/160\text{th} \times \text{PED} \times \text{NRS}$ .
- (vi) Subject to paragraph (iii), where the pension is payable to the widow of a marriage which took place after the husband ceased to be a civil servant—
  - (a) the partial retirement spouse's pension is found by applying the following formula—
    - (1) where the civil servant took part of the pension available to him on partial retirement—  
 $1/160\text{th} \times \text{PEP} \times \text{PR}\% \times \text{LRS}$ , or
    - (2) where the civil servant took all of the pension available to him on partial retirement—  
 $1/160\text{th} \times \text{PEP} \times \text{LRS}$ , and
  - (b) the remaining service spouse's pension is found by applying the following formula—
    - (1) where the civil servant took part of the pension available to him on partial retirement—

$[1/160\text{th} \times \text{PED} \times [100 - \text{PR}\%] \times \text{LRS}] + [1/160\text{th} \times \text{PED} \times \text{NRS}]$ , or

- (2) where the civil servant took all of the pension available to him on partial retirement—

$1/160\text{th} \times \text{PED} \times \text{NRS}$ .

- (vii) In paragraphs (v) and (vi) and in this paragraph the following terms have the following meanings—

“FRS” means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.15 are due;

“LRS” means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.15 or rule 4.16 are due or would have been due if the person had been male before he ceased to be a civil servant in respect of service falling or treated as falling under rule 4.15(ii) or rule 4.16(ii) as the case may be;

“NRS” means the length of the civil servant's reckonable service after the relevant last day;

“PED” means the civil servant's pensionable earnings calculated as at the last day of his reckonable service ;

“PEP” means the civil servant's pensionable earnings calculated as at the relevant last day;

“PR” means the amount of reckonable service used by the civil servant to calculate the pension and lump sum payable to him under rule 3.3b on partial retirement, expressed as a percentage of the civil servant's total reckonable service up to and including the relevant last day;

“RRS” means the length of the civil servant's reckonable service up to and including the relevant last day for which reduced contributions under rule 4.15(i) or (iii)(b) are due; and “the relevant last day” has the same meaning as in rule 3.3b(xiv).

- (viii) The amount of any widow's pension calculated under (i), (ii), (v) or (vi) above, as appropriate, will include any increase resulting from an election under rule 3.1a.

4.7 If a civil servant dies in service—

- (a) the total of any widow's pension under rule 4.3 together with any dependant's contributed pension payable to the widow under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.6(iv) applies, the remaining service spouse's pension payable in respect of the civil servant,

will be increased to the rate of his pensionable earnings for 91 days (3 months) following his death or

- (i) where death occurred before 1 April 1980, the widow's pension was awarded under rule 4.3(ii), and the civil servant had less than 5 years' qualifying service, for 137 days (4½ months) if there is one eligible child and for 182 days (6 months) if there are two or more eligible children in her care;
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in her care, for 182 days (6 months);

- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months);

except that where death occurred before 1 January 1986, no payments will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings means the pensionable earnings relating to his service at death. This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before his death.

4.7a If a civil servant dies after retirement—

- (a) the total of any widow's pension under rule 4.3 together with any dependant's contributed pension payable to the widow under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.6(iv) applies who has not yet taken full retirement, the partial retirement spouse's pension payable in respect of the civil servant,

will be increased to the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any increase under the Pensions (Increase) Act 1971 as amended) received by her husband under this scheme immediately before his death, including, in respect of a death occurring on or after 2 September 1986, any payments made under the former section 11 rules set out in Appendix 16 or under the Civil Service Injury Benefits Scheme, as the case may be

- (i) for 91 days (3 months) following his death; or
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in her care, for 182 days (6 months);
- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months);

provided that this does not result in a reduction in the total widow's and children's pension payable under this part and part 3 of section 4 (see rule 4.29). If the civil servant had made an allocation under section 5, or had commuted his ill health pension under rule 3.4b, then for the purposes of this rule, the amount of pension he was receiving will be deemed to be the amount he would have received but for the allocation or the commutation. Where death occurred before 1 January 1986, no payment will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before his death.

- 4.8 (i) If a civil servant dies in service leaving an eligible widow but no widow's pension is payable under rule 4.3, a pension at the rate of his pensionable earnings will be paid to his widow for the following period after his death:
  - (a) for 91 days (3 months); or
  - (b) if there is one eligible child in her care, for 137 days (4½ months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
  - (c) if there are two or more eligible children in her care, for 182 days (6 months) or, where death occurred on or after 1 April 1980, for 273 days (9 months); or

- (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more eligible children in her care.

If the widow dies or remarries before payments under this paragraph have been completed, the payments will cease if there were no eligible children in her care. If there were eligible children in her care payments will continue to the children's guardian either

- for 46 days (1½ months) if there was one such child,
- for 91 days (3 months) if there were two or more such children, or
- for the period (if this is shorter) for which the payments would have been continued if the widow had remained alive or had not remarried,

or, alternatively, for the period (if this is longer) for which payments would have been made under paragraph (iii) of this rule if the civil servant had not left an eligible widow.

- (ii) If a civil servant dies in service leaving an eligible widow and no widow's pension is payable under rule 4.3, but eligible children are in the care of someone else, a pension at the rate of his pensionable earnings will be paid to that person for the following period after his death:
  - (a) if there is one such eligible child or more and there is also an eligible child in the care of the widow, for 46 days (1½ months) or, where a death occurred on or after 1 April 1980, for 91 days (3 months); or
  - (b) if there is one such eligible child and there are no eligible children in the care of the widow, for 46 days (1½ months) or, where death occurred on or after 1 April 1980, for 91 days (3 months); or
  - (c) if there are two or more such eligible children and there are no eligible children in the care of the widow, for 91 days (3 months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
  - (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be and if there is one such eligible child or more, for 182 days (6 months).
- (iii) If a civil servant dies in service and there is no eligible widow, but eligible children are in the care of someone else, a pension at the rate of his pensionable earnings will be paid to that person for the following period after his death:
  - (a) if there is one such child, for 61 days (2 months) or, where death occurred on or after 1 April 1980, for 122 days (4 months);
  - (b) if there are two or more such children, for 122 days (4 months) or, where death occurred on or after 1 April 1980, for 245 days (8 months);
  - (c) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying condition of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are 2 or more such children.

- (iv) If a civil servant dies on or after 1 April 1980 after retiring with a pension under rule 3.1 or after becoming entitled to a pension under rule 3.3b (partial retirement) and there is no eligible widow, but eligible children are in the care of someone else, a pension at the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any increase under the Pensions (Increase) Act 1971 as amended) received by him under this scheme immediately before his death will be paid to that person for the following period after his death:
- (a) if there is one such child, for 122 days (4 months);
  - (b) if there are two or more such children, for 245 days (8 months);
  - (c) where death occurred on or after 1 January 1986, in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are 2 or more such children.

If the civil servant had made an allocation under section 5, or had commuted his ill health pension under rule 3.4b, then for the purposes of this paragraph, the amount of pension he was receiving will be deemed to be the amount he would have received but for the allocation or the commutation.

Where death occurred before 1 January 1986 no payments will be made under parts (i), (ii) and (iii) of this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be is in payment. No payment will be made under part (iv) of this rule if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be is in payment. Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings for the purposes of paragraphs (i) to (iii) means the pensionable earnings relating to his service at death. This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before his death.

- 4.8a Where there is part-time service in the last three years of reckonable service "pensionable earnings" in rules 4.7 and 4.8 will be calculated by reference to the actual pay and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure, rather than by reference to the full-time rate of pay. The actual pay and pensionable emoluments will not include any amount of pay which would be disregarded under rule 1.6b(i), if pensionable earnings were being calculated by reference to the full-time rate of pay. Where the civil servant dies during a period of reemployment to which rule 3.31 applies, "pensionable earnings" in rules 4.7 and 4.8 will be taken to be the greater of the two amounts specified in rule 3.31(i) and (ii), with paragraph 1 or 7ii. of Appendix 7 applying where appropriate. In rules 4.7, 4.7a and 4.8 "eligible child" means an eligible child within the meaning of rules 4.26 to 4.28.

## Contributions

- 4.9 A civil servant will, while in service, pay periodical contributions of 1½% of salary (or wages) from 1 June 1973 until the end of his pensionable service, except that:
- (i) those
    - (a) whose reckonable service in the Civil Service began on or before 14 July 1949, and
    - (b) to whom Part III of the Superannuation Act 1965 did not apply on 31 May 1972, and

- (c) who opted before 1 April 1973 that this part of section 4 should not apply to them, and
- (ii) those who would have been treated in accordance with rule 3.37(i)(b) (and thereby excluded from this part of section 4) if they had not still been in re-employed service on 6 April 1978,

will pay such periodical contributions from 6 April 1978 only.

Contributions due under this rule will be assessed on the full rate of pay where a civil servant entered the Civil Service on or after 1 April 1987 and where a reduced rate of salary (or wages) is in payment as an alternative to the voluntary abatement of a non-PCSPS public service pension.

For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

In the case of a person who becomes a civil servant on or after 1 June 1989, contributions will not be due under this rule in respect of salary (or wages) in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limited accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).

- 4.10 A civil servant in service on 1 June 1972 who had hitherto been paying periodical contributions of 1¼% of salary under Part III of the Superannuation Act 1965 will continue to pay such contributions until 31 May 1973, or (if earlier) until his pensionable service ends.
- 4.11 A civil servant in service on 1 June 1972 may opt to pay contributions and be eligible for benefits at a reduced rate for his reckonable service before that date (see rule 4.18). This option must be exercised before 1 April 1973. In the event of a civil servant failing to make the option, it will be deemed to have been exercised unless he specifically opts to the contrary.
- 4.12 A civil servant may opt to pay additional periodical contributions, in multiples of 1½%. This is subject to rules 4.13 and 4.14.

For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

- 4.13 Additional periodical contributions under rule 4.12 will be payable from the earliest practicable date following the date of the option, until such time (and not before) as his pensionable service ends or he no longer owes a lump sum contribution under rule 4.18, and in calculating the potential lump sum contribution under rule 4.18 it will be assumed that he continues in service until retiring on age grounds at the pension age, except that,
  - (a) the civil servant may opt on or after 17 February 1992, that for the purposes of calculating what additional periodical contributions are payable, no account should be taken of any period during which the civil servant may continue in service between the completion of 40 years' reckonable service and the pension age, and
  - (b) where a civil servant has been paying additional periodical contributions, he may opt on or after 17 February 1992 to have these re-calculated by reference to the salary in payment at the time the contributions are made, so as to leave out of account any period during which he may continue in service between the completion of 40 years' reckonable service and the pension age.



- 4.14 (i) Except as provided in (ii) below, an option to pay additional periodical contributions under rule 4.12 must be exercised by 1 April 1973 in the case of a civil servant in service on 1 June 1972, or during the first nine months of service for a civil servant beginning service after that date.
- (ii) In the case of a civil servant in service on 1 August 1984, or whose service begins on or after 1 August 1984, an option to pay additional periodical contributions under rule 4.12 may be exercised at any time after that date and before a retirement award is made under rule 3.1.
- (iii) A civil servant in post on or after 20 July 1995 may opt, subject to the approval of the Minister, to pay additional periodical contributions under rule 4.12 at any time after that date and before a retirement award is made under rule 3.1, for the purposes of eliminating or reducing any potential lump sum deduction under rule 4.17, in respect of any enhancement of reckonable service under rule 3.4(i) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme, or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme). Any excess contribution resulting from the exercise of an option under this rule shall be refunded in the manner provided for in rule 4.19(i)(b) and the additional service to which the excess contribution related shall be disregarded for the purposes of calculating a widow's pension.
- (iv) A civil servant who has made an option under (i), (ii) or (iii) above may at any time subsequently opt to increase his periodical contributions, but he may never opt to reduce them. A civil servant may only opt to increase contributions in respect of an option made under paragraph (iii) with the approval of the Minister.
- 4.15 When a married civil servant dies in service or ceases to be a civil servant, contributions at the full rate of 1½% of salary (or wages, including statutory adoption pay or statutory paternity pay) will be due in respect of:
- (i) his reckonable service prior to 6 April 1978, except that if rule 4.9(i) or (ii) applies to him no contributions will be due, and if he opted under rule 4.11 to pay reduced contributions for his reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary (or wages);
- (ii) his reckonable service on or after 6 April 1978; for this purpose reckonable service includes service before 1st March 2008 in excess of 5 years during re-employment after the pension age for which a payment calculated as in rule 3.2 is made, and service which is disregarded under rules 3.35 or 3.35d, and if his reckonable service during the period beginning on 6 April 1978 exceeds the limits in rule 2.3, those limits will not apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;
- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited, unless:
- (a) the civil servant opted under rule 4.9(i) that this part of section 4 should not apply to him, in which case any enhancement will not be reckonable for widow's pension purposes nor will contributions be due for it; or
- (b) the civil servant opted under rule 4.11 to pay reduced contributions for his reckonable service before 1 June 1972, in which case any enhancement will be

regarded as service falling under paragraph (i) irrespective of the date when the enhancement is credited and contributions for it will also be due at the reduced rate; except that he will be treated for the purposes of this rule having begun service on 1 June 1972 with all contributions due at the full rate and enhancement of reckonable service on or after that date regarded in the normal way as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited, if this produces or would produce a larger widow's pension.

The exceptions in (a) and (b) above will not apply where enhancement is credited to a civil servant on a designated appointment.

4.16 When an unmarried civil servant dies in service or ceases to be civil servant, contributions at the full rate of 1½% of salary (or wages, including statutory adoption pay or statutory paternity pay) will be due in respect of:

- (i) his reckonable service prior to 6 April 1978, except that:
  - (a) if he never had a wife while serving as a civil servant to whom this part of section 4 or Part III of the Superannuation Act 1965 applied, no contributions will be due;
  - (b) if he opted under rule 4.9 that this part of section 4 should not apply to him no contributions will be due;
  - (c) if he died in service or left the Civil Service before 6 April 1978, being unmarried at the time, or if he was in service on 5 April 1978, being unmarried at that date, contributions will be due only up to the date his last marriage ended, unless that date was before 14 July 1949 in which case no contributions will be due;
  - (d) if contributions are due for a marriage which ended before 1 June 1972 and if the civil servant never remarried while still in service, those contributions will be at the reduced rate of 1¼% of salary (or wages) payable under rule 4.11, whether or not he opted for this under that rule;
  - (e) if he opted under rule 4.11 to pay reduced contributions for his reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary (or wages);
- (ii) his reckonable service on or after 6 April 1978, except that:
  - (a) if he dies in service, or
  - (b) if he ceases to be a civil servant without qualifying for a widow's pension under rule 4.3 and without applying for a transfer value under, and in accordance with, section 6,

no contributions will be due in respect of any period since his last marriage ended, or in respect of the whole of that service if he was unmarried throughout it. For the purposes of this paragraph reckonable service includes service before 1st March 2008 in excess of 5 years during re-employment after the pension age for which a payment calculated as in rule 3.2 is made, and service which is disregarded under rules 3.35 or 3.35d, and if his reckonable service during the period beginning 6 April 1978 exceeds the limits in rule 2.3, those limits will not apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;
- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the

Compensation Scheme) such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited.

- 4.16a No contributions under rule 4.15 or 4.16 will be due in respect of any period of unpaid ordinary adoption leave or paternity leave.
- 4.17 (i) To the extent that the contributions due under rules 4.15 or 4.16 have not been paid by periodical contributions, a deduction will be made (subject to paragraph (ii) below) from whichever of the following becomes payable to the extent necessary to clear the balance (whether or not the civil servant is immediately re-employed):
- (a) the death benefit under rule 3.8;
  - (b) this sub-paragraph has been deleted;
  - (c) this sub-paragraph has been deleted;
  - (d) the lump sum under rule 3.1 ;
  - (e) the ill health lump sum under rule 3.4;
  - (f) the preserved lump sum under rules 3.11 or 3.24a(ii);
  - (g) the preserved death benefit under rule 3.16;
  - (h) the additional payments under rules 3.2 and 3.32a ;
  - (i) the partial retirement lump sum under rule 3.3b.
- (ii) If contributions due under rule 4.15 or 4.16 have not been paid by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages, including statutory adoption pay or statutory paternity pay), these contributions will be treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as an overpayment of salary.
- 4.18 The amount to be deducted under rule 4.17 will be  $1\frac{1}{2} / 80$ ths of the civil servant's pensionable earnings multiplied by  $(2A/3 + B - C - 2D/3)$ , where:
- A is the reckonable service (if any) for which reduced contributions under rule 4.11 are due;
  - B is the reckonable service for which full contributions are due;
  - C is the number of annual periodical contributions of  $1\frac{1}{2}\%$  of salary which he has paid;
  - D is the number of annual periodical contributions of  $1\frac{1}{4}\%$  of salary which he has paid, including any such contributions paid under Part III of the Superannuation Act 1965.
- Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B, as appropriate; and A, B, C and D are expressed in years and fractions of a year. A deduction from a preserved lump sum under rules 3.11 or 3.24a(ii) will be calculated under this rule when the preserved lump sum is awarded or calculated as the case may be, not when it is paid.

- 4.19 (i) (a) Where a civil servant has actually paid periodical contributions in excess of the contributions due under rule 4.15 or, alternatively, where he has actually paid periodical contributions in respect of service prior to 6 April 1978 in excess of the contributions due under rule 4.16(i), a refund will be paid to or in respect of him in accordance with paragraph (ix), made up of the relevant balance — beginning with the last such contribution paid — with compound interest.
- (b) Where any additional periodical contribution paid under rule 4.13 results in an excess contribution being paid, that excess contribution will be treated by the employing department as an underpayment of salary.
- (ii) Where an unmarried person ceases to be a civil servant on or after 6 April 1978, contributions due under rule 4.16(ii) may be reassessed as if he had died in service on the date that he ceased to be a civil servant:
- (a) if at his death his personal representatives request such reassessment, and provided that he has never married since ceasing to be a civil servant; or
- (b) if he leaves the Civil Service before 1 August 1984 with a pension under rule 3.1, an ill health pension under rule 3.4 or an annual compensation payment under former rule 10.6 as set out at Appendix 1 of the Compensation Scheme, or if he ceases to be a civil servant on or after 1 August 1984 and on or before 30 November 1989 with such a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a or pension under former rules 10.11, 10.12 or 10.26 as set out at Appendix 1 of the Compensation Scheme or former rules 10.13 or 10.14 as set out at Appendix 2 of the Compensation Scheme and he opts when he leaves for such a reassessment to be made.

If the contributions (taking into account deductions under rule 4.17) paid in respect of service on or after 6 April 1978 exceed the contributions reassessed as due, the civil servant will receive a refund made up of the balance — beginning with the last contribution paid — with compound interest, provided that where an option under paragraph (b) is exercised, the civil servant undertakes to repay the said refund together with compound interest, from which sum on or after 1 August 1984 any tax payment made under (ix) below will be deducted, if he subsequently marries or remarries.

- (iii) Where a civil servant leaves the Civil Service on or after 6 April 1978 and is re-employed as a civil servant in circumstances in which his earlier service is reckoned with his re-employed service under rule 3.35, 3.35d, or rules 6.4 or 7.9 of the Compensation Scheme (or former rule 10.24 as set out at Appendix 1 of the Compensation Scheme or former rules 10.26 or 10.35 as set out at Appendix 2 of the Compensation Scheme) then
- (a) if a refund under paragraph (i) or (ii) above has already been made that refund must be repaid; unless the civil servant opts to make the repayment in one lump sum to be paid within 3 months of re-employment it will be recovered from wages or salary in equal instalments over a period commencing on re-employment and not exceeding 5 months;
- (b) if a refund under paragraph (i) or (ii) above has not already been made its award will be cancelled.
- (iv) Where an unmarried person ceases to be a civil servant on or after 1 December 1989, contributions due under rule 4.16(ii) may be re-assessed as if he had died in

service on the date that he ceased to be a civil servant, if he ceases to be a civil servant

- at age 60 or over; or
- before age 60 with a preserved pension under rules 3.11 or 3.24a(ii), and remains unmarried until the pension comes into payment;
- before age 60 if he has a prospective pension under rule 3.1 because rule 1.4e (inactive members) applies to him, and he remains unmarried until the pension comes into payment; or — before age 60 with an ill health pension under rule 3.4 or a pension under rule 3.10a.

If the contributions (taking into account deductions under rule 4.17) paid in respect of service on or after 6 April 1978 exceed the contributions reassessed as due, a refund will be paid to or in respect of him in accordance with paragraph (ix). This is subject to paragraphs (xii) and (xiii). The refund will be made up of the balance — beginning with the last contribution paid — with compound interest, less a premium calculated in accordance with guidance provided by the Scheme Actuary.

- (v) This paragraph has been deleted.
- (vi) Where an unmarried civil servant in post on 30 November 1989 ceases to be a civil servant on or after 1 December 1989 and on or before 30 November 1991, he may opt to be treated under rule 4.19(ii)(b) rather than under rule 4.19(iv), if he ceases to be a civil servant
- (a) at age 60 or over if the refund calculated under rule 4.19(iv) is less than the refund calculated under rule 4.19(ii)(b); or
  - (b) before age 60 with a pension under rule 3.1, an ill health pension under rule 3.4, or a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a.
- (vii) Notwithstanding anything to the contrary in this scheme, an unmarried person who ceased to be a civil servant on or after 6 April 1978 and on or before 30 November 1989, with
- (a) a preserved pension under rule 3.11; or
  - (b) a pension or annual compensation payment specified in rule 4.19(ii)(b) and did not receive a refund under that rule
- will, if he is under age 60 on 1 December 1989, become eligible on reaching age 60 for a refund in accordance with rule 4.19(iv), provided he has remained unmarried throughout the intervening period.
- (viii) For the purposes of this rule, a reference to compound interest means,
- (a) in the case of a civil servant who leaves the Civil Service before 6 April 1978, compound interest added to the relevant sum at a rate of 3 per cent a year with yearly rests;
  - (b) in the case of a person who ceases to be a civil servant on or after 6 April 1978 and on or before 30 November 1989, compound interest added to the relevant sum at the rate of 4 per cent a year with yearly rests;
  - (c) in the case of a person who ceases to be a civil servant on or after 1 December 1989 and on or before 31 March 1990, compound interest added to the relevant sum at the rate of 5 per cent a year with yearly rests;

PCSPS – Section II (The 1972 Section)

- (d) in the case of a person who ceases to be a civil servant on or after 1 April 1990, compound interest added to the relevant sum
  - (1) at a rate of 5 per cent a year, with yearly rests, up to and including 31 March 1990;
  - (2) at the yearly average of the Building Society basic rate as announced annually by the Minister, with yearly rests, from 1 April 1990 up to and including 31 March 1994;
  - (3) at the yearly average of the Building Society average rate for share accounts as announced annually by the Minister, with yearly rests, from 1 April 1995.
- (e) in the case of a civil servant who opts, under the provisions of rule 4.19(vi), to be treated under rule 4.19(ii)(b), compound interest added to the relevant sum at the rate of 4 per cent a year with yearly rests;
- (f) in the case of a former civil servant who receives a refund under the provisions of rule 4.19(vii), compound interest added to the relevant sum
  - (1) at the rate of 4 per cent a year with yearly rests up to his last day of service;
  - (2) at the rate of 5 per cent a year with yearly rests from the day after his last day of service up to and including 31 March 1990;
  - (3) at the yearly average of the Building Society basic rate as announced annually by the Minister, with yearly rests, from 1 April 1990 up to and including 31 March 1994;
  - (4) at the yearly average of the Building Society average rate for share accounts as announced annually by the Minister, with yearly rests, from 1 April 1995.
- (ix) When this paragraph applies:
  - (a) the refund of contributions payable to the civil servant shall be paid as an additional lump sum when his pension commences under rules 3.1, 3.4, 3.10a, 3.11, or 3.24a(ii) (the additional lump sum shall form part of the civil servant's pension commencement lump sum for the purposes of Part 4 of the Finance Act 2004); and
  - (b) the refund of contributions payable in respect of a civil servant who has died shall be paid as an additional lump sum to his personal representatives when a lump sum is paid under rules 3.8, 3.9(ba) or 3.16 (the additional lump sum shall, for the purposes of Part 4 of the Finance Act 2004, form part of the lump sum death benefit payable in respect of the civil servant).
- (x) Notwithstanding the other provisions of rule 4.19, an unmarried person who has a life expectancy of less than twelve months as assessed by the Scheme Medical Adviser and who is a civil servant or who ceased to be a civil servant on or after 1 April 2003 and has remained unmarried since ceasing to be a civil servant may apply for a refund of contributions due under rule 4.16(ii). Contributions will be re-assessed as if he had died in service on the date he ceased to be a civil servant or, if he has not ceased to be a civil servant, on the day after the last contribution was paid.

If the contributions (taking into account deductions under rule 4.17) paid in respect of service on or after 6 April 1978 exceed the contributions re-assessed as due, he will

receive an immediate refund. The refund will be made up of the balance — beginning with the last contribution paid — with compound interest, less a premium of 20 per cent of the gross value of the refund and less tax deducted under (ix) above.

- (xi) In paragraphs (xii) to (xiv) “the old refund provisions” means the provisions of rule 4.19 as in force on 5 April 2006, disregarding the provision for deduction of tax.
- (xii) This paragraph applies to a person who—
  - (a) was under age 60 on 5 April 2006;
  - (b) was in receipt of a pension under the scheme on 5 April 2006; and
  - (c) would have been entitled under rule 4.19(iv) of the old refund provisions to a refund of contributions at age 60.

A person to whom this paragraph applies shall receive at age 60—

- (aa) part or all of the refund he would have received at age 60 under the old refund provisions as a lump sum to the extent that the amount paid would be an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (see section 164 of that Act), the lump sum being calculated in accordance with guidance provided by the Scheme Actuary; and
- (bb) if the lump sum paid under (aa) is less than the refund he would have received at age 60 under the old refund provisions, an additional pension of a value actuarially equivalent to that part of the refund he would have so received that is not paid under (aa), calculated in accordance with guidance provided by the Scheme Actuary.

This is subject to paragraph (xiii).

- (xiii) A person to whom paragraph (xii) would apply but for this paragraph may opt for this paragraph to apply to him instead. The option may only be exercised by notice to the scheme administrator in such form and at such time as the Minister may require. Where an option has been exercised in accordance with this paragraph the person shall receive at age 60 the refund he would have been entitled to under the old refund provisions.
- (xiv) This paragraph applies to a person—
  - (a) who received a refund at age 60 under rule 4.19(iv) of the old refund provisions;
  - (b) who became a civil servant again on re-employment after age 60;
  - (c) whose period as a re-employed civil servant ended after 5 April 2006; and
  - (d) who was not married when his re-employment ended.

When this paragraph applies to a person his widow's pension shall be calculated in accordance with rule 4.6(iii).

## **Widows' guaranteed minimum pensions**

- 4.19a Notwithstanding anything to the contrary in this scheme, if any employment of persons to whom this scheme applies becomes contracted-out employment by reference to this scheme

## PCSPS – Section II (The 1972 Section)

and if a civil servant who has a guaranteed minimum dies (whether before or after attaining the age of 65) and leaves a widow:

- (i) she will, subject to this rule, be paid a pension for life unless
  - (a) the civil servant's accrued rights to his guaranteed minimum pension have been transferred from this scheme in accordance with regulations made under section 20(1) of the Pension Schemes Act 1993, or have been extinguished by payment of a contributions equivalent premium,
  - (b) her pension is forfeited under rule 8.2(i), or under rule 8.3 as a result of a conviction for treason,
  - (c) her pension ceases under rule 4.5;
- (ii) the weekly rate of such a pension will be not less than half that guaranteed minimum, increased to the extent (if any) specified in section 15 of the Pension Schemes Act 1993.

A pension paid to a widow under this rule will be limited to the amount by which the widow's guaranteed minimum exceeds the aggregate pension (including any increase under the Pensions (Increase) Act 1971 as amended) paid to her as a widow under the other provisions of this scheme.



## Part 2

### Widowers' Pensions

- 4.20a (i) This part of section 4 applies to all female pensionable civil servants in service on or after 1 July 1987, including those who had been paying contributions under the voluntary arrangements in force until immediately before that date and including for the purposes of rule 4.21(c)(ii) a person who became female after she left the civil service.
- (ii) This part of section 4 also applies, as appropriate:
- (a) in respect of female pensionable civil servants who died on or before 30 June 1987 and who had opted under the voluntary arrangements in force until that date; and
- (b) to female pensionable civil servants who have no service on or after 1 July 1987, but who had opted to pay periodical contributions under the voluntary arrangements in force until immediately before that date.
- 4.20b In rules 4.21 to 4.23 “civil servant” means a civil servant to whom this part of section 4 applies.
- 4.20c If the civil servant is a pension debit member within the meaning of Section 12, this section must be read subject to PCSPS rule 12.13.
- 4.20d Where a civil servant has reckonable service for which she has paid contributions under Part 7 of this Section, Part 2 of this Section is to be read subject to Part 7 and the references to the length of her reckonable service and to the amounts of contributions are to be adjusted accordingly.

### Benefits

- 4.21 If a civil servant
- (i) dies in service on or before 5 April 1988 with five or more years' qualifying service; or
- (ii) dies in service on or after 6 April 1988 with 2 or more years' qualifying service; or
- (iii) dies in service on or after 6 April 1978 and on or after reaching the pension age; or
- (iv) dies after retiring with a pension under rule 3.1, an ill health pension under rule 3.4, a preserved pension under rules 3.11 or 3.24a(ii) or an actuarially reduced pension under rule 3.10a; or
- (v) dies in service and was formerly entitled to rights under a personal pension scheme in respect of which a transfer payment has been made to this scheme; or,
- (vi) dies in service when entitled to a partial retirement pension under rule 3.3b, dies after leaving service when entitled to a partial retirement pension under rule 3.3b and a preserved pension under rule 3.11, or dies after retiring with a partial retirement pension under rule 3.3b and a full retirement pension under rule 3.1, rule 3.4 or rule 3.10a,
- a widower's pension will be paid if she leaves an eligible widower.

- 4.21a (i) In the case of a civil servant who retires on or before 5 April 1988, an eligible widower is a man to whom she was married at the time of her death, and who was not living with a woman as her husband; if she dies while no longer a civil servant, he must also have been married to her at some time while she was a civil servant.
- (i) In the case of a civil servant who retires or is due to retire on or after 6 April 1988, an eligible widower is the man to whom she was married at the time of her death, whether or not the marriage took place while she was a civil servant.
- 4.21b A widower's pension under rule 4.21 will be paid from the day after the date of the civil servant's death until the date of her widower's death, except that:
- (i) where the person ceased to be a civil servant or died in service on or before 5 April 1989 and her widower remarried or was living or begins to live with a woman as her husband or, if the person died on or after 5 December 2005, her widower forms a civil partnership or was living or begins to live with a man as his civil partner, the pension will not be payable thereafter;
- (ii) where the person ceased to be a civil servant or died in service on or after 6 April 1989:
- (a) if her widower, before attaining the age of 65, remarries, or was living, or begins to live with a woman as her husband or, if the person died on or after 5 December 2005, her widower forms a civil partnership or was living or begins to live with a man as his civil partner, the pension will be payable thereafter in respect of a period prescribed from time to time in regulations made pursuant to section 17(6) of the Pension Schemes Act 1993;
- (b) if the widower of a civil servant who had attained age of 60 before she died, remarries, or was living, or begins to live with a woman as her husband or, if the person died on or after 5 December 2005, her widower forms a civil partnership or was living or begins to live with a man as his civil partner after having attained age of 65, the pension will thereafter be restricted to the widower's guaranteed minimum pension.

In any case where the widower's pension ceases or is restricted under this rule the Minister, or if the Minister so directs, the scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if his second marriage or his civil partnership comes to an end or he ceases to live with a woman as her husband or with a man as his civil partner.

- 4.21c The annual amount of a widower's pension under rule 4.21 will be calculated as follows:
- (i) Where the pension is payable to the widower of a marriage which took place before the wife ceased to be a civil servant,  $\frac{1}{240}$ th of his wife's pensionable earnings multiplied by the length of reckonable service for which reduced contributions under rule 4.23(i) or (iii) are due, and  $\frac{1}{160}$ th of his wife's pensionable earnings multiplied by the length of reckonable service for which full contributions under rule 4.23 are due. Where the civil servant dies in service, reckonable service will be enhanced as in rule 3.4 or, if rule 3.24a(ii) applies to the civil servant, according to the calculation in rule 3.24d, as though she had retired on medical grounds on the day of her death.
- This paragraph does not apply in relation to the widower of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of her death.
- (ii) Subject to (iii) below, where the pension is payable to the widower of a marriage which took place after the wife ceased to be a civil servant,  $\frac{1}{160}$ th of his wife's pensionable earnings multiplied by the reckonable service for which full contributions

under rule 4.23 or rule 4.23a are due or would have been due if the person had been female before she ceased to be a civil servant in respect of service falling or treated as falling under rule 4.23(ii) or rule 4.23a(ii) as the case may be.

This paragraph does not apply in relation to the widower of a civil servant who has exercised the option under rule 3.3b (partial retirement) before the date of her death.

(iii) This paragraph applies in relation to the widower of—

- (a) a person who had paid a premium in accordance with the refund arrangements in rule 4.23d(iv)(a)(2) as in force on 5 April 2006 and who was not a civil servant after that date;
- (b) a person to whom rule 4.23d(xiii) applies; or
- (c) a person who was required to make a repayment under rule 4.23d(ii)(b) and did not make the repayment.

When this paragraph applies the pension payable shall be the widower's guaranteed minimum pension as defined in rule 4.21i.

(iv) This paragraph applies in relation to the widower of a civil servant who took partial retirement under rule 3.3b before her death. The widower's pension under rule 4.21 will comprise a partial retirement spouse's pension (see paragraph (v)(a) or (vi)(a)) and a remaining service spouse's pension (see paragraph (v)(b) or (vi)(b)).

(v) Where the pension is payable to the widower of a marriage which took place before the wife ceased to be a civil servant—

- (a) the partial retirement spouse's pension is found by applying the following formula—
  - (1) where the civil servant took part of the pension available to her on partial retirement—  
 $[1/240\text{th} \times \text{PEP} \times \text{PR}\% \times \text{RRS}] + [1/160\text{th} \times \text{PEP} \times \text{PR}\% \times \text{FRS}]$ , or
  - (2) where the civil servant took the whole of the pension available to her on partial retirement—  
 $[1/240\text{th} \times \text{PEP} \times \text{RRS}] + [1/160\text{th} \times \text{PEP} \times \text{FRS}]$ , and
- (b) the remaining service spouse's pension is found by applying the following formula—
  - (1) where the civil servant took part of the pension available to her on partial retirement—  
 $[1/240\text{th} \times \text{PED} \times [100 - \text{PR}\%] \times \text{RRS}] + [1/160\text{th} \times \text{PED} \times [100 - \text{PR}\%] \times \text{FRS}] + [1/160\text{th} \times \text{PED} \times \text{NRS}]$ , or
  - (2) where the civil servant took all of the pension available to her on partial retirement—  $1/160\text{th} \times \text{PED} \times \text{NRS}$ .

(vi) Subject to paragraph (iii), where the pension is payable to the widower of a marriage which took place after the wife ceased to be a civil servant—

- (a) the partial retirement spouse's pension is found by applying the following formula—
  - (1) where the civil servant took part of the pension available to her on partial retirement—

PCSPS – Section II (The 1972 Section)

$1/160^{\text{th}} \times \text{PEP} \times \text{PR}\% \times \text{LRS}$ , or

- (2) where the civil servant took all of the pension available to her on partial retirement—

$1/160^{\text{th}} \times \text{PEP} \times \text{LRS}$ , and

- (b) the remaining service spouse's pension is found by applying the following formula—

- (1) where the civil servant took part of the pension available to her on partial retirement—

$[1/160^{\text{th}} \times \text{PED} \times [100 - \text{PR}\%] \times \text{LRS}] + [1/160^{\text{th}} \times \text{PED} \times \text{NRS}]$ , or

- (2) where the civil servant took all of the pension available to her on partial retirement—

$1/160^{\text{th}} \times \text{PED} \times \text{NRS}$ .

- (vii) In paragraphs (v) and (vi) and in this paragraph the following terms have the following meanings—

“FRS” means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.23 are due;

“LRS” means the length of the civil servant's reckonable service up to and including the relevant last day for which full contributions under rule 4.23 or rule 4.23a are due or would have been due if the person had been female before she ceased to be a civil servant in respect of service falling or treated as falling under rule 4.23(ii) or rule 4.23a(ii) as the case may be;

“NRS” means the length of the civil servant's reckonable service after the relevant last day;

“PED” means the civil servant's pensionable earnings calculated as at the last day of her reckonable service;

“PEP” means the civil servant's pensionable earnings calculated as at the relevant last day;

“PR” means the amount of reckonable service used by the civil servant to calculate the pension and lump sum payable to her under rule 3.3b on partial retirement, expressed as a percentage of the civil servant's total reckonable service up to and including the relevant last day;

“RRS” means the length of the civil servant's reckonable service up to and including the relevant last day for which reduced contributions under rule 4.23(i) or (iii) are due; and “the relevant last day” has the same meaning as in rule 3b(xiv).

- (viii) The amount of any widower's pension calculated under (i), (ii), (v) or (vi) above, as appropriate, will include any increase resulting from an election made under rule 3.1a.

4.21d If a civil servant dies in service—

- (a) the total of any widower's pension under rule 4.21 together with any dependant's contributed pension payable to the widower under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.21c(iv) applies, the remaining service spouse's pension payable in respect of the civil servant,

will be increased to the rate of her pensionable earnings for 91 days (3 months) following her death or

- (i) where death occurred before 1 April 1980, the widower's pension was awarded under rule 4.21(ii) and the civil servant had less than 5 years' qualifying service, for 137 days (4½ months) if there is one eligible child and for 182 days (6 months) if there are two or more eligible children in his care;
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in his care for 182 days (6 months);
- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months); except that where death occurred before 1 January 1986, no payments will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings means the pensionable earnings relating to her service at death.

This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before her death.

4.21e If a civil servant dies after retirement—

- (a) the total of any widower's pension under rule 4.21 together with any dependant's contributed pension payable to the widower under rule 14.21, or
- (b) in the case of a civil servant to whom rule 4.21c(iv) applies who has not yet taken full retirement, the partial retirement spouse's pension payable in respect of the civil servant,

will be increased to the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any increase under the Pensions (Increase) Act 1971, as amended) received by his wife under this scheme immediately before her death, including, in respect of a death occurring on or after 2 September 1986, any payments made under the former section 11 rules set out in Appendix 16 or under the Civil Service Injury Benefits Scheme, as the case may be.

- (i) for 91 days (3 months) following her death; or
- (ii) where death occurred on or after 1 April 1980 and there is one eligible child or more in his care, for 182 days (6 months); or
- (iii) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months);

provided that this does not result in a reduction in the total widower's and children's pension payable under this part and part 3 of section 4 (see rule 4.29). If the civil servant had made an allocation under section 5, or had commuted her ill health pension under rule 3.4b, then for the purposes of this rule, the amount of pension she was receiving will be deemed to be the amount she would have received but for the allocation or the commutation. Where death occurred before 1 January 1986, no payment will be made under this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the

case may be, is in payment. This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before her death.

- 4.21f (i) If a civil servant dies in service leaving an eligible widower but no widower's pension is payable under rule 4.21 a pension at the rate of her pensionable earnings will be paid to her widower for the following period after her death:
- (a) for 91 days (3 months); or
  - (b) if there is one eligible child in his care, for 137 days (4½ months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
  - (c) if there are two or more eligible children in his care, for 182 days (6 months) or, where death occurred on or after 1 April 1980, for 273 days (9 months); or
  - (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more eligible children in his care.

If the widower dies or remarries before payments under this paragraph have been completed, the payments will cease if there were no eligible children in his care. If there were eligible children in his care payments will continue to the children's guardian either:

- for 46 days (1½ months) if there was one such child;
- for 91 days (3 months) if there were two or more such children, or
- for the period (if this is shorter) for which the payments would have been continued if the widower had remained alive or had not remarried,

or, alternatively, for the period (if this is longer) for which payments would have been made under paragraph (iii) of this rule if the civil servant had not left an eligible widower.

- (ii) If a civil servant dies in service leaving an eligible widower and no widower's pension is payable under rule 4.21, but eligible children are in the care of someone else, a pension at the rate of her pensionable earnings will be paid to that person for the following period after her death:
- (a) if there is one such eligible child or more and there is also an eligible child in the care of the widower, for 46 days (1½ months) or, where a death occurred on or after 1 April 1980, for 91 days (3 months); or
  - (b) if there is one such eligible child and there are no eligible children in the care of the widower, for 46 days (1½ months) or, where death occurred on or after 1 April 1980, for 91 days (3 months); or
  - (c) if there are two or more such eligible children and there are no eligible children in the care of the widower, for 91 days (3 months) or, where death occurred on or after 1 April 1980, for 182 days (6 months); or
  - (d) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, and if there is one eligible child or more, for 182 days (6 months).

- (iii) If a civil servant dies in service and there is no eligible widower, but eligible children are in the care of someone else, a pension at the rate of her pensionable earnings will be paid to that person for the following period after her death:
  - (a) if there is one such child, for 61 days (2 months) or, where death occurred on or after 1 April 1980, for 122 days (4 months);
  - (b) if there are two or more such children, for 122 days (4 months) or, where death occurred on or after 1 April 1980, for 245 days (8 months);
  - (c) where death occurred on or after 1 January 1986 in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more such children.
- (iv) If a civil servant dies on or after 1 April 1980 after retiring with a pension under rule 3.1 or after becoming entitled to a pension under rule 3.3b (partial retirement) and there is no eligible widower, but eligible children are in the care of someone else, a pension at the actual rate of pension (including any contributed pension payable to the civil servant under section 14 and any increase under the Pensions (Increase) Act 1971 as amended) received by her under this scheme immediately before her death will be paid to that person for the following period after her death:
  - (a) if there is one such child, for 122 days (4 months);
  - (b) if there are two or more such children for 245 days (8 months);
  - (c) where death occurred on or after 1 January 1986, in circumstances which satisfy the qualifying conditions of rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, for 182 days (6 months), notwithstanding that there are two or more such children.

If the civil servant had made an allocation under section 5, or had commuted her ill health pension under rule 3.4b, then for the purposes of this paragraph, the amount of pension she was receiving will be deemed to be the amount she would have received but for the allocation or the commutation.

Where death occurred before 1 January 1986 no payment will be made under parts (i), (ii) and (iii) of this rule after 91 days after the civil servant's death if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment. No payment will be made under part (iv) of this rule if an annual allowance under rule 11.12 of Appendix 16 or rule 1.12 of the Civil Service Injury Benefits Scheme, as the case may be, is in payment.

This rule shall not apply where the civil servant was an active member of the 2002 Section immediately before her death.

Where a civil servant's benefits are calculated under rule 3.1b, pensionable earnings for the purposes of paragraphs (i) to (iii) means the pensionable earnings relating to her service at death.

- 4.21g Where there is part-time service in the last three years of reckonable service, "pensionable earnings" in rules 4.21d and 4.21f will be calculated by reference to the actual pay and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure, rather than by reference to the full-time rate of pay. The actual pay and pensionable emoluments will not include any amount of pay which would be disregarded under rule 1.6b(i), if pensionable earnings were being calculated by reference to the

full-time rate of pay. Where the civil servant dies during a period of reemployment to which rule 3.31 applies, “pensionable earnings” in rules 4.21d and 4.21f will be taken to be the greater of the two amounts specified in rule 3.31(i) and (ii), with paragraph 1 or 7(ii) of Appendix 7 applying where appropriate. In rules 4.21d, 4.21e and 4.21f “eligible child” means an eligible child within the meaning of rules 4.26 to 4.28.

- 4.21h (i) Where an option has been exercised under rule 4.22a, there will be a 26-week qualifying period, commencing on the date when the option is exercised, during which no additional service purchased will be taken into account in the calculation of a widower's pension except in the circumstances referred to in (ii).
- (ii) Any additional service actually purchased at the date of death will be taken into account if a woman dies during the qualifying period in circumstances where the Minister is satisfied that death resulted from an accident or from other causes which could not reasonably have been foreseen at the time when the option was exercised.

## **Widowers' guaranteed minimum pensions**

- 4.21i Notwithstanding anything to the contrary in this scheme, if any employment of persons to whom this scheme applies becomes contracted-out employment by reference to this scheme and if a civil servant who has a guaranteed minimum dies (whether before or after attaining the age of 60) and leaves a widower:
- (i) he will, subject to this rule, be paid a pension for life unless
- (a) the civil servant's accrued rights to her guaranteed minimum pension have been transferred from this scheme in accordance with regulations made under section 20(1) of the Pension Schemes Act 1993, or have been extinguished by payment of a contributions equivalent premium,
- (b) his pension is forfeited under rule 8.2(i), or under rule 8.3 as a result of a conviction for treason,
- (c) his pension ceases under rule 4.21b;
- (ii) the weekly rate of such a pension will be not less than half that guaranteed minimum, increased to the extent (if any) specified in section 15 of the Pension Schemes Act 1993.

A pension paid to a widower under this rule will be limited to the amount by which the widower's guaranteed minimum exceeds the aggregate pension (including any increase under the Pensions (Increase) Act 1971, as amended) paid to him as a widower under the other provisions of this scheme.

## **Contributions**

- 4.22 (i) A civil servant in service on 1 July 1987 will, whilst in service, pay periodical contributions of 1½ % of salary (or wages) from the first pay period commencing on or after 1 July 1987 until the end of her pensionable service. Where a pay period does not commence on 1 July 1987, contributions will be deemed to have been paid for the period between 1 July and the commencement of the first pay period after 1 July 1987. A civil servant who commences employment or re-employment in the Civil Service after 1 July 1987 will pay periodical contributions of 1½% of salary (or wages) from the date of commencement of employment until the end of her pensionable service. For the purposes of this rule, “salary (or wages)” includes statutory maternity pay, statutory paternity pay and statutory adoption pay.
- (ii) A civil servant in service on 1 July 1987 who had until then been paying periodical contributions under the rules relating to the voluntary arrangements for widowers' pensions in force until immediately before that date will have the service covered by



## PCSPS – Section II (The 1972 Section)

those voluntary contributions taken into account in accordance with the rules contained in this Part together with the service covered by the compulsory contributions paid in respect of her pensionable service from 1 July 1987 for the purposes of calculating a widower's pension.

- (iii) Contributions due under this rule will be assessed on the full rate of pay where a civil servant entered the Civil Service on or after 1 April 1987 and where a reduced rate of salary (or wages) is in payment as an alternative to the voluntary abatement of a non-PCSPS public service pension.
- (iv) In the case of a person who becomes a civil servant on or after 1 June 1989, contributions will not be due under this rule in respect of salary (or wages) in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limited accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).
- (v) For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

- 4.22a
- (i) A civil servant in service on 1 July 1987 and to whom rule 4.22(ii) does not apply, may opt to purchase widower's pension benefits in respect of all or part of her reckonable service before that date by paying additional periodical contributions in multiples of 1½% of salary (or wages) subject to the limit that total periodical contributions under this section and section 7 may never exceed 15% of current salary and pensionable emoluments. This option must be exercised before 1 January 1988 and once exercised will be irrevocable. This rule does not apply where a civil servant opts to purchase the widower's pension benefits in respect of all or part of any reckonable service either where it is credited in this scheme as a result of the receipt of a transfer value or where it is attributable to the purchase of added years.
  - (ii) Additional periodical contributions will be payable from the earliest practicable date following the date of the option, until such time (and not before) as her pensionable service ends or she no longer owes a lump sum contribution under rule 4.23c, and in calculating the potential lump sum contribution under rule 4.23c it will be assumed that she continues in service until retiring on age grounds at the pension age. However, where a civil servant has been paying additional periodical contributions, she may opt on or after 17 February 1992 to have these recalculated by reference to the salary in payment at the time the contributions are made, so as to leave out of account any period during which she may continue in service between the completion of 40 years' reckonable service and the pension age.
  - (iii)
    - (a) A civil servant who has exercised an option under this rule may at any time subsequently opt to increase her periodical contributions. However, she may neither opt to reduce such contributions, nor increase the period of additional service being purchased.
    - (b) A civil servant who opts to purchase widower's pension benefits under the provisions of rule 4.22a(i) will be credited with the purchase of such benefits in respect of one year's reckonable service for each additional contribution of 1½% of salary (or wages) paid for one year, or with pro rata credit as appropriate.
  - (iv) A civil servant in service on 1 July 1987 who opts to purchase widower's pension benefits under rule 4.22a(i) may also opt to purchase widower's pension benefits in respect of all or part of any reckonable service credited in this scheme as a result of the receipt of a transfer value. Contributions payable in respect of such a purchase will be determined by reference to the civil servant's age at her next birthday following the exercise of the option and to the factors applicable to the determination of family benefits contributions set out in the column headed "Contribution for family benefits" of either of

the Added Years tables in Appendix 10, whichever is appropriate. This option must be exercised before 1 January 1988 and, once exercised, will be irrevocable.

- (v) A civil servant not in service on 1 July 1987 who has a period, or periods, of reckonable service before 1 July 1987, in respect of which she has benefits preserved in the scheme under rule 3.11, or is a person who was retired on medical grounds under rule 3.4(i) (formerly rule 3.4) and subsequently makes an option under rule 3.34(i) may, following re-employment as a civil servant after 1 July 1987, opt to pay additional periodical contributions to purchase widowers' pension benefits in respect of all or part of that earlier period, or periods, of reckonable service. Additional periodical contributions will be payable in accordance with rule 4.22a(ii). They will be in multiples of 1½% of salary or wages, subject to the limit that:
- (1) where the person was re-employed in the civil service before 1 June 1989, total periodical contributions under this section, section 7 and any other additional voluntary contributions would at no time exceed 15% of her current salary and pensionable emoluments.
  - (2) Where the person was re-employed in the civil service on or after 1 June 1989, total periodical contributions under this section, section 7 and any other additional voluntary contributions would at no time exceed the lower of 15% of her current salary and pensionable emoluments and 15% of the permitted maximum. The references in this paragraph to "the lower of" and to 15% of the permitted maximum shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).

An option under this rule must be exercised before a retirement award is made under rule 3.1 and within 6 months of the first date of re-employment as a civil servant except that where reemployment occurred before 19 January 1996 an option must be exercised before 19 July 1996. Once exercised, an option under this rule will be irrevocable.

The provisions of rule 4.22a(v) do not apply where a civil servant opts to purchase the widower's pension benefits in respect of all or part of any reckonable service either where it is credited in this scheme as a result of the receipt of a transfer value or where it is attributable to the purchase of added years.

- (vi) In the case of a civil servant in service on or after 1 July 1987, an option to pay additional periodical contributions may be exercised at any time after that date and before a retirement award is made under rule 3.1, in respect of reckonable service given on or after 1 July 1987. Additional periodical contributions will be payable in accordance with rule 4.22a(ii) as appropriate. They will be in multiples of 1½% of salary or wages, subject to the limits in rule 4.22a(v)(1) or (2), as appropriate. An option under this rule, once exercised is irrevocable.
- (vii) A civil servant to whom rule 4.22(ii) applies, may opt to purchase widowers' pension benefits in respect of all or part of her reckonable service prior to 1 July 1987 by paying additional periodical contributions in accordance with rule 4.22a(ii) as appropriate. They will be in multiples of 1½% of salary or wages subject to the limits in rule 4.22a(v)(1) or (2) as appropriate. An option under this rule, once exercised, is irrevocable.
- (viii) In rule 4.22a the words "salary or wages" and "salary (or wages)" include statutory maternity pay, statutory paternity pay and statutory adoption pay.
- (ix) For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

4.22aa A civil servant in post on or after 20 July 1995 may opt, subject to the approval of the Minister, to pay additional periodical contributions at any time after that date and before a retirement award is made under rule 3.1, for the purposes of eliminating or reducing any potential lump sum deduction under rule 4.23c, in respect of any enhancement of reckonable service under

rule 3.4(i) or rule 2.2 of the Compensation Scheme (or under former rule 10.4 as set out at Appendix 1 of the Compensation Scheme, or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme). Any excess contribution resulting from the exercise of an option under this rule shall be refunded in the manner provided for in rule 4.23(i)(b) and the additional service to which the excess contribution related shall be disregarded for the purposes of calculating a widower's pension. Additional periodical contributions will be payable from the earliest practicable date following the date of the option and will be in multiples of 1½% of salary or wages (including statutory maternity pay, statutory paternity pay and statutory adoption pay).

A civil servant who has made an option under this rule may at any time subsequently opt, subject to the approval of the Minister, to increase her periodical contributions, but may never opt to reduce them.

For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

4.22b A civil servant in service on 1 July 1987 and to whom rule 4.22(ii) applies, but whose marriage to a dependent husband ended before that date, may opt to be treated in one of three ways:

(i) to receive on retirement, a refund in accordance with rule 4.23d(i) in respect of periodical contributions paid in respect of her reckonable service between the date her marriage ended and 30 June 1987. In these circumstances only the contributions paid in respect of her pensionable service from 1 July 1987, including any enhancement of reckonable service under rules 3.4, 3.10d,

3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) will be taken into account for the purposes of calculating a widower's pension;

(ii) to forgo a refund in respect of periodical contributions paid in respect of her reckonable service between the date her marriage ended and 30 June 1987 and to have her total pensionable service, including any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), together with contributions paid in the period from the day following the last day of the period in respect of which she has opted to receive a refund and 30 June 1987 will be taken into account for the purposes of calculating a widower's pension;

(iii) to receive on retirement a refund in respect of periodical contributions paid in respect of part of her reckonable service between the date her marriage ended and 30 June 1987. In these circumstances, the contributions paid in respect of her pensionable service from 1 July 1987, including any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), together with contributions paid in the period from the day following the last day of the period in respect of which she has opted to receive a refund and 30 June 1987 will be taken into account for the purposes of calculating a widower's pension.

This option must be exercised before 1 January 1988 and once exercised will be irrevocable. In the event of a civil servant failing to make the option, she will be treated in accordance with sub-rule (i) above.

4.23 When a married civil servant, including one to whom rule 4.22(ii) applies, dies in service or ceases to be a civil servant, contributions at the rate of 1½% of salary or wages or, in the case of an option under rule 4.22a (iv) in respect of the receipt of a transfer value, at the rate set out

in the column headed “Contribution for family benefits” of either of the Added Years tables in Appendix 10 to this scheme as in force on 6 April 2006, as appropriate, will be due in respect of any of the following kinds of service except where rule 4.23aa applies:

- (i) her reckonable service between 1 July 1987 and 5 April 1988 (which for the purposes of this sub-rule, shall include both earlier reckonable service in respect of which she has opted to purchase widower's pension benefits under rule 4.22a and earlier reckonable service to which rule 4.22(ii) applies) except that if rule 4.22(ii) applies and if she had opted under rule 4.11 to pay reduced contributions for her reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary or wages ;
- (ii) her reckonable service on or after 6 April 1988; for this purpose reckonable service includes service before 1st March 2008 in excess of 5 years during re-employment after the pension age for which a payment calculated under rule 3.2 is made, and service which is disregarded under rules 3.35 and 3.35d, and if her reckonable service during the period beginning on 6 April 1988 exceeds the limits in rule 2.3, those limits will not apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;
- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which enhancement is credited, unless rule 4.22(ii) applies and the civil servant opted under rule 4.11 to pay reduced contributions for her reckonable service before 1 June 1972, in which case any enhancement will be regarded as service falling under paragraph (i) irrespective of the date when the enhancement is credited and contributions for it will also be due at the reduced rate; except that she will be treated for the purposes of this rule as having begun service on 1 June 1972 with all contributions due at the full rate and enhancement of reckonable service on or after that date regarded in the normal way as service falling under paragraph (i) or (ii) according to the date of which enhancement is credited, if this produces or would produce a larger widower's pension. The exception above will not apply where enhancement is credited to a civil servant on a designated appointment.
- (iv) In rule 4.23 the words “salary or wages” include statutory maternity pay, statutory paternity pay and statutory adoption pay.

4.23a When an unmarried civil servant, including one to whom rule 4.22 (ii) applies, dies in service or ceases to be a civil servant, contributions at the rate of 1½% of salary or wages or, in the case of an option under rule 4.22a(iv) in respect of the receipt of a transfer value, at the rate set out in the column headed “Contribution for family benefits” of either of the Added Years tables in Appendix 10 to this scheme as in force on 6 April 2006, as appropriate, will be due in respect of any of the following kinds of service except where rule 4.23aa applies:

- (i) her reckonable service between 1 July 1987 and 5 April 1988 (which for the purposes of this sub-rule, shall include both earlier reckonable service in respect of which she has opted to purchase widower's pension benefits under rule 4.22a and earlier reckonable service to which rule 4.22 (ii) applies), except that:
  - (a) if she never had a husband while serving as a civil servant, no contributions will be due;
  - (b) if she died in service or left the service before 6 April 1988, being unmarried at the time or if she was in service on 5 April 1988 being unmarried on that date, contributions will be due only up to the date her last marriage ended;

## PCSPS – Section II (The 1972 Section)

- (c) if contributions are due for a marriage which ended before 1 June 1972 and if the civil servant never remarried while still in service, those contributions will be at the reduced rate of 1¼% of salary or wages payable under rule 4.11, whether or not she opted for this under that rule;
- (d) if she opted under rule 4.11 to pay reduced contributions for her reckonable service before 1 June 1972 contributions will be due in respect of such service at the reduced rate of 1¼% of salary or wages ;
- (iii) her reckonable service on or after 6 April 1988, except that:
  - (a) if she dies in service, or
  - (b) if she ceases to be a civil servant without qualifying for a widower's pension under rule 4.21 and without applying for a transfer value under and in accordance with section 6,

no contributions will be due in respect of any period since her last marriage ended or in respect of the whole of that service if she was unmarried throughout it. For the purposes of this paragraph reckonable service includes service before 1st March 2008 in excess of 5 years during reemployment after the pension age for which a payment calculated as in rule 3.2 is made and service which is disregarded under rules 3.35 or 3.35d and if her reckonable service during the period beginning on 6 April 1988 exceeds the limits in rule 2.3, those limits will not apply for the purposes of this rule. No contributions are due in respect of service that reckons under rule 2.32;

- (iii) any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme), such enhancement being regarded as service falling under paragraph (i) or (ii) according to the date on which the enhancement is credited.
- (iv) In rule 4.23a the words “salary or wages” include statutory maternity pay, statutory paternity pay and statutory adoption pay.

4.23aa With effect from 19 October 1994, no contributions under rule 4.23 or 4.23a will be due in respect of any period of unpaid ordinary maternity leave.

- 4.23b (i) To the extent that the contributions due under rule 4.23 or 4.23a have not been paid by periodical contributions, a deduction will be made (subject to paragraph (ii) below) from whichever of the following becomes payable to the extent necessary to clear the balance (whether or not the civil servant is immediately re-employed):
- (a) the death benefit under rule 3.8;
  - (b) this sub-paragraph has been deleted;
  - (c) this sub-paragraph has been deleted;
  - (d) the lump sum under rule 3.1 ;
  - (e) the ill health lump sum under rule 3.4;
  - (f) the preserved lump sum under rules 3.11 or 3.24a(ii);
  - (g) the preserved death benefit under rule 3.16;
  - (h) the additional payments under rules 3.2 and 3.32a;
  - (i) the partial retirement lump sum under rule 3.3b.
- (ii) If contributions due under rule 4.23 or 4.23a have not been paid by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages), these contributions will be

treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as overpayment of salary.

- 4.23c (i) The amount to be deducted under rule 4.23b, except where rule 4.22(ii) applies will be  $1\frac{1}{2}/80$ ths of the civil servant's pensionable earnings multiplied by (A - B), where
- A is the reckonable service for which contributions are due;
  - B is the number of annual periodical contributions of  $1\frac{1}{2}\%$  salary or wages which she has paid.

Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B as appropriate; A and B are expressed in years and fractions of a year. A deduction from a preserved lump sum under rules 3.11 or 3.24a(ii) will be calculated under this rule when the preserved lump sum is awarded or calculated as the case may be, not when it is paid.

- (ii) In respect of a civil servant to whom rule 4.22(ii) applies, the amount to be deducted under rule 4.23b will be  $1\frac{1}{2}/80$ ths of the civil servant's pensionable earnings multiplied by  $(2A/3 + B - C 2D/3)$ , where:
- A is the reckonable service (if any) for which reduced contributions under rule 4.11 are due;
  - B is the reckonable service for which full contributions are due;
  - C is the number of annual periodical contributions of  $1\frac{1}{2}\%$  salary or wages which she has paid;
  - D is the number of annual periodical contributions of  $1\frac{1}{4}\%$  salary or wages which she has paid, including any such contributions paid under Part III of the Superannuation Act 1965.

Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B, as appropriate; and A, B, C and D are expressed in years and fractions of a year. A deduction from a preserved lump sum under rules 3.11 or 3.24a(ii) will be calculated under this rule when the preserved lump sum is awarded, not when it is paid.

- (iii) In rule 4.23c the words “salary or wages” include statutory maternity pay, statutory paternity pay and statutory adoption pay.

- 4.23d (i) (a) Where a civil servant has actually paid periodical contributions in excess of the contributions due under rule 4.23 or, alternatively, where she has actually paid periodical contributions in respect of service prior to 6 April 1988 in excess of the contributions due under rule 4.23a(i) a refund will be paid to or in respect of her in accordance with paragraph (ix), made up of the relevant balance — beginning with the last such contribution paid — with compound interest.
- (b) Where any additional periodical contribution paid under rule 4.22a(ii) results in an excess contribution being paid, that excess contribution will be treated by the employing department as an underpayment of salary.
- (ii) Where an unmarried person ceases to be a civil servant on or after 6 April 1988, contributions due under rule 4.23a(ii) may be reassessed as if she had died on the date that she ceased to be a civil servant:

## PCSPS – Section II (The 1972 Section)

- (a) if at her death her personal representatives request such reassessment, and provided that she has never married since ceasing to be a civil servant; or
- (b) if she leaves the Civil Service before 1 August 1984 with a pension under rule 3.1, an ill health pension under rule 3.4 or an annual compensation payment under former rule 10.6 (as set out at Appendix 1 of the Compensation Scheme), or she ceases to be a civil servant on or after 1 August 1984 and on or before 30 November 1989 with such a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a (or with a pension under former rules 10.11, 10.12 or 10.26 as set out at Appendix 1 of the Compensation Scheme or under former rules 10.13 or 10.14 as set out at Appendix 2 of the Compensation Scheme) and she opts when she leaves for such a reassessment to be made.

If the contributions (taking into account deductions under rule 4.23b) paid in respect of service on or after 6 April 1988 exceed the contributions reassessed as due, the civil servant will receive a refund made up of the balance — beginning with the last contribution paid — with compound interest, provided that where an option under paragraph (b) is exercised, the civil servant undertakes to repay the said refund together with compound interest, from which sum on or after 1 August 1984 any tax payment made under (ix) below will be deducted, if she subsequently marries or remarries.

- (iii) Where a civil servant leaves the Civil Service on or after 6 April 1978 and is re-employed as a civil servant in circumstances in which her earlier service is reckoned with her re-employed service under rule 3.35, 3.35d, or rules 6.4 or 7.9 of the Compensation Scheme (or under former rule 10.24 as set out at Appendix 1 of the Compensation Scheme or former rules 10.26 or 10.35 as set out at Appendix 2 of the Compensation Scheme) then:
  - (a) if a refund under paragraph (i) or (ii) above has already been made that refund must be repaid; unless the civil servant opts to make the repayment in one lump sum to be paid within 3 months of re-employment it will be recovered from wages or salary in equal instalments over a period commencing on re-employment and not exceeding 5 months;
  - (b) if a refund under paragraph (i) or (ii) above has not already been made its award will be cancelled.
- (iv) Where an unmarried person ceases to be a civil servant on or after 1 December 1989, contributions due under rule 4.23a(ii) may be reassessed as if she had died in service on the date that she ceased to be a civil servant, if she ceases to be a civil servant
  - at age 60 or over; or
  - before age 60 with a preserved pension under rules 3.11 or 3.24a(ii), and remains unmarried until the pension comes into payment;
  - before age 60 if she has a prospective pension under rule 3.1 because rule 1.4e (inactive members) applies to her, and she remains unmarried until the pension comes into payment; or
  - before age 60 with an ill health pension under rule 3.4 or a pension under rule 3.10a.

If the contributions (taking into account deductions under rule 4.23b) paid in respect of service on or after 6 April 1988 exceed the contributions reassessed as due, a refund will be paid to or in respect of her in accordance with paragraph (ix). This is subject to paragraphs (xii) and (xiii). The refund will be made up of the balance — beginning with the last contribution paid — with compound interest, less a premium calculated in accordance with guidance provided by the Scheme Actuary.

PCSPS – Section II (The 1972 Section)

- (v) This paragraph has been deleted.
- (vi) Where an unmarried civil servant in post on 30 November 1989 ceases to be a civil servant on or after 1 December 1989 and on or before 30 November 1991, she may opt to be treated under rule 4.23d(ii)(b) rather than under rule 4.23d(iv), if she ceases to be a civil servant
  - (a) at age 60 or over if the refund calculated under rule 4.23d(iv) is less than the refund calculated under rule 4.23d(ii)(b); or
  - (b) before age 60 with a pension under rule 3.1, an ill health pension under rule 3.4, or a pension or an annual compensation payment under former section 10 as set out at Appendix 2 of the Compensation Scheme, or with a pension under rule 3.10a.
- (vii) Notwithstanding anything to the contrary in this scheme, an unmarried person who ceased to be a civil servant on or after 6 April 1988 and on or before 30 November 1989 with
  - (a) a preserved pension under rule 3.11; or
  - (b) a pension or annual compensation payment specified in rule 4.23d(ii)(b) and did not receive a refund under that rulewill, if she is under age 60 on 1 December 1989, become eligible on reaching age 60 for a refund in accordance with rule 4.23d(iv) provided she has remained unmarried throughout the intervening period.
- (viii) For the purposes of this rule, a reference to compound interest means compound interest as set out in rule 4.19(viii) and a reference to a civil servant in that rule also means a civil servant to whom this part of section 4 applies.
- (ix) When this paragraph applies:
  - (a) the refund of contributions payable to the civil servant shall be paid as an additional lump sum when her pension commences under rules 3.1, 3.4, 3.10a, 3.11, or 3.24a(ii) (the additional lump sum shall form part of the civil servant's pension commencement lump sum for the purposes of Part 4 of the Finance Act 2004); and
  - (b) the refund of contributions payable in respect of a civil servant who has died shall be paid as an additional lump sum to her personal representatives when a lump sum is paid under rules 3.8, 3.9(ba) or 3.16 (the additional lump sum shall, for the purposes of Part 4 of the Finance Act 2004, form part of the lump sum death benefit payable in respect of the civil servant).
- (x) Notwithstanding the other provisions of rule 4.23d, an unmarried person who has a life expectancy of less than twelve months as assessed by the Scheme Medical Adviser and who is a civil servant or who ceased to be a civil servant on or after 1 April 2003 and has remained unmarried since ceasing to be a civil servant may apply for a refund of contributions due under rule 4.23a(ii). Contributions will be reassessed as if she had died in service on the date she ceased to be a civil servant or, if she has not ceased to be a civil servant, on the day after the last contribution was paid.

If the contributions (taking into account deductions under rule 4.23b) paid in respect of service on or after 6 April 1988 exceed the contributions re-assessed as due, she will receive an immediate refund. The refund will be made up of the balance — beginning with the last contribution paid — with compound interest, less a premium of 20 per cent of the gross value of the refund and less tax deducted under (ix) above.
- (xi) In paragraphs (xii) to (xiv) “the old refund provisions” means the provisions of rule 4.23d as in force on 5 April 2006, disregarding the provision for deduction of tax..
- (xii) This paragraph applies to a person who—



PCSPS – Section II (The 1972 Section)

- (a) was under age 60 on 5 April 2006;
- (b) was in receipt of a pension under the scheme on 5 April 2006; and
- (c) would have been entitled under rule 4.23d(iv) of the old refund provisions to a refund of contributions at age 60.

A person to whom this paragraph applies shall receive at age 60—

- (aa) part or all of the refund she would have received at age 60 under the old refund provisions as a lump sum to the extent that the amount paid would be an authorised member payment for the purposes of Part 4 of the Finance Act 2004 (see section 164 of that Act), the lump sum being calculated in accordance with guidance provided by the Scheme Actuary; and
- (bb) if the lump sum paid under (aa) is less than the refund she would have received at age 60 under the old refund provisions, an additional pension of a value actuarially equivalent to that part of the refund she would have so received that is not paid under (aa), calculated in accordance with guidance provided by the Scheme Actuary.

This is subject to paragraph (xiii).

- (xiii) A person to whom paragraph (xii) would apply but for this paragraph may opt for this paragraph to apply to her instead. The option may only be exercised by notice to the scheme administrator in such form and at such time as the Minister may require. Where an option has been exercised in accordance with this paragraph the person shall receive at age 60 the refund she would have been entitled to under the old refund provisions.
- (xiv) This paragraph applies to a person—
  - (a) who received a refund at age 60 under rule 4.23d(iv) of the old refund provisions;
  - (b) who became a civil servant again on re-employment after age 60;
  - (c) whose period as a re-employed civil servant ended after 5 April 2006; and
  - (d) who was not married when her re-employment ended.

When this paragraph applies to a person her widower's pension shall be calculated in accordance with rule 4.21c(iii).

## Part 3

### Children's Pensions

- 4.24 This part of section 4 applies to all pensionable civil servants in service on or after 1 June 1972. (For women civil servants, references to “wife” and “widow” should be taken as references to a “husband” and “widower” respectively.)
- 4.24a If the civil servant is a pension debit member within the meaning of Section 12, this section must be read subject to PCSPS rule 12.13.

### Benefits

- 4.25 If a civil servant:
- (i) dies in service
    - (a) before 1 April 1980 with 5 or more years' qualifying service; or
    - (b) on or after 1 April 1980; or
    - (c) after becoming entitled to a pension under rule 3.3b (partial retirement); or
  - (ii) dies after ceasing to be a civil servant as a consequence of
    - (a) retiring with a pension under rule 3.1, or
    - (b) retiring with an ill health pension under rule 3.4, or
    - (c) retiring with an actuarially reduced pension under rule 3.10a, or
    - (d) leaving the Civil Service with a preserved pension under rules 3.11 or 3.24a(ii), or
    - (e) opting out of the scheme with a preserved pension under rules 3.11 or 3.24(a)(ii) ; or
    - (f) any of paragraphs (a) to (e) above applying in addition to being entitled to a partial retirement pension under rule 3.3b
- and either had completed 5 or more years' qualifying service or died on or after 1 April 1980;
- a children's pension will be paid if he leaves one or more eligible children.
- 4.26 Subject to rules 4.26a, 4.26b, 4.27 and 4.28, an eligible child is:
- (i) a child of the deceased or the deceased's spouse (including a child of the deceased conceived before the death and born after it);
  - (ii) a child of a dead brother, sister or child of the civil servant; or
  - (iii) a brother or sister of the civil servant,
- who
- (a) is under 17 years of age; or
  - (b) is receiving a full-time education; or
  - (c) is undergoing full-time training of at least two years' duration for any trade, profession or vocation, during which he receives not more than the maximum allowable remuneration ; or
  - (d) where the deceased dies after 5 April 2006, meets the following criteria:

- is at the date of the deceased's death dependent on the deceased because of physical or mental impairment;
- is unable to engage in gainful employment because of physical or mental impairment, and that impairment is, according to a medical certificate acceptable to the Minister, likely to be permanent; and
- does not have a spouse or civil partner.

“Child” includes legally adopted children, step-children and illegitimate children; and “brother” and “sister” include half-brothers and half-sisters. If (b) and (c) applies, the education or training must have been continuous from age 17; except that the Minister, or if the Minister so directs, the scheme administrator, will have discretion to overlook breaks in education or training if they are satisfied that at the time of the break the child's full-time education or training should not be regarded as completed. “The maximum allowable remuneration” means £250 a year (excluding returns of premiums), increased from time to time by the amount of increase that would be applied under the Pensions (Increase) Act 1971 to a pension of £250 a year first awarded on 1 June 1972. The sum so arrived at shall be rounded up to the nearest £1.

4.26a For the purposes of paragraph (b) of rule 4.26, if a person has not attained the age of 19 years on the date when he ceases to be in full-time education, he shall be deemed to be receiving such education until:

- (i) the second Monday in January; or
- (ii) the second Monday after Easter Monday; or
- (iii) the second Monday in September; or
- (iv) he attains the age of 19 years; or
- (v) he becomes engaged full-time in gainful employment,

whichever first occurs on or after the date on which his full-time education ceases.

4.26b A person will not be an eligible child if he has reached the age of 23, unless at the date of the civil servant's death the person was dependent on the civil servant because of physical or mental impairment. This rule does not apply:

- (i) where the civil servant dies before 6 April 2006, or
- (ii) where the civil servant's pension is in payment on 5th April 2006 and the child is born before 6 April 2007.

4.27 “Eligible child” excludes:

- (i) where death occurred before 1 July 1987,
  - (a) any child (except a child of the civil servant conceived before his death and born after) who is not wholly or mainly dependent on the civil servant at the time of his death;
  - (b) where the civil servant dies after retirement, any child who would not have been eligible at the date of the civil servant's retirement if the civil servant had died on that date;
  - (c) a female child who is married or living with a man as his wife, unless the Minister, or if the Minister so directs, the scheme administrator, are satisfied that there are compassionate grounds for treating her as an eligible child;
- (ii) where death occurs on or after 1 July 1987,

- (a) any child (except a child of the civil servant conceived before his death and born after) who is not dependent on him at the time of his death;
- (b) where the person concerned dies after ceasing to be a civil servant, any child who would not have been eligible at the date when pensionable service ended if the death had been that date.

4.28 At the discretion of the Minister, or if the Minister so directs, the scheme administrator, any other child may be treated as eligible, provided that:

- (i) rule 4.26(a) (b) and (c) and rule 4.27 are satisfied; and
- (ii) the Minister, or if the Minister so directs, the scheme administrator, are satisfied that at the time of the civil servant's death (if he dies in service) or when he ceased to be a civil servant, either
  - (a) the civil servant had formed the intention of legally adopting the child, or
  - (b) the child has been dependent (or, in the case of death occurring before 1 July 1987, wholly or mainly dependent) on the civil servant for at least two years or for at least half of the child's life.

4.29 If an increase in widow's pension is payable under rules 4.7 or 4.7a or if an increase in widower's pension is payable under rules 4.21d or 4.21e or, if a short-term pension is payable under rules 4.8 or 4.21f, a children's pension under rule 4.25 will be paid from the day following the date on which the increased, or short-term pension ceases. Where an increased or short-term pension is not payable, or where death occurs on or after 19 January 1996 and an eligible child is in the care of some person other than the widow, a children's pension under rule 4.25 will be paid, in respect of that eligible child, from the day after the date of the civil servant's death. It will continue until such time as there are no longer any eligible children.

4.30 At any one time a children's pension under rule 4.25 will be paid for all children who are still eligible, and the amount of it will depend on the number of such children. Subject to rule 4.31, the annual amount will be one-quarter of the civil servant's pension for each eligible child in the care of his widow (whether or not she herself is receiving a pension under part 1 of this section); and one-third of this pension for each eligible child in the care of some other person. "The civil servant's pension" for the purposes of this rule and rule 4.31 means:

- (i) if he dies in service without being entitled to a pension under rule 3.3b (partial retirement) on the date of his death, the ill health pension that would have been paid under rule 3.4 if he had been retired on medical grounds at the date of his death; except that where death occurs on or after 1 April 1980:
  - (a) it will be deemed that he would have been awarded a pension under rule 3.4 notwithstanding that he would not have qualified for a pension under rule 3.1 or a preserved pension under rule 3.11; and
  - (b) paragraph (i) of rule 3.4(i) will be read as: "if it is less than 10 years, it will be enhanced to double its length or to 10 years, whichever is the greater" ;
- (ii) if he dies after ceasing to be a civil servant, his total pension under this scheme at the time he ceased to be a civil servant except that:
  - (a) where he dies on or after 1 April 1980 after retiring with a pension under rule 3.1 or rule 3.4(i) or a total pension under rule 3.1 or rule 3.4(i) and under rule 3.3b (partial retirement) which was based on less than 10 years' reckonable service, it will be deemed that at the time of his retirement he was in receipt of a

pension based on whichever is the less of 10 years' reckonable service or what would have been his reckonable service had he stayed in service in a full-time capacity until 5 years after the pension age;

Any deemed increase in reckonable service as a result of this sub-paragraph which applies to a member who has taken partial retirement under rule 3.3b will be applied to the pension taken at full retirement.

- (b) where he retired with a pension calculated under rule 3.10a, it will be deemed to be the pension as calculated under rule 3.11 before actuarial reduction;
  - (ba) where he was entitled to a pension under rule 3.3b at the date of his death, it will be deemed to be the pension as calculated under rule 3.3b before actuarial reduction.
  - (c) any increase in pension resulting from an election made under rule 3.1a shall be ignored.
- (iii) if he dies after becoming entitled to a partial retirement pension under rule 3.3b but before full retirement —
- (a) the full retirement pension that would have been paid under rule 3.1 if he had retired at the date of his death, together with
  - (b) the pension to which he became entitled at partial retirement except that:
    - (1) where he dies after partially retiring on or after pension age with entitlement to a pension under rule 3.3b and he is still in service at the date of his death, and where his total reckonable service at the date of his death (including reckonable service on which his partial retirement pension under rule 3.3b is based and reckonable service used to calculate the full retirement pension under paragraph (iii)(a)) ("complete reckonable service") was less than 10 years, it will be deemed that at partial retirement he was entitled to receive a pension based on an enhanced period of reckonable service. The enhancement will be the difference between his complete reckonable service and whichever is the less of 10 years or what would have been his complete reckonable service had he stayed in service in a full time capacity until 5 years after the pension age;
    - (2) where he took partial retirement before pension age, it will be deemed to be the pension as calculated under rule 3.3b before actuarial reduction;
    - (3) any increase in pension resulting from an election made under rule 3.1a shall be ignored.

For the purposes of this rule any reduction in pension under rules 3.19 to 3.23za (modification on account of national insurance or basic social security pensions), or as a result of an allocation under section 5, or commutation under rule 3.4b, will be ignored.

4.31 The total amount of a children's pension under rule 4.25 may at no time exceed:

- (i) one-half of the civil servant's pension, if all the eligible children are in the care of his widow, or if a widow's pension under part I of this section is in payment;
- (ii) seven twelfths of his pension, if there is one eligible child in the care of some other person and if no widow's pension is in payment;
- (iii) two-thirds of his pension, if there are two or more eligible children in the care of some other person and if no widow's pension is in payment.

While the number of eligible children is such that a pension is calculated under rule 4.30 would exceed these limits, the part of the pension payable for each child will be scaled down accordingly. In applying this rule, any increase in pension resulting from an election made under rule 3.1a, or any reduction resulting from commutation under rule 3.4b, shall be ignored.

- 4.32 Unless the Minister, or if the Minister so directs, the scheme administrator, directs otherwise, a children's pension under rule 4.25 will be paid to the civil servant's widow if the eligible children are in her care, and to the children's guardian if they are in the care of some other person. If they are in the care of more than one person different parts of the pension will be paid to those persons in the appropriate proportions. In all cases the pension is to be applied for the benefit of the children for whom it is granted.
- 4.33a This rule applies where every civil servant referred to below dies on or before 30 June 1987. In such cases a child may not be eligible for children's pensions under rule 4.25 in respect of more than one deceased civil servant. Where there would otherwise be an eligibility for children's pensions in respect of two or more such civil servants, the child will count as eligible in respect of one of them in the way which, in the opinion of the Minister, gives the most favourable overall result for all the children in question.
- 4.33b This rule applies provided that at least one civil servant referred to below dies on or after 1 July 1987. An eligible child may receive a children's pension under rule 4.25 in respect of not more than two civil servants to each of whom this scheme applies. If an eligible child is eligible for children's pensions in respect of three or more civil servants to each of whom this scheme applies, the child will count as eligible in respect of only two civil servants, in the way which gives the most favourable overall result.
- 4.34 This rule has been deleted.

## Part 4

### Invalidity Pensions

- 4.35 A pensionable civil servant may nominate before 6 April 2006 for an invalidity pension a person who:
- (i) is such that he would count as an “eligible child” under part 3 of this section if the civil servant were to die; and
  - (ii) is permanently incapacitated; and
  - (iii) is wholly or mainly dependent on the civil servant;

provided that the civil servant's periodical contributions under parts 1, 2 and 5 of this section, and under section 7, do not in total exceed:

- (a) in the case of a person who became a civil servant before 1 June 1989, 13% of his current salary and pensionable emoluments
- (b) in the case of a person who becomes a civil servant on or after 1 June 1989, the lower of 13% of his current salary and pensionable emoluments and 13% of the permitted maximum.

The references in paragraph (b) to “the lower of” and to 13% of the permitted maximum shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).

For the purposes of this rule where the contribution test is calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

- 4.36 In rule 4.35 “permanently incapacitated” means that because of a specific mental or physical disability which is likely to be permanent, the child in question is unlikely to be able to earn his own living.
- 4.37 A civil servant who on 31 May 1972 had a valid nomination in force for a “life pension” under Part IV of the Superannuation Act 1965 will be regarded as having nominated the dependant in question for an invalidity pension under rule 4.35, provided that the original nomination was made before the end of the dependant's childhood and full-time education.
- 4.38 A nomination under rule 4.35 ceases to be valid if:
- (i) the civil servant chooses to revoke it; or
  - (ii) the nominee ceases to be permanently incapacitated; or
  - (iii) the nominee ceases to be wholly or mainly dependent on the civil servant (except that the Minister will have discretion to overlook a break in dependence if he is satisfied that the break is temporary only); or
  - (iv) the nominee dies; or
  - (v) the nominee marries the civil servant.
- A nominee will be regarded as ceasing to be wholly or mainly dependent on the civil servant if he enters a hospital or institution maintained by the State and ceases to be maintained by the civil servant.
- 4.39 A civil servant may not have more than one valid nomination in force under rule 4.35 at any one time.
- 4.40 In rules 4.41 to 4.53 “civil servant” means a civil servant who has made a nomination under rule 4.35, and “nominee” means the person nominated by him under that rule.

## Benefits

4.41 If a civil servant:

- (i) dies in service:
  - (a) before 1 April 1980 with 5 or more years' qualifying service; or
  - (b) on or after 1 April 1980; or
- (ii) dies after ceasing to be a civil servant as a consequence of:
  - (a) retiring with a pension under rule 3.1; or
  - (b) retiring with an ill health pension under rule 3.4; or
  - (c) retiring with an actuarially reduced pension under rule 3.10a; or
  - (d) leaving the Civil Service with a preserved pension under rules 3.11 or 3.24a(ii); or
  - (e) opting out of the scheme with a preserved pension under rules 3.11 or 3.24(a)(ii); and either had completed 5 or more years' qualifying service or died on or after 1 April 1980;

and if his nomination is still valid, an invalidity pension will be payable to the person chosen by the Minister to receive it. (If this is not the nominee, the pension is to be applied for the nominee's benefit.)

4.42 An invalidity pension under rule 4.41 will be paid from the day after the date of the civil servant's death or (if later) from the date the nominee reaches the age of 17, at which age he will cease to be an eligible child for the purposes of part 3 of this section. If the nominee marries, or lives with a man as his wife, or lives with a woman as her husband, the pension will cease until such time as the Minister is satisfied that there are compassionate grounds for restoring it. Otherwise, it will be paid until the nominee's death.

4.43 The annual amount of an invalidity pension under rule 4.41 will be  $\frac{1}{80}$ th of the civil servant's pensionable earnings multiplied by  $(A/3 + B/2)$ , where A and B are as defined in rule 4.50.

## Contributions

- 4.44 (i) A civil servant will, while in service, pay periodical contributions of 2% of salary or wages (including statutory maternity pay, statutory paternity pay and statutory adoption pay) from 1 June 1973, or (if later) from the date of his nomination. Contributions due under this rule will be assessed on the full rate of pay where a civil servant entered the Civil Service on or after 1 April 1987 and where a reduced rate of salary (or wages) is in payment as an alternative to the voluntary abatement of a non-PCSPS public service pension. If his nomination ceases to be valid, his periodical contributions will stop from the date when this becomes known to his department; otherwise they will be payable until the end of his pensionable service.
- (ii) In the case of a person who becomes a civil servant on or after 1 June 1989, contributions will not be due under this rule in respect of salary (or wages) in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limited accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii).



- (iii) For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

- 4.45 A civil servant in service on 1 June 1972 who had hitherto been paying periodical contributions for his nominee under section 67 of the Superannuation Act 1965 will continue to pay such contributions (at the same rate as previously) until 31 May 1973 or (if earlier) until his pensionable service ends or his nomination ceases to be valid.
- 4.46 A civil servant to whom rule 4.37 applies may opt to pay contributions and be eligible for benefits at a reduced rate for his reckonable service before 1 June 1972. This option must be exercised before 1 April 1973. In the event of a civil servant failing to make the option, it will be deemed to have been exercised unless he specifically opts to the contrary.
- 4.47 A civil servant may opt to pay additional periodical contributions, in multiples of 2% of salary or wages (including statutory maternity pay, statutory paternity pay and statutory adoption pay). For a nomination made after 1 June 1972 and before 1 August 1984, the option must have been exercised within 9 months of the date of the nomination; for a nomination made on or after 1 August 1984, the option may be exercised at any time. Otherwise additional periodical contributions will be subject to the conditions set out in rules 4.12 to 4.14a for additional contributions under rule 4.12; except that if his nomination becomes invalid, additional contributions under this rule will stop from the date when this becomes known to his department.
- 4.48 When a civil servant dies or ceases to be a civil servant, contributions for an invalidity pension will be due in total as follows:

- (i) if his nomination is still valid, contributions will be due for the whole of the nominator's reckonable service including any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii), or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out at Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme);
- (ii) if his nomination is no longer valid, contributions will be due for his reckonable service up to the date it became invalid;

except that no contributions will be due if his qualifying service is less than five years and he dies before 1 April 1980.

- 4.49 To the extent that the contributions due under rule 4.48 have not been paid by periodical contributions, the balance will be deducted from whichever of the benefits listed in rule 4.17 becomes payable.
- 4.50 The amount to be deducted under rule 4.49 will be  $\frac{2}{80}$ ths of the civil servant's pensionable earnings multiplied by  $(\frac{2A}{3} + B - C)$ , where:
- A is the reckonable service (if any) for which reduced contributions under rule 4.46 are due;
  - B is the reckonable service for which full contributions are due;
  - C is the number of annual periodical contributions of 2% of salary or wages (including statutory maternity pay) which he has paid.

Any enhancement of reckonable service under rules 3.4, 3.10d, 3.24a(ii) or rule 2.2 of the Compensation Scheme (or former rule 10.4 as set out in Appendix 1 of the Compensation Scheme or former rule 10.5 as set out at Appendix 2 of the Compensation Scheme) is included in A or B, as appropriate; and A, B and C are expressed in years and fractions of a year. If he has paid periodical contributions for his nominee under section 67 of the

Superannuation Act 1965 these will be included in C at the appropriate rate: for example, one year's contribution at 3% of salary will count as one and a half years' contributions at 2%.

- 4.51 If the periodical contributions paid exceed the contributions due (that is, if C exceeds  $(2A/3 + B)$ ), the balance will be refunded in the same way as contributions are refunded under rule 4.19.
- 4.52 If a nomination becomes invalid, and the civil servant is later able to renominate the same nominee, the periodical contributions already paid by him for that nominee under this part of section 4 or under section 67 of the Superannuation Act 1965 will be taken into account (at the appropriate rate) in calculating any lump sum contribution under rule 4.49 or any refund of contributions under rule 4.51.
- 4.53 If a nomination becomes invalid because the nominee marries the civil servant, periodical contributions actually paid in respect of an invalidity pension up to the date of the marriage will be deemed to have been paid for a widow's or widower's pension under part 1 or part 2 of this section, as appropriate. (If the civil servant opted to pay reduced contributions under rule 4.46 he will be treated as if he had similarly opted to pay reduced contributions under rule 4.11.)

## Part 5

### Pensions for adult dependants

(In this part of section 4, the “1965 Act” means the Superannuation Act 1965, and references to “s.66”, “s.67” etc. are references to sections of that Act.)

- 4.54 A civil servant who on 31 May 1972 had a valid nomination in force under Part IV of the 1965 Act for a “life pension” for a dependant who was nominated after the end of his childhood and full-time education, will continue, subject to rules 4.55 to 4.58, to pay contributions and to be eligible for benefits according to the provisions which were laid down in the 1965 Act. Where he retired with a pension calculated under rule 3.10a, benefits under this section will be determined by reference to the pension as calculated under rules 3.11 or 3.24a(ii) before actuarial reduction. Any increase in pension resulting from an election made under rule 3.1a, or any reduction resulting from commutation under rule 3.4b, shall be ignored for the purposes of this section.
- 4.55 For the purposes of rule 4.54, references in the 1965 Act to benefits under that Act will be construed, where appropriate, as references to corresponding benefits under this scheme. S.68(2)a. will not apply and the contribution liability under s.69 will be calculated by reference to the period of reckonable service, as defined in rule 1.5 and pensionable earnings, as defined in rules 1.6a, 1.6aa and 1.6b, instead of by reference to the completed years of reckonable service, and average annual amount of salary, referred to in s.69(4) and s.69(3) respectively.
- 4.56 A civil servant to whom rule 4.54 applies may opt to increase his rate of contribution under s.66 by 50%. This option must be exercised before 1 April 1973. The increase in contribution will apply for the whole of his reckonable service. If he is paying periodical contributions under s.67 the higher rate of contribution will be payable from 1 June 1973; the increase in contribution for his past service will be collected by an appropriate deduction under s.69 from the death benefit or lump sum.
- 4.57 Where a civil servant has opted to increase his contributions under rule 4.56, any dependant's pension which may become payable will be 50% larger than it would otherwise have been.
- 4.58 At the discretion of the Minister a civil servant to whom rule 4.54 applies may pay additional periodical contributions from 1 June 1973, in a manner analogous to the payment of additional contributions under rules 4.12 and 4.47, thereby reducing the eventual lump sum contribution under s.69.

## Part 6

### Provisions applying to Parts 1–5

#### Contributions

4.A59 In Parts 1-5 and in this Part 6, any reference to contributions does not include contributions paid or due under section 14 (contributed pension and lump sum).

#### Deductions from lump sums

- 4.59 In rules 3.9, 3.31 and 3.35 to 3.36, and in Appendix 7, references to lump sum already paid will be taken to be references to that lump sum before the deduction of any contribution under rule 4.17, 4.23b or 4.49, or under the corresponding provisions of Parts III and IV of the Superannuation Act 1965.
- 4.60 If the person dies or ceases to be a civil servant, the lump sum contributions due under rules 4.17, 4.23b and 4.49, and under section 69 of the Superannuation Act 1965, may amount in total to more than the death benefit or lump sum payable. If so, he may opt on ceasing to be a civil servant to pay the balance of contributions due out of his own resources. If he does not so opt, or if he dies in service, the whole of the death benefit or lump sum will be surrendered and the benefits awarded will be scaled down accordingly: that is, they will be calculated on the basis of the contributions actually paid rather than on the basis of the contributions due. If contributions are due under more than one part of this section, the death benefit or lump sum will be applied to a widow's (or widower's) pension in preference to an invalidity pension, and to an invalidity pension in preference to a dependant's pension under part 5.

#### Transfers

- 4.61 The treatment of civil servants to whom this section applies and who resign with a transfer value is described in section 6 and Appendix 11.

#### Re-employment

- 4.62 Parts 1 to 4 of this section will apply to a re-employed civil servant in the same way as to other civil servants, with the following modifications:
- (i) if rule 3.31 applies to him, periodical contributions will be calculated on his pensionable earnings at his earlier retirement (or on the three-year average of pensionable earnings, if his earlier retirement was before 29 February 1972), if that is greater than his current full-time salary. Where there is part-time service during re-employment, the periodical contributions will be based on the greater of pensionable earnings or current full-time salary and calculated on a pro rata basis according to the number of hours worked. (If he is re-employed more than once after the pension age, references in this sub-paragraph to his earlier retirement will be taken as references to his first retirement.)
  - (ii) If rule 3.31, 3.32, 3.35(i) or 3.35d(i) applies to him, then
    - (a) his pensionable earnings will be calculated on the same basis as for his own pension award;
    - (b) “reckonable service” for the purposes of rule 4.15(i) or 4.16(i) will be assessed on the same basis as for his own pension award, or, if he dies in service, on the

same basis on which his own pension would have been calculated if he had been retired on medical grounds at the date of his death;

- (c) the calculation of lump sum contributions or refunds of contributions will be adjusted to take account of any such contributions or refunds paid at his earlier retirement under parts 1, 2 or 4 of this section or under the corresponding provisions of the Superannuation Act 1965.
- (iii) If he opted for two separate awards under rule 3.35(ii) or 3.35d(ii) his two periods of service will similarly be treated separately for the purposes of parts 1 to 4 of this section.
- (iv) A civil servant re-employed after the pension age:
  - (a) whose earlier period of service ended before 1 June 1972; and
  - (b) who was re-employed after a break of at least one working day; and
  - (c) whose service during re-employment amounts to less than 182 days (six months); will not be eligible for widow's or widower's benefits under part 1 or 2 of this section ; and any periodical contributions paid by him under those parts will be refunded on final retirement, in the same way as contributions are refunded under rules 4.19 and 4.23d.

References in this rule to rules 3.31 to 3.35 will be taken to include references to the corresponding provisions of Appendix 7.

## Miscellaneous

- 4.63 Where it is laid down in this section that an option must be exercised by a particular date, the Minister will have discretion to extend that date, subject to such conditions as he may specify, in a particular case if there are special circumstances to justify this.
- 4.64 All options under this section must be made in writing, and subject to rule 4.65 must be made while the person in question is still a civil servant, unless the Minister expressly provides otherwise.
- 4.65 Where a civil servant who is eligible to make an option under rule 4.9(i)(c), 4.11 or 4.46 dies before 1 April 1973 and before making the option, it may be made (within the prescribed period) by his widow. If he does not leave a widow:
  - (i) an option under rule 4.9(i)(c) will be assumed to have been made;
  - (ii) an option under rule 4.11 will be assumed to have been made;
  - (iii) an option under rule 4.46 will be assumed not to have been made, unless the civil servant's nomination for an invalidity pension has meanwhile become invalid.
- 4.66 In the case of a civil servant whose benefits are calculated under rule 3.1b, benefits and contributions under this section will be calculated accordingly.
- 4.67 This rule has been deleted.
- 4.68 In rule 4.7a, 4.8(iv), 4.21e, 4.21f(iv) and 4.30(ii), the reference to a civil servant's pension under the scheme will be taken to include a reference to an annual compensation payment under rules 2.3 or 3.1 of the Compensation Scheme (or under the former rules or the former Section 10 rules as set out in Appendices 14 and 15 respectively), except when the annual compensation payment is paid under rules 2.9 or 3.4 of the Compensation Scheme (or under rules 10.9a or 10.11a of the former Section 10 rules as set out in Appendix 2 of the Compensation Scheme). For the purposes of rule 4.7a, 4.8(iv), 4.21e, 4.21f(iv) and 4.30(ii), the amount of annual compensation payment will be deemed to be the amount that would

## PCSPS – Section II (The 1972 Section)

have been received, notwithstanding any election that may have been made under rule 5.8 to 5.13 of the Compensation Scheme.

## Part 7

### Contributions for part-time service formerly not pensionable

- 4.69 (i) This rule applies to a male civil servant in service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.
- (ii) A civil servant to whom this rule applies will pay contributions due in respect of such service calculated in accordance with the Public Sector Settlement Model May 2003 published on the Employment Tribunals web-site ([www.employmenttribunals.gov.uk](http://www.employmenttribunals.gov.uk)).
- (iii) Contributions due under this rule will be paid by 12 equal monthly payments commencing as soon as is reasonably practicable after he has been notified of the amount due, or within such longer period as may be agreed by the Minister or, if the Minister so directs, the scheme administrator.
- 4.70 (i) This rule applies to a male civil servant who has left service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.
- (ii) A civil servant to whom this rule applies will pay contributions in accordance with rule 4.69(ii) and (iii), except that, if when he ceased to be a civil servant he had reached the age of 60 and was unmarried, he may opt for:
- (a) no contributions to be due in respect of any such service since his last marriage ended; and
- (b) if he was unmarried since before 8 April 1976 no such contributions to be due, and if his contributions are reduced by virtue of sub-paragraph (a) or (b), the premium referred to in rule 4.19(iv) will be recalculated by the Minister as at the date on which his service is reinstated, and an increase will be payable to reflect the increase in his reckonable service.
- (iii) The contributions due under this rule will be paid within 6 months of notification to the civil servant of the amount due, or within such longer period as the Minister may agree.
- 4.71 (i) This rule applies to a female civil servant in service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.
- (ii) A civil servant to whom this rule applies will pay contributions due in respect of such service on or after 1 July 1987 calculated in accordance with the Public Sector Settlement Model May 2003 published on the Employment Tribunals web-site ([www.employmenttribunals.gov.uk](http://www.employmenttribunals.gov.uk)).
- (iii) A civil servant to whom this rule applies may opt to purchase widower's pension benefits in respect of all or part of such service immediately before 1 July 1987 in which case she will pay contributions due in respect of such service calculated in accordance with the Public Sector Settlement Model May 2003 published on the Employment Tribunals web-site ([www.employmenttribunals.gov.uk](http://www.employmenttribunals.gov.uk)).
- (iv) Contributions due under this rule will be paid by 12 equal monthly payments commencing as soon as is reasonably practicable after she has been notified of the amount due, or within such longer period as may be agreed by the Minister or, if the Minister so directs, the scheme administrator.

- 4.72 (i) This rule applies to a female civil servant who has left service who wishes to reinstate part-time service on or after 8 April 1976 and before 1 January 1995 which was formerly not pensionable.
- (ii) A civil servant to whom this rule applies will pay contributions in accordance with rule 4.71(ii) and (iv) and, if she has so opted, rule 4.71(iii), except that, if when she ceased to be a civil servant he had reached the age of 60 and was unmarried, she may opt for:
- (a) no contributions to be due in respect of any such service since her last marriage ended; and
- (b) if she was unmarried since 1 July 1987 no such contributions to be due, and if her contributions are reduced by virtue of sub-paragraph (a) or (b), the premium referred to in rule 4.23(d)(iv) will be recalculated by the Minister as at the date on which her service is reinstated, and an increase will be payable to reflect the increase in her reckonable service.
- (iii) The contributions due under this rule will be paid within 6 months of notification to the civil servant of the amount due, or within such longer period as may be agreed by the Minister or, if the Minister so directs, the scheme administrator.
- 4.73 Where a civil servant dies in service before all the contributions due under this Part of this Section have been paid in full,
- (i) if he or she is married at the time of death the outstanding balance will be deducted from whichever of the lump sums listed in rule 4.17 and 4.23b then becomes payable, or
- (ii) if he or she is unmarried at the time of death, for the purposes of the calculation under rule 4.70(ii) or 4.72(ii) the contributions paid under this Part of this Section are deemed to have been paid during the period of reckonable service reinstated, starting at the beginning and any balance outstanding will be deducted from:
- (a) any refund of contributions; or
- (b) if the refund is insufficient from whichever of the lump sums listed in rule 4.17 and 4.23b then becomes payable.
- 4.74 Where a civil servant leaves service before all the contributions due under this Part of this Section have been paid in full, he or she may elect to pay the outstanding contributions and, if they are not paid, the service that will reckon under rule 2.8(c) will be reduced by means of the formula:
- $A \times B/C$
- where:
- A is the period of service which would have reckoned had all the contributions been paid,
- B is the amount of the contributions paid, and
- C is the amount of the contributions due.



- 4.75 In this Part, interest means compound interest at the yearly average of the Building Society average rate for share accounts as announced annually by the Minister, with yearly rests.

## Part 8

### Civil Partnership

- 4.76 Subject to rules 4.77 to 4.79, rule 3.8(ii)(a), parts 1, 2 and 3 of this section 4, section 6, section 7 and appendix 16 shall apply in relation to:
- (i) a surviving civil partner as they apply in relation to a surviving spouse;
  - (ii) a civil partner as they apply in relation to a spouse;
  - (iii) to civil partnership as they apply in relation to marriage.
- 4.76A For the purposes of rule 4.76 it does not matter whether the civil servant or the civil servant's surviving civil partner is a man or a woman but a surviving civil partner is only entitled to pension and other benefits payable under the rules of this scheme as they apply to them as either a widow or a widower (and not as both).
- 4.76B Where rule 4.76 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.
- 4.76C For the purpose of rules 4.76, 4.76A and 4.76B it does not matter how a reference is expressed.
- 4.77 All pensions to surviving civil partners shall be calculated by reference only to reckonable service on and after 6 April 1988, including any reckonable service granted under section 6 in respect of a transfer received on or after 6 April 1988.
- 4.78 For the purposes of calculating contributions due and contributions to be refunded in respect of reckonable service before 6 April 1988, a person who had a civil partner at the time of his death in service or his ceasing to be a civil servant shall be treated as if he were single at that time. When this rule applies the premium referred to in rule 4.19(iv) shall not be deducted from any refund due in respect of reckonable service before 6 April 1988.
- 4.79 In relation to surviving civil partners rule 4.5 and rule 4.21b shall be replaced with the following: A surviving civil partner's pension under rule 4.3 or rule 4.21 will be paid from the day after the date of the civil servant's death until the date of his surviving civil partner's death, except that:
- (i) if his surviving civil partner, before attaining state pension age, forms a civil partnership, or marries, or was living or begins to live with a person as his civil partner or spouse, the pension will be payable thereafter in respect of a period prescribed from time to time in regulations made under section 17(6) of the Pension Schemes Act 1993;
  - (ii) if the surviving civil partner of a civil servant who had attained state pension age before she died, forms a civil partnership, or marries, or was living, or begins to live with a person as his civil partner or spouse after having attained state pension age, the pension will thereafter be restricted to the surviving civil partner's guaranteed minimum pension.

In any case where the surviving civil partner's pension ceases or is restricted under this rule the Minister, or if the Minister so directs, the scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if his subsequent civil partnership or marriage comes to an end or if he ceases to live with a person as his civil partner or spouse.

- 4.80 This rule applies to a person who ceased to be a civil servant before 1 October 2002, made an election under rule 4.19(iv)(a)(2) or rule 4.23d (iv)(a)(2) before 5 December 2005 and forms a civil partnership. A person to whom this rule applies may choose to repay that part of the refund of contributions, with compound interest, that would not have been paid to him in respect of service on and after 6 April 1988 had he not made an election under rule 4.19(iv)(a)(2) or rule 4.23d(iv)(a)(2). If such a repayment with compound interest is made benefits in respect of the person's reckonable service on and after 6 April 1988 will be calculated as if he had not made an election under rule 4.19(iv)(a)(2) or 4.23d(iv)(a)(2). For the purposes of this rule compound interest means compound interest as set out in rule 4.19(viii).

## Part 9

### Marriage of a same sex couple

4.81 In this scheme—

- (i) a reference to civil partnership is to be read as including a reference to marriage of a same sex couple,
- (ii) a reference to civil partners is to be read as including a reference to a married same sex couple,
- (iii) 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
- (iv) 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.

4.82 Where rule 4.81 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.

4.83 For the purposes of rules 4.81 and 4.82 it does not matter how a reference is expressed.

4.84 Paragraphs 1 and 2 of Schedule 3 to the Marriage (Same Sex Couples) Act 2013 do not apply to the interpretation of this scheme.

4.85 Section 11(1) and (2) of, and paragraph 3 of Schedule 3 to, the Marriage (Same Sex Couples) Act 2013 have effect subject to rules 4.81 to 4.84.

4.86 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 scheme.

4.87 Paragraphs 1(1) and (2) and 2(5) and (6) of Schedule 1 to that Order have effect subject to rules 4.81 to 4.83 and 4.86.

## Part 10

### **Continuation of marriage where scheme member acquires new legal gender**

4.88 Where—

- (a) a civil servant who dies 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 civil servant's death she was married to a woman and that marriage subsisted before the time when the certificate was issued,

the civil servant's widow is to be treated for the purposes of this scheme as if the certificate had not been issued.

4.89 Where—

- (a) a civil servant who dies 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 civil servant's death he was married to a man and that marriage subsisted before the time when the certificate was issued,

the civil servant's widower is to be treated for the purposes of this scheme as if the certificate had not been issued.

## Section 5

### Allocation

- 5.1 Subject to the provisions of this section, a person who is granted a pension (other than an ill health pension or a pension payable on partial retirement under rule 3.3b) under section 3 (or an annual compensation payment under former rule 10.6 as set out at Appendix 1 of the Compensation Scheme or under former rules 10.6 or 10.10 as set out at Appendix 2 of the Compensation Scheme) may, at the time the pension or annual compensation payment comes into payment, allocate part of that pension or annual compensation payment, together with any contributed pension that comes into payment to the person under section 14 other than any contributed pension that comes into payment when a person exercises the partial retirement option under rule 3.3b, either in favour of the person who is his spouse or civil partner at the time of allocation or in favour of a person who is his dependant at the time of allocation, provided that while serving in the Civil Service he was normally employed in the United Kingdom or was a member of a grade in the service normally recruited there. This rule is subject to rule 5.12.
- 5.2 In this section “the civil servant” means a person making an allocation under rule 5.1, and “the beneficiary” means the person in whose favour the allocation is made. “Dependant” means a person (other than his spouse or civil partner) who is solely or mainly dependent on the person making an allocation. The following rules of this section apply to the allocation of an annual compensation payment as to the allocation of a pension, with the necessary changes.
- 5.3 When an allocation under rule 5.1 is made, a pension will be paid to the beneficiary as follows:
- (i) If the allocation is made under “option A” and the beneficiary survives the civil servant, the pension will be paid from the day after the date of the civil servant's death until the date of the beneficiary's death.
  - (ii) If the allocation is made under “option B”, the pension will be paid from the date on which the allocation declaration has effect until the date of the beneficiary's death.
- An allocation in favour of a spouse or civil partner may be made under either option A or option B, but an allocation in favour of a dependant must be made under option A. No civil servant may make an allocation under option B after 5 April 2006 and any allocation declaration under option B must have effect before 6 April 2006. This rule is subject to rule 5.12.
- 5.4 The annual amount of a pension under rule 5.3 will be calculated according to the appropriate table drawn up by the Scheme Actuary and in force at the time the allocation is made; and will be determined by the age and sex of the civil servant, by the age and sex of the beneficiary, and by the amount of pension allocated.
- 5.5 Where rule 5.3(ii) applies, and where the beneficiary survives the civil servant an additional pension is payable to the beneficiary with effect from the day after the date of the civil servant's death equal to the pension already being paid to the beneficiary.
- 5.6 The annual amount of pension allocated under rule 5.1 must be an exact number of pounds and may not exceed:
- (i) the amount which would make the civil servant's pension, after the deduction of the amount allocated, equal to the aggregate of the pensions to be paid in respect of the

civil servant under parts 1, 2, 4 and 5 of section 4, under this section and under rule 14.21 of section 14 calculated on the following assumptions—

- (a) the civil servant dies after his pension has commenced;
  - (b) the civil servant's marital or civil partnership status at the time of the allocation remains unchanged until the civil servant dies;
  - (c) the persons who, at the time of the allocation, are contingent beneficiaries under parts 1, 2, 4 and 5 of section 4 and under this section survive the civil servant; and
  - (d) in the case of a contingent beneficiary who would have been a dependant of the civil servant for the purposes of paragraph 15(2) or (3) of schedule 28 to the Finance Act 2004 if the civil servant had died when the allocation was made, the contingent beneficiary is such a dependant when the civil servant dies; or
- (ii) where the civil servant is entitled or prospectively entitled to a guaranteed minimum pension under rule 3.49, the amount which would make the civil servant's pension, after deduction of the amount allocated, equal to such guaranteed minimum pension.

- 5.7 In rule 5.6(i) and (ii) “the civil servant's pension” means the annual amount of his pension under this scheme before any deduction under rule 3.19 or 3.22 (modification on account of national insurance pensions) or under rule 3.26 (abatement of pension on re-employment). In rule 5.6 (ii) the civil servant's pension means the annual amount of his pension under this scheme after any deduction under rule 3.19 or 3.22, but before any abatement under rule 3.26.
- 5.8 If a person declares a desire to allocate more of his pension than is allowed by rule 5.6, he may be treated as if he had declared a desire to allocate the maximum amount allowed by that rule.
- 5.9 If the whole of a pension under this scheme is abated by virtue of rule 3.26, the references in rule 5.1 to the time the pension comes into payment will be taken to be references to the time the pension would have come into payment but for the abatement.
- 5.10 This rule has been deleted.
- 5.11 Where an allocation has been made under rule 5.1, then in calculating a supplementary death gratuity under rule 3.9 the amount of pension paid will be deemed to be the amount which would have been paid but for the allocation.
- 5.12 Any allocation made in respect of a civil servant whose pension comes into payment after 5 April 2006 shall have no effect unless the person named in the allocation declaration—
- (a) is the civil servant's spouse or civil partner on the date the civil servant becomes entitled to the pension;
  - (b) is a dependant of the civil servant for the purposes of paragraph 15(2) or (3) of Schedule 28 to the Finance Act 2004; or
  - (c) is the civil servant's spouse or civil partner at the date of the civil servant's death.
- 5.13 An allocation under rule 5.1 must be made no later than the date advised to the civil servant by the scheme administrator (“the closing date”).
- 5.14 A civil servant may at any time before the closing date—
- (i) revoke an allocation, or
  - (ii) amend an allocation by altering the amount allocated by it.

- 5.15 An allocation and any revocation or amendment of an allocation must be made in writing in such form as the Minister requires and be lodged with the scheme administrator.
- 5.16 Subject to rules 5.17 and 5.18, an allocation takes effect on the closing date.
- 5.17 An election has no effect if—
- (i) the civil servant dies before the closing date, or
  - (ii) it is in favour of a person who dies before that date, or
  - (iii) the Minister is not satisfied that at the time when the allocation is made that person is the civil servant's spouse or civil partner or, in the opinion of the Minister, his dependant (see rule 5.2).
- 5.18 An allocation has no effect unless—
- (i) before the closing date the civil servant has made a declaration about the state of his health in such form and, if required, has provided such evidence relating to his health, as the Scheme Medical Adviser has requested, and
  - (ii) the Scheme Medical Adviser is satisfied that at the date on which the civil servant makes the declaration the civil servant is in good health.



## Section 6

### Transfers

#### Introduction

- 6.1
- (i) Parts 1, 3 and 4 of this section make provision in respect of transfer values payable where a civil servant leaves pensionable service on or after 1 June 1972. A civil servant may apply for a transfer value in accordance with the rules in parts 1, 3 or 4, whichever is applicable in his case. If an application for a transfer value may be made under the rules in more than one part, the application, may be dealt with in accordance with the rules of whichever part is appropriate in order to meet the civil servant's requirements.
  - (ii) Part 1 of this section also makes provision in respect of transfer values payable where a civil servant exercises an option not to be a member of this scheme on or after 6 April 1988.
  - (iii) Part 2 of this section makes provision in respect of incoming transfers, including transfers following an election under rule 1.4d.
  - (iv) Part 5 of this section makes provision in respect of certain miscellaneous matters.
  - (v) Appendix 11 to this scheme shall continue to have effect for the cases, persons, purposes, and in the circumstances set out in this section.
  - (vi) This section must be read subject to rule 12.12.

## Part 1

### Outgoing transfers

#### General

- 6.2 (i) Under this part, a civil servant has a right to a transfer value in respect of his accrued pension benefits subject to the rules set out in this part where either
- (a) his pensionable service ends on or after 1 January 1986, or
  - (b) his pensionable service ends on or after 1 June 1972 and the transfer value in respect of his accrued pension benefits is paid on or after 6 April 1988 to an occupational pension scheme approved by the Minister for the purposes of the public sector transfer arrangements.
- (ii) This paragraph has been deleted.
- (iii) The transfer value payable under this part will be the cash equivalent of the civil servant's accrued pension benefits at the guarantee date as described in rule 6.3(iv). However, cases falling within rule 6.34(ii)(a) will only have a right to a transfer value under part 4 (and not to a cash equivalent transfer value).
- (iv) (a) Where, on or after 6 April 1988
- (1) a civil servant's pensionable service ends as a result of the exercise of an option under rules 1.4b or, subject to (vi) below 1.4c, (as appropriate), and he continues in employment to which this scheme applies, and
  - (2) that pensionable service, but for the exercise of that option, would have continued until the guarantee date,
- the transfer value payable will be the cash equivalent of the part of the accrued pension benefits specified in (b) below.
- (b) Subject to (c) below, the part of the benefits referred to in (a) above is:
- (1) those benefits attributable to his pensionable service after 5 April 1988, and
  - (2) in the case of benefits which have not so accrued, those benefits credited to him after 5 April 1988.
- (c) Where the civil servant has less than 2 years' reckonable service on or before 5 April 1988, the pension benefits which have accrued by virtue of such service may also be included for the purposes of calculating a transfer value. If this option is exercised, (b) above will not apply.
- (v) (a) Where rule 6.2(iv) has operated to restrict a civil servant's cash equivalent transfer value or part of a guaranteed cash equivalent transfer value, and his service to which this scheme would have applied but for the exercise of the option under rule 1.4b or, subject to (vi) below rule 1.4c, ends, a subsequent cash equivalent transfer value may be paid in respect of any benefits preserved in the scheme, subject to the civil servant making an application under this rule.
- (b) When a civil servant makes an application under this rule, the cash equivalent transfer value shall be recalculated as at whichever is the later of:
- (i) the date on which the service ends or
  - (ii) the date the application is made.

- (c) Payment of a subsequent cash equivalent transfer value under this rule is subject to the other rules in this part except that:
  - (i) no application is required under rules 6.3 or 6.4, and
  - (ii) references in this part to the end or termination of pensionable service (or cognate expressions) of a civil servant will be construed as if they were references to the end or termination of service to which this scheme would have applied but for the exercise of the option under rule 1.4b or, subject to (vi) below, rule 1.4c.

- (vi) References to rule 1.4c above shall apply only if the period of service before 6 April 1988 has been aggregated with a period of service after that date under the rules of this scheme.
- (vii) For the purposes of this part, a civil servant's accrued pension benefits will not include any benefits attributable to periods of reckonable service or contributions for which the civil servant is already entitled to receive a pension under rule 3.3b (partial retirement).

- 6.3
- (i) A civil servant must make an application under this rule and under rule 6.4 before he acquires a right to a guaranteed cash equivalent transfer value payment under this part.
  - (ii) An application under this rule is for a statement of entitlement. Such application must be made in writing to the scheme administrator.
  - (iii) For the purposes of this part, a “statement of entitlement” means a written statement provided to the civil servant of the amount of the cash equivalent at the guarantee date of the civil servant's accrued benefits under this scheme.
  - (iv) For the purposes of this section “the guarantee date” means any date chosen by the Minister, or if the Minister so directs, the scheme administrator, which is specified in the statement of entitlement and is within the period of three months from the date of the civil servant's application for a statement of entitlement.
  - (v) The statement of entitlement must be provided to the civil servant within the period of 10 days (excluding Saturdays, Sundays, Christmas Day, New Year's Day and Good Friday) of the guarantee date.
  - (vi) The period of three months referred to in the definition of “guarantee date” in sub-rule (iv) may be extended to that reasonably required but by no more than six months from the date of the application if, for reasons beyond the Minister's, or scheme administrators' control, the requisite information cannot be obtained to calculate the guaranteed cash equivalent transfer value amount referred to in sub-rule (iii).
  - (vii) The civil servant may withdraw an application for a statement of entitlement by notice in writing at any time before such statement is provided to him.
  - (viii) A civil servant who has made an application in writing for a statement of entitlement and who has not withdrawn such an application must not make more than one other application within a period of twelve months from the date of the first application.

- 6.4 (i) A civil servant who has received a statement of entitlement and who makes an application under this rule acquires a right to the amount stated in the statement of entitlement. This amount shall be known as the “guaranteed cash equivalent transfer value payment”.
- (ii) An application under this rule is for the guaranteed cash equivalent transfer value payment and must be made within three months of the guarantee date.
- (iii) The civil servant must include instructions as to the pension scheme or other arrangement to which payment or payments should be applied in his application for the guaranteed cash equivalent transfer value payment.
- (iv) An application must be made:
- (a) before the civil servant’s pension under the scheme to which the application relates has come into payment; and
- (b) in accordance with such other conditions as the Minister may require.
- (v) Where a guaranteed cash equivalent transfer value payment is to be applied in accordance with rule 6.8(i) or (iii), an application may be made on or before the date immediately preceding the date on which the civil servant reaches the normal pension age.
- (vi) The time limits in (iv) and (v) also apply to civil servants whose normal pension age is below the age of 60 but, for the purposes of the application of (iv) and (v), their normal pension age will be treated as if it is 60.
- (vii) An application under this rule may be withdrawn at any time by notice in writing but that notice shall be of no effect if it is given after an agreement has been entered into with a third party to use the whole or part of the guaranteed cash equivalent transfer value payment in a way set out in rule 6.8.
- 6.5 A civil servant will lose the right to a cash equivalent transfer value payment in respect of any service or contributions for which he is entitled to payment of a pension, or benefit in lieu of a pension before he attains normal pension age or, if the normal pension age is below the age of 60, the age of 60.
- 6.6 If, when a civil servant applies for a cash equivalent transfer value, he is in the process of buying added years, his reckonable service will be increased in accordance with rule 7.11 for the purposes of the calculation of his accrued pension benefits (and thus his transfer value).
- 6.6a If, when a civil servant applies for a cash equivalent transfer value, he has a pension account under section 14 (contributed pension and lump sum), his accrued benefits will be increased to take account of the benefits he has built up under section 14.
- 6.7 (i) Subject to (ii) and (iii), the Minister must ensure that, provided the civil servant has a right to a transfer value under rule 6.2(i) and (ii) and has complied with the time limit in rule 6.4(ii), the guaranteed cash equivalent transfer value payment is made within six months of the guarantee date, or (if earlier) by the date on which the civil servant reaches the normal pension age. Where it appears to the Minister that disciplinary proceedings, or proceedings before a court begun before the expiry of 12 months from the termination of pensionable service, may lead to the forfeiture of the whole or part of the pension or benefit in lieu of the pension, the provisions of section 99(3) of the Pensions Act 1993 shall apply.
- (ii) Where a civil servant’s normal pension age is below the age of 60, “normal pension age” shall be read as if it referred to the age of 60.

- (iii) Where the transfer value is to be applied in accordance with rule 6.8(i) or (iii) and where pensionable service ends less than one year before the normal pension age of 60, the time limit in (i) shall be within six months of the guarantee date or within six months of the date on which the civil servant reaches the normal pension age, whichever is the earlier.
- (iv) For the avoidance of doubt, sub-rule (i) applies to payments under rule 6.2(v)(c).

## **Benefits preservable on leaving the scheme**

- 6.8 Where the accrued pension benefits are, or may be, preserved in accordance with rule 3.11 (3.12, or 3.24a(ii) where appropriate) the civil servant may require the Minister to apply the cash equivalent transfer value in one, or more, of the following ways:
- (i) except in so far as provided in (iii) below, for acquiring transfer credits in an occupational pension scheme which is able and willing to accept him and which satisfies prescribed requirements;
  - (ii) for purchasing one or more insurance policies or annuity contracts which satisfy prescribed requirements from one or more insurance companies which are chosen by the civil servant, are willing to accept payment and which meet specified requirements;
  - (iii) for acquiring transfer credits in a contracted-out money purchase scheme which is able and willing to accept him and which satisfies prescribed requirements;
  - (iv) for acquiring rights allowed under the rules of a personal pension scheme whose trustees or managers are able and willing to accept him and which satisfies prescribed requirements;
  - (v) for acquiring rights under an arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the Finance Act 2004 (see section 169(2) of that Act).

A receiving arrangement falling under any of (i) to (iv) above must be registered under Chapter 2 of Part 4 of the Finance Act 2004. Without prejudice to the effect of rules 3.11 or 3.24a(ii), the reference in this rule to “accrued pension benefits which are, or may be, preserved in accordance with rule 3.11 (3.12 or 3.24a(ii) where appropriate)” shall include accrued pension benefits preserved on retirement on medical grounds or on early retirement.

- 6.9 For the purposes of rules 6.8 and 6.17(ii), the prescribed requirements are to be determined in accordance with the Pension Schemes Act 1993, as amended, and regulations made under it. The specified requirements in rule 6.8(ii) are to be similarly determined.
- 6.10
- (i) The guaranteed cash equivalent transfer value payment will be calculated in accordance with the transfer value tables determined from time to time by the Minister, after consultation with the Scheme Actuary and which are in force at the guarantee date.
  - (ii) The tables will contain such factors as from time to time are considered appropriate by the Minister, after consultation with the Scheme Actuary, having regard to the provisions of section 97 of the Pension Schemes Act 1993 and to regulations made under that Act. The factors to be used for benefits under part 4 or part 5 of section 4 will be those which are determined from time to time by the Minister, after consultation with the Scheme Actuary and which are in force at the guarantee date.

- (iii) The preserved benefits will be calculated under rules 3.11, 3.12 or 3.24a(ii) (whichever is appropriate) and rules 4.6, 4.21c, 4.43, 4.54 or section 14 as applicable, and the preserved pension benefits will be subject to pensions increase in accordance with the Pensions (Increase) Act 1971 as amended.
- (iv) The tables will be applied using the civil servant's age and the value of his preserved pension benefits, that is personal pension, lump sum and, where appropriate, widow's or widower's pension or benefits under part 4 or part 5 of section 4 or benefits under section 14, at the guarantee date. However, in the circumstances referred to in rules 6.15 and 6.21, the civil servant may instead exercise the option conferred by, and in accordance with, rule 6.15(ii) or 6.21(ii), whichever is appropriate.

6.11 A minimum transfer value payment may be made where the civil servant is transferring to a pension scheme or arrangement(s), except where the transfer is a qualifying transfer. The minimum transfer value will comprise the sum of:

- (i) any transfer payment or payments previously received in respect of the civil servant concerned and which have increased the reckonable service on the basis of which the accrued pension benefits are calculated; and
- (ii) his contributions paid during service in order to secure pension benefits, but excluding any contributions in respect of benefits which would not be taken into account in the calculation of his guaranteed cash equivalent transfer value.

If this amount is greater than the guaranteed cash equivalent transfer value, it will be paid as the transfer value instead of the guaranteed cash equivalent.

- 6.12
- (i) A guaranteed cash equivalent transfer value payment may, subject to (ii), be divided into different portions and applied in different ways between the pension schemes or arrangements referred to in rule 6.8 provided that this is in respect of the whole of the guaranteed cash equivalent transfer value payment.
  - (ii) This sub-rule applies where the scheme or arrangement in respect of which a guaranteed cash equivalent transfer value payment is to be made is any of those listed in (iv) and the trustees or managers of such scheme or arrangement are able and willing to accept a transfer payment only in respect of the civil servant's rights other than his excluded rights. In such circumstances all the benefits attributable to such excluded rights, including those payable in respect of any widow or widower of the civil servant, may be excluded from the guaranteed cash equivalent transfer value payment at the option of the civil servant.
  - (iii) For the purposes of this rule, "excluded rights" means the civil servant's accrued rights to a guaranteed minimum pension or his accrued rights attributable to service in contracted-out employment on or after 6 April 1997.
  - (iv) For the purposes of sub-rule (ii), the listed schemes or arrangements are:
    - (a) an occupational pension scheme which is not a contracted-out scheme within the meaning of section 7 of the Pension Schemes Act 1993; and
    - (b) a personal pension scheme which is not an appropriate scheme within the meaning of section 7 of the Pension Schemes Act 1993

A scheme listed in (a) or (b) must also be either a pension scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004 or a qualifying recognised overseas pension scheme for the purposes of that Part 4 (see section 169(2) of that Act).

- (v) The public sector transfer arrangements will not apply where a guaranteed cash equivalent transfer value payment is divided into different portions and applied in different ways in accordance with (i) or (ii) above.
- 6.13
- (i) Subject to (ii), if the guaranteed cash equivalent transfer value payment is not made within 6 months of the guarantee date it shall be recalculated as if the date of payment had been the guarantee date. The guaranteed cash equivalent transfer value payment shall be increased by such amount, if any, by which it falls short of what it would have been if it had been paid on the guarantee date.
  - (ii) If the guaranteed cash equivalent transfer value payment is not made within 6 months of the guarantee date, and there is no reasonable excuse for the delay, it must be increased to the greater of the following sums:
    - (a) the guaranteed cash equivalent transfer value payment recalculated as if the date of payment had been the guarantee date; or
    - (b) interest on the guaranteed cash equivalent transfer value payment calculated on a daily basis over the period from the guarantee date to the date of payment at an annual rate of one per cent above base rate.
  - (iii) Where a guaranteed cash equivalent transfer value payment is made in respect of a qualifying transfer under rule 6.37 (iii), the requirements set out in (i) and (ii) may be waived by agreement between the schemes.
- 6.14
- Guaranteed minimum pensions in the scheme are revalued in accordance with sections 14 and 16 of the Pension Schemes Act 1993 as amended. Where, in accordance with section 95 of that Act, a civil servant opts on or after 1 January 1986 to have his transfer value applied to the purchase of an insurance policy or annuity contract registered under Chapter 2 of Part 4 of the Finance Act 2004, any guaranteed minimum pension benefits to be so transferred may be revalued by reference to the fixed rate.
- 6.15
- (i) The civil servant referred to in this rule is one who has the right to have accrued benefits preserved in accordance with rule 3.11 (3.12 or 3.24a(ii), if appropriate).
  - (ii) The option referred to in rule 6.10 is as follows. The option is not available in relation to any benefits built up under section 14 (contributed pension and lump sum), which will be included for the purposes of calculating the transfer value. Where a transfer value is calculated for a civil servant who falls within the scope of rule 4.22(ii) or who has opted for benefits under part 4 or 5 of section 4, any benefits based on contributions paid, including any element for widower's benefits in contributions in respect of added years bought under section 7, will not be included for the purposes of calculating the transfer value unless the civil servant so wishes, and instead
    - (a) he will be entitled to have the benefits purchased by the contributions paid (which may include, in the case of a widower's pension, contributions paid on or after 1 July 1987 and on or before 5 April 1988) preserved, any liability for contributions by deduction from the lump sum being cancelled; or
    - (b) he may opt to have such benefits preserved, calculated by reference to the whole of his reckonable service up to the date of transfer (except that, where widower's pension benefits are to be preserved, the calculation under this paragraph will only be made in relation to the whole of reckonable service on or before 5 April 1988), the liability for contributions by deduction from the lump sum being taken into account in the calculation of the preserved personal benefits by reference to which the transfer value is calculated;

- (c) in either case, the preserved benefits will be brought into payment on the date on which they would have been brought into payment had the civil servant remained subject to part 2, 4 or 5 of section 4.
  - (iii) Where the civil servant falls within the scope of rule 4.22 (ii) the widower's pension benefits based on contributions paid on or after 6 April 1988 will be included for the purposes of calculating the transfer value even if the option conferred by (ii) above has been exercised.
- 6.16
- (i) To the extent that contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.45, as appropriate, have not been paid before the date of transfer by periodical contributions the balance will, subject to paragraph (ii) below, be deducted from the preserved lump sum before calculation of the transfer value.
  - (ii) If contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.54, as appropriate, have not been paid before the date of transfer by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages), these contributions will be treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as an overpayment of salary.
  - (iii) Contributions will not be refunded under rule 4.19 or 4.23d as appropriate where the civil servant has applied for a transfer value before pensionable service ends or before the refund has been made. However, where contributions for a widow's or widower's pension have been refunded under rule 4.19 or 4.23d, as appropriate, they may be repaid with the addition of compound interest. For the purposes of this rule a reference to compound interest means compound interest added to the relevant sum at a rate of 4% a year with yearly rests, provided the civil servant's pensionable service ended on or before 30 November 1989. Where a civil servant's pensionable service ends on or after 1 December 1989, a reference to compound interest means compound interest added to the relevant sum at the rates in rule 4.19(viii)(d). Any repayment of refunded contributions must be made before a transfer value can be paid.

## **Benefits not preservable under the scheme**

- 6.17
- (i) Where the accrued benefits may not be preserved under rule 3.11 (or 3.12 if appropriate), except as provided in (ii) below, a civil servant, whose last day of pensionable service is on or after 6 September 1987, or 1 June 1972 in the case of a civil servant referred to in rule 6.2(i)(b), may require a cash equivalent transfer value to be paid to an occupational pension scheme or to a contracted-out money purchase scheme or to a personal pension scheme or which meets the requirements in rule 6.8(i), (iii), (iv) or (v) above respectively. Where the receiving pension scheme or arrangement is not contracted-out, and the civil servant has a guaranteed minimum pension in relation to this scheme, a contributions equivalent premium must be paid. A sum equivalent to that premium will be deducted from the amount of the transfer value.
  - (ii) Where the accrued pension benefits may not be preserved in accordance with rule 3.11 (or 3.12 where appropriate), a civil servant who has a right to a cash equivalent transfer value payable under, and in accordance with, rule 6.2(iv), may only exercise such a right by requiring the Minister to apply his cash equivalent transfer value for acquiring rights under the rules of a personal pension scheme whose trustees or managers are able and willing to accept him and which satisfies prescribed requirements. If such a civil servant so requires the Minister to apply his transfer



value in respect of his pension benefits accrued by virtue of his reckonable service on or after 6 April 1988, but opts not to transfer the cash equivalent of his pension benefits accrued by virtue of reckonable service on or before 5 April 1988, a contributions equivalent premium in respect of such earlier service will be paid.

- (iii) Where a civil servant does not have preserved rights under rule 3.11 (or 3.12 if appropriate), the civil servant's application for a transfer must be made on or before the date that is three months after the date on which the scheme administrator gives the person written notification of his options in accordance with section 101AC of the Pension Schemes Act 1993 or before such later date as the Minister may allow.
- (iv) If the civil servant does not apply for a transfer in accordance with this rule and he is entitled to a refund of contributions, the refund shall be paid after deduction of the following—
  - (a) an amount equal to any contributions equivalent premium payable; and
  - (b) an amount equal to the income tax payable under section 205 of the Finance Act 2004.

6.18 This rule has been deleted.

6.19 This rule has been deleted.

6.20 The cash equivalent transfer value will be calculated in accordance with rules 6.10 and 6.11, except that there will be no minimum period of qualifying service for the calculation of the accrued pension benefits on which the transfer value is based. The transfer value cannot be divided into different portions and applied in different ways between pension schemes and other arrangements. If payment is not made within 6 months of the guarantee date, the transfer value may be increased in accordance with rule 6.13. Contributions due under rules 4.15, 4.16, 4.23a, 4.48 or 4.54, as appropriate, will be dealt with in accordance with rule 6.16.

- 6.21 (i) The civil servant referred to in this rule is one who meets the requirements set out in rule 6.17.
- (ii) The option referred to in rule 6.10 is as follows. The option is not available in relation to any benefits built up under section 14 (contributed pension and lump sum), which will be included for the purposes of calculating the transfer value. Where the transfer value is in respect of a civil servant who falls within the scope of rule 4.22(ii), or who has opted for benefits under part 4 or 5 of section 4, the benefits arising from any contributions paid, including any element for widower's benefits in contributions in respect of added years bought under section 7, will not be included for the purposes of calculating the transfer value unless the civil servant so wishes. Instead, the contribution paid (which may include, in the case of a widower's pension, contributions paid on or after 1 July 1987 and on or before 5 April 1988) will be refunded, in the same way as contributions are refunded under rule 4.19, and the civil servant will cease to be eligible for benefits under part 2, 4 or 5 of section 4. Any liability for contributions by deduction from the lump sum will be cancelled.
- (iii) Where the civil servant falls within the scope of rule 4.22(ii), the widower's pension benefits based on contributions paid on or after 6 April 1988 will be included for the purposes of calculating the transfer value even if the option conferred by sub-rule (ii) above has been exercised.

## Part 2

### Incoming transfers

- 6.22 (i) A civil servant whose pensionable service begins on or after 1 January 1986 may apply to bring in a transfer value in respect of any accrued pension benefits provided the application:
- (a) is made in writing;
  - (b) specifies the scheme or arrangement from which the transfer value payment is to be made and the anticipated amount of the payment; and,
    - (1) is made before the civil servant's pensionable service ends; or,
    - (2) where the public sector transfer arrangements apply is made:
      - (i) within 12 months of the date on which he takes up pensionable service in this scheme (this is subject to paragraph (vi)); and
      - (ii) before the member reaches the pension age under the scheme by which the transfer value is to be paid ;
  - (c) in the case of a transfer value from an arrangement that is not an occupational pension scheme, is made within 12 months of the date he takes up pensionable service in the scheme (this is subject to paragraph (vi)); and
  - (d) meets such other conditions as the Minister may require.
- (ii) If he exercises the option referred to in sub-rule (i), the transfer value payment must be received within the periods specified in (i), or within 6 months of the date of his application, whichever is later; except that, if the transfer value is a cash equivalent payable in accordance with the Pension Schemes Act 1993 and if the trustees or managers of his former pension scheme fail without reasonable excuse to do what is needed to carry out what the civil servant requires of them, the transfer value may be received at a later date.
- (iii) (a) Subject to rule 2.28a, which applies in the case of a person who takes up service as a prison officer and subject to paragraph (b) below, a civil servant to whom sub-rule (i) applies will be credited with such reckonable service as is applicable to the amount of his transfer value in accordance with the incoming transfer value tables which are determined from time to time by the Minister, after consultation with the Scheme Actuary and which are in force on the date when the transfer value is received. However, if a civil servant applies to bring in a transfer value, and if, before the date on which the transfer value is received, amendments to the incoming transfer value tables (in force on the date of the application) have been made, the civil servant will be credited with reckonable service in accordance with whichever set of tables gives the better result having regard to rule 6.23 and to the factors applicable by virtue of rule 6.24.
- (b) Where the transfer is a qualifying transfer, the tables to be applied under paragraph (a) will be the tables referred to in rule 6.10 in force on the same date as the guarantee date used by the sending scheme for the purposes of calculating the transfer value.
- (iv) Where the transfer value will be applied in whole or in part to purchase guaranteed minimum pension benefits in this scheme, the Minister will have discretion to refuse it

if, in his opinion, its amount is insufficient to meet the minimum test to be specified by the Minister from time to time.

- (v) The Minister or, if the Minister so directs, the scheme administrator may disregard the time limits specified in rule 6.22(i) if that is considered reasonable in the circumstances.
- (vi) This paragraph applies to a civil servant who—
  - (a) after a period of pensionable service in this scheme (“the first period of pensionable service”) opted out of the scheme under rules 1.4b or 1.4c, and then
  - (b) after a continuous period of opted-out service (see rule 1.4(a)(iii)), rejoined the scheme under rule 1.4d.

When this paragraph applies, the 12 months time limit in paragraph (i)(b)(2)(i) and paragraph (i)(c) starts from the start of the first period of pensionable service and any opted-out service will be disregarded for the purposes of that time limit.

- 6.23 (i) Subject to rule 2.28a, the transfer value tables will be applied to the transfer value (irrespective of the particular benefits on which the transfer value payment is based) to give equal periods of reckonable service for personal pension, lump sum and (for both married and unmarried civil servants) half rate widow's or widower's pension, as appropriate.
- (ii) Where the transfer value is received on or after 1 January 1986, the length of the reckonable service credited will be restricted at the time of the award of a pension under this scheme if the limits laid down in rule 2.3 would otherwise be exceeded.
- 6.24 (i) If a civil servant to whom rule 6.22(i) applies opts to bring in a transfer value otherwise than under the public sector transfer arrangements, the period of reckonable service he will be credited with under rule 6.22(iii)(a) will be calculated as at the date on which the transfer payment is received by the scheme and in accordance with the relevant guidance and tables determined by the Minister, after consultation with the Scheme Actuary.
- (ii) For the purpose of the calculation in paragraph (i), the civil servant's pensionable earnings will be taken to be the amount of those earnings as at:
  - (a) the day following two months after the application to bring in a transfer value is received, or
  - (b) the date on which the transfer value payment is received,whichever is the later, and, in a case where the transfer value payment is received earlier than two months after his application is received, any necessary adjustment will be made to that calculation to reflect any change in the amount of those earnings.
- 6.25 Where reckonable service credited is less than the period actually served in the civil servant's former pension scheme, qualifying service in this scheme will be determined as follows:
  - (i) where the whole of the transfer value arising from service in the former pension scheme is transferred into this scheme, the whole of the period actually served in the former scheme will count for the purposes of the qualifying period for pension benefits;

- (ii) where only part of the transfer value arising from service in the former pension scheme is transferred into this scheme, the whole of the period actually served in the former scheme will count towards the qualifying period for the preservation of pension benefits under rule 3.11. However, no benefits preserved solely by virtue of service in the former scheme will be enhanced under rule 3.4 or the Compensation Scheme or former section 10 as set out at Appendix 2 of the Compensation Scheme. In such cases, only the reckonable service credited in respect of the transfer value brought in will count as qualifying service for the purposes of an award under rules 3.4 and 3.17 or an award under the Compensation Scheme or former section 10 as set out at Appendix 2 of the Compensation Scheme.
- 6.26
- (i) Where a person enters the Civil Service on or after 1 January 1986, rules 3.19 to 3.23 will not apply to any reckonable service credited in this scheme as a result of the acceptance of a transfer value.
  - (ii) In cases other than those to whom sub-rule (i) applies, modification on account of national insurance benefits will apply in accordance with paragraph 14 of Appendix 11.
- 6.27
- (i) Where a payment is received in respect of a qualifying transfer on or before 5 April 1988, it will be dealt with in accordance with Appendix 11.
  - (ii) Where a payment is received in respect of a qualifying transfer on or after 6 April 1988, it will be dealt with in accordance with this part of this section except that the adjustment for market conditions, pensionable earnings, age and marital status used by the sending scheme will be used in applying the transfer value tables for the purpose of crediting reckonable service. Pensionable earnings shall be increased by any disregard (in respect of national insurance modification or for any other relevant purpose), and by the same factor used by the sending scheme where the accrued benefits underlying the transfer value have been updated.
- 6.28
- Where a transfer value is received from a pension scheme other than a scheme to which rule 6.27 applies in respect of a civil servant whose pensionable service began on or before 31 December 1985, it will be dealt with under, and in accordance with, the rules set out in Appendix 11.
- 6.28a
- (i) Notwithstanding the other provisions of this Part, the Minister may allow a civil servant to bring in a transfer value in respect of his accrued benefits under the Civil Service Additional Voluntary Contribution Scheme where the Minister considers that the amount to which the civil servant is entitled under that Scheme is insufficient for the purchase of an annuity for the civil servant.
  - (ii) An application to bring in such a transfer value must be made in writing within the period of three months ending with the day on which the civil servant is first entitled to receive benefits under section 3 (or would be apart from any abatement under section 3). The Minister may direct that this time limit should be extended if he considers it reasonable to do so in the circumstances.
  - (iii) Where an application is made, the scheme administrator shall accept the transfer value payment if such conditions as the Minister may require are met.
  - (iv) If the scheme administrator accepts the transfer value payment, the amount of reckonable service that will be credited to the civil servant in respect of the transfer value payment shall be determined by the Minister after consultation with the Scheme Actuary.

PCSPS – Section II (The 1972 Section)

- (v) The transfer value payment will be applied to give a period of reckonable service which will count for the purpose of calculating a personal pension but not a widow's or widower's pension.
  - (vi) The pension attributable to the transfer value payment may not be exchanged for a lump sum.
- 6.28b
- (i) This rule applies where the Minister has accepted an application by a civil servant for a transfer value payment from another scheme, and the civil servant has
    - (a) made a false declaration about his health; or
    - (b) deliberately suppressed a material fact.
  - (ii) In the circumstances set out in sub-paragraphs (i)(a) or (b), the Minister may:
    - (a) cease paying the pension;
    - (b) withhold the whole or part of the pension; or
    - (c) recover any payment made.

## Part 3

### Mixed transfer values

- 6.29 A civil servant whose pensionable service ends on or after 6 September 1987 who would have been entitled, had his pensionable service ended before that date, to a transfer value calculated in accordance with the rules in Appendix 11, and who has served continuously since that date, may apply on resignation from the Civil Service for a transfer value calculated in part in accordance with those rules and calculated in part in accordance with the rules in part 1 of this section (to be referred to as a “mixed transfer value”) if:
- (i) subject to (iii) below, he meets the conditions for the payment of a guaranteed cash equivalent transfer value specified in the rules in part 1 of this section;
  - (ii) the conditions specified in the rules in Appendix 11 are met;
  - (iii) the accrued benefits are being transferred to an occupational pension scheme to be applied in accordance with rule 6.8(i), otherwise than under the public sector transfer arrangements; and
  - (iv) the mixed transfer value produces a greater transfer value than one calculated entirely in accordance with part 1 of this section.
- 6.30 Where the conditions of rule 6.29 are met, the civil servant's reckonable service will be divided into:
- (i) that part which relates to his service on or before 5 September 1987;
  - (ii) that part which relates to his service after that date; and
  - (iii) for the purposes of rule 6.30(i) and (ii)
    - (a) subject to sub-paragraph (b) below, any enhancement of reckonable service credited under rule 3.10d will be apportioned pro rata according to the civil servant's length of reckonable service in each of the periods described in rule 6.30(i) and (ii);
    - (b) any enhancement of reckonable service credited under rule 3.10d attributable to added years credited under rule 7.11 will be apportioned as follows:
      - (1) if the added years were purchased by lump sum, the enhancement attributable to the added years will be credited to the period in which the lump sum payment was made, or
      - (2) if the added years were purchased by periodical contributions which began on or before 5 September 1987, the enhancement attributable to the added years will be credited to the period on or before that date, or
      - (3) if the added years were purchased by periodical contributions which began on or after 6 September 1987, the enhancement attributable to the added years will be credited to the period on or after that date.
  - (iv) For the purposes of rule 6.30(i) and (ii), any enhancement of reckonable service granted under rule 3.24a(ii) (subject to rule 3.24c) will be credited to the period on or after 6 September 1987.

The pension benefits attributable to the two periods of service will be calculated by reference to pensionable earnings at the date on which pensionable service ends.

- 6.3 The transfer value payable will therefore be:

- (i) the amount calculated in accordance with the rules in Appendix 11 based on benefits in respect of the reckonable service referred to in rule 6.30(i) added to the amount calculated in accordance with the rules in part 1 of this section based on benefits in respect of the reckonable service referred to in rule 6.30(ii), if the aggregate is greater than the amount of a transfer value calculated in accordance with (ii) below; or
- (ii) the amount calculated by reference to part 1 of this section, based on the whole of the civil servant's reckonable service,

whichever is payable to meet the civil servant's requirements. Where a civil servant has an option under paragraph 3 of Appendix 11, or under rule 6.10(iv), the option, if it has been exercised, will be taken into account in calculating benefits under (i) and (ii) above.

6.32 When calculating a mixed transfer value, one or more of the following matters may be taken into account, as appropriate:

- (i) where added years are being bought by periodical contributions which began on or before 5 September 1987, the added years actually purchased on or before the date on which pensionable service ends will be added to the period of reckonable service referred to in rule 6.30(i) above;
- (ii) any guaranteed minimum pension benefits to which the civil servant is entitled will be divided between the periods of reckonable service referred to in rule 6.30(i) and rule 6.30(ii) in the same proportion that the service which gives rise to such benefits on or after 6 April 1978 and on or before 5 September 1987 bears to the service which gives rise to such benefits on or after 6 September 1987 up to the date on which pensionable service ends. Where a transfer value has been received by this scheme which includes the transfer of guaranteed minimum pension benefits, the actual service which gives rise to those benefits should be taken into account for the purposes of calculating the proportion referred to above in the following manner:
  - (a) where the transfer value is received on or before 5 September 1987, the actual length of service in the previous scheme(s) on or after 6 April 1978 which gives rise to guaranteed minimum pension benefits should be added to the service under this scheme on or before 5 September 1987 (regardless of the amount of reckonable service that the transfer value bought in this scheme);
  - (b) where the transfer value is received on or after 6 September 1987, the actual length of the service in the previous scheme(s) on or after 6 April 1978 which gives rise to guaranteed minimum pension benefits should be added to the service under this scheme on or after 6 September 1987 (regardless of the amount of reckonable service that the transfer value bought in this scheme);
- (iii) where more than 6 months has elapsed between the date on which pensionable service ends and the date on which the transfer value is payable, the amount based on the period of reckonable service referred to in rule 6.30(i) will be increased by a sum of interest calculated by reference to paragraph 6 of Appendix 11. No interest will be payable in respect of the amount based on the period of reckonable service referred to in rule 6.30(ii) since that amount will be calculated in accordance with rule 6.10.
- (iv) where a civil servant has a pension account under section 14 (contributed pension and lump sum) any contributed pension and lump sum which he has built up under section 14 will be treated for the purposes of this part 3 as if it related to the period referred to in rule 6.30(ii).





## Part 4

### Old cases, interim transfers and public sector transfer arrangements

6.33 Where transfer values are payable in respect of transfers between this scheme and certain other public service schemes which are a direct charge on the Consolidated Fund or on monies provided by Parliament, the payment and receipt of such transfer values will, subject to the agreement of the Treasury, be waived where:

- (i) the transfer value amount that would otherwise be paid is notified to the receiving scheme by the sending scheme before 1 April 2000, and
- (ii) the notification is made after the civil servant has applied in writing for the transfer to be completed.

If the transfer value amount is notified on or after 1 April 2000, payment of the transfer value must be made.

6.33a If a civil servant's reckonable service has been enhanced by virtue of rule 3.10d then any such enhancement shall be deducted from the figure for reckonable service to be used for the purposes of calculating any transfer value to be paid to an occupational pension scheme under the public sector transfer arrangements.

6.34 A transfer value may be paid in respect of a civil servant whose pensionable service ended on or after 1 June 1972 under, and in accordance with, the rules set out in Appendix 11 where

- (i) his pensionable service ended on or before 31 December 1985 and provided that the transfer is not a qualifying transfer; or
- (ii) his pensionable service ended on or after 1 January 1986 and on or before 5 September 1987 and, either
  - (a) he had insufficient qualifying service for his benefits to be preserved in accordance with rule 3.11 (or where appropriate 3.12), or
  - (b) his accrued benefits were capable of being, or were, preserved under rule 3.11 (or 3.12 where appropriate) and a transfer value calculated under this rule is of a greater amount than one calculated under part 1 of this section; or
- (iii) it is being paid to an occupational pension scheme approved by the Minister for the purposes of the public sector transfer arrangements and such payment is made on or before 5 April 1988; or
- (iv)
  - (a) he was in pensionable service on 5 September 1987;
  - (b) he would have been entitled to the payment of a transfer value under, and in accordance with, the rules set out in Appendix 11, but is not entitled to the payment of a guaranteed cash equivalent transfer value under the rules set out in part 1 of this section; and
  - (c) he has been in pensionable service under this scheme continuously since 5 September 1987; or
- (v) he is a person to whom rules 3.35 or 3.35d apply and who has opted to be treated under rules 3.35(ii) or 3.35d(ii), as the case may be, provided that, subject to rule 6.29 or 6.34(ii)(b) if applicable, the rules in Appendix 11 do not apply to a transfer value in respect of pensionable service on or after 1 January 1986.

## PCSPS – Section II (The 1972 Section)

Cases falling within (ii)(b), (iii) or (v) above may instead be dealt with under, and in accordance with, the rules set out in part 1 of this section.

## Part 5

### Miscellaneous

- 6.35 For groups of persons who are transferred out of the Civil Service together with their work there may be paid to another occupational pension scheme or a contracted-out money purchase scheme a transfer value of an amount to be determined by the Minister on the advice of the Scheme Actuary instead of one calculated either by reference to the transfer value tables referred to in rule 6.10 or by reference to the transfer value tables set out in the annex to Appendix 11, except that a transfer value so determined by the Minister may not be paid in respect of a person who has not consented to the transfer who has accrued rights under this scheme. For groups of persons who transfer to this scheme, the Minister may apply the rules of the scheme with any modifications which may be necessary to reflect the terms of any undertaking by a Minister of the Crown given about the pension position of such staff, or which may be necessary in consequence of any transfer which is directly or indirectly attributable to an Act of Parliament. For groups of persons who transfer to this scheme, the Minister may apply the rules of this scheme with necessary modifications for those persons, if there are special circumstances to justify exceptional treatment.
- 6.35za For a person or group of persons with preserved benefits in or pensions in payment from this Section who transfers without his consent from an employment outside the Civil Service to an employment in the Civil Service without rejoining this scheme, the Minister may apply the rules of the scheme with any modifications which may be necessary to reflect the terms of an undertaking by a Minister of the Crown given about the pension position of such staff, or which may be necessary in consequence of any transfer which is directly or indirectly attributable to an Act of Parliament.
- 6.35a
- (i) For the purposes of this rule, a seconded officer is a civil servant, who takes up a post outside the Civil Service for a limited period not exceeding 3 years, or 5 years if the initial period is extended, and whose salary, including superannuation contributions and employer's national insurance contributions, are paid during the period of secondment by the borrowing employer.
  - (ii) The transfer value payable under this rule will be a transfer value equal to the amount of the cash equivalent of the seconded officer's accrued pension benefits at the date when his period of secondment commences, such cash equivalent to be calculated in accordance with rule 6.10.
  - (iii) Subject to sub-rules (iv) to (vii) and to rule 6.36, the seconded officer may apply for a cash equivalent transfer value (including a guaranteed cash equivalent transfer value) under Part 1 of this section.
  - (iv) Subject to sub-rule (v), no application for a transfer value under this rule will be accepted unless the seconded officer makes an application in writing before the date when his period of secondment commences.
  - (v) The Minister or, if the Minister so directs, the scheme administrator, may, however, allow a written application after the date the secondment commences where the Minister or the scheme administrator (as the case may be) considers that it is fair and reasonable to do so.
  - (vi) At the end of the period of secondment, the seconded officer may apply to bring in a transfer value from the pension scheme or arrangement to which his cash equivalent transfer value was paid in respect of all of his accrued pension benefits at the final date of the period of secondment.

(vii) For the purposes of sub-rule (vi):

- (a) the seconded officer's reckonable service credit will be calculated in accordance with rule 6.22(iii);
- (b) rules 6.23(i) (application of transfer value tables), 6.24 (date of calculation) and 6.26(i) (ending of modification) shall apply as they apply to a transfer under Part 2;
- (c) the Minister shall, if appropriate, determine whether and how any other rules under Part 2 might apply.

6.36 The Minister may apply the rules of this section with necessary modifications in order to comply with the terms of any transfer arrangements concluded with the Communities Pension Scheme of the Institutions of the European Communities or an overseas pension scheme.

6.37 Except where otherwise provided,

- (i) “the guarantee date” in this part has the meaning given to it in rule 6.3(iv);
- (ii) the term “transfer credits” has the same meaning as in the Pension Schemes Act 1993;
- (iii) a “qualifying transfer” means a transfer of the whole sum (except insofar as an option may be exercised under rule 6.15(ii) or 6.21(ii)) representing a person's accrued pension benefits from one occupational pension scheme approved by the Minister for the purposes of the public sector transfer arrangements to another pension scheme so approved but does not include a transfer to a designated appointment;
- (iv) without prejudice to the applicability, wherever relevant, of any other rules contained in this scheme, the term “the public sector transfer arrangements” means the arrangements from time to time specifically applicable (whether by virtue of the rules contained in this scheme or otherwise) to a qualifying transfer;
- (v) a “contracted-out money purchase scheme” is a “money purchase contracted-out scheme” as defined in section 8(1)(a)(ii) of the Pension Schemes Act 1993;
- (vi) and for the purposes of rule 3.10, the term “accrued pension benefits” means the benefits which have accrued to or in respect of a person under the rules of this scheme;
- (vii) “actual service” has the meaning given to that expression by section 70(3) of the Pension Schemes Act 1993;
- (viii) “statement of entitlement” has the meaning given to it in rule 6.3(iii).
- (ix) “the guaranteed cash equivalent transfer value payment” means the amount stated in the statement of entitlement as described in rule 6.4(i).

- 6.38
- (i) Without prejudice to the provisions of rule 6.27(ii), if, on or before 5 April 1988, an offer has been made in writing to deal with an incoming qualifying transfer in accordance with Appendix 11 but the payment in respect of the transfer is received after that date, the transfer may nonetheless be dealt with in accordance with Appendix 11 provided that the transferee and the Minister so agree.
  - (ii) Without prejudice to the provisions of rule 6.34(iii), if, on or before 5 April 1988, a request in writing is received requiring the Minister to pay a transfer value under, and in accordance with, the rules set out in Appendix 11, to an occupational pension scheme approved by the Minister for the purposes of the public sector transfer

arrangements but the payment in respect of the transfer is paid after that date, the transfer may nonetheless be dealt with in accordance with Appendix 11 provided that the transferee and the Minister so agree.

- 6.39 (i) Without prejudice to the effect of section 99 of the Pension Schemes Act 1993, where a cash equivalent transfer value is paid in accordance with part 1 of this section on or after 1 January 1986, this scheme will be discharged from any obligation to provide any benefits to which the cash equivalent relates.
- (ii) Where a transfer value is paid in accordance with Part 3 or Part 4 of this section, this scheme will be discharged from any obligation to provide any benefits to which the transfer value relates.

## Section 7

### Purchase of Added Years

- 7.1 Subject to the other provisions of this section, a civil servant may opt to increase his reckonable and qualifying service by buying added years.
- 7.1a No person may commence a new option to buy added years under this section 7 unless he exercises the option before 1st March 2008.
- 7.2 The amount of added years purchased must not result in reckonable service exceeding 40 years by the pension age or 45 years in total.
- 7.2a This rule has been deleted.
- 7.2b A civil servant may at any time on or after 19 January 1996, by notice in writing, cancel one or more options to buy added years whereupon the provisions of rules 7.11 or 7.24 will apply. Such notice shall be effective on the earliest practicable date after that on which it is received by the scheme administrator and periodical contributions will be payable up to that date.
- 7.3 Added years may be bought by two methods:
- (i) by periodical deductions from salary; or
  - (ii) by lump sum payment.

In the case of a person who becomes a civil servant on or after 1 June 1989, contributions made by either of the methods at (i) or (ii) above will not be due in respect of salary in excess of the permitted maximum. In the case of part-time workers, the permitted maximum will be applied to the full rate of pay, and the contributions limitation accordingly. This paragraph shall not apply to a civil servant in the circumstances set out in rule 1.6b(ii). For the purposes of this rule where contributions are calculated by reference to pay after 31 December 2006 pay shall be taken to include any pay voluntarily surrendered.

- 7.4 An option to buy added years by periodical deductions from salary may be exercised at any time by a civil servant, provided that:
- (i) in the case of options made before 1 February 1991 at least two years will elapse between the date of his next birthday and the date on which he will reach the pension age; and
  - (ii) the total periodical contributions for added years together with other periodical contributions paid by the civil servant under section 4, except for additional contributions made under rule 4.12 or 4.22aa, would at no time exceed the lesser of—
    - (a) 15 per cent of the civil servant's current salary and pensionable emoluments; and
    - (b) 15 per cent of the permitted maximum.
- 7.5 An option to buy added years by lump sum payment may only be exercised by a civil servant who—
- (i) takes a period of unpaid leave from the Civil Service as an Agent Temporaire or Auxiliaire with an institution of the European Union; and
  - (ii) his service in that capacity begins before 1 May 2004.

An option under this rule may only be exercised within twelve months after the civil servant returns from the unpaid leave and before reaching pension age.

- 7.6 An option to buy added years by either method must be exercised by notice in writing while the civil servant is still in service, and may not be exercised if he is on sick leave or under notice of early retirement (or premature retirement under the arrangements in force before 1 April 1987) or retirement on medical grounds. If the civil servant opts to buy added years by periodical deductions from salary on or after 21 August 1984, he will be required to sign a declaration that he has no reason to believe that his health may prevent him from continuing to be employed in the Civil Service until the pension age.
- 7.7 This rule has been deleted.
- 7.8 If a civil servant opts to buy added years by periodical deductions from salary, contributions will be payable from the date of his next birthday until the date he reaches the pension age. (If his pension age does not coincide with a birthday, they will be payable until the birthday immediately preceding the pension age.) The contributions will be expressed as a percentage of his salary (or wages) calculated at the following rates:
- (i) for a full-time civil servant the rate for one added year will be the appropriate rate;
  - (ii) for a full-time civil servant the rate for part of an added year will be the appropriate rate multiplied by the decimal fraction expressing the number of days being purchased, except that irrespective of the number of days being purchased the minimum rate of contribution will be 0.01%;
  - (iii) for a part-time civil servant the rate will be the rate which would apply under paragraphs (i) and (ii) if he were a full-time civil servant multiplied by A and divided by B, where A is the number of fulltime hours (excluding meal breaks except where such breaks are paid for part-time staff) and B is the number of part-time hours.
- 7.8a In rule 7.8 “appropriate rate” means a rate determined by reference to the civil servant's age at his next birthday following the exercise of the option and to the table of contribution rates drawn up by the Scheme Actuary and for the time being used for the purposes of rule 7.8.
- 7.8b For the purposes of rules 7.8 and 7.8a:
- (i) the appropriate rate shall include a rate of contribution for a widow's or widower's pension under part 1 or 2 of section 4, whether or not the civil servant is married when he exercises the option; and
  - (ii) the tables of contribution rates drawn up from time to time by the Scheme Actuary for the purposes of rule 7.8 shall specify the contribution rates for a widow's or widower's pension under part 1 and 2 of section 4.
- 7.8c Where a civil servant who has opted to buy added years by periodic contributions has a period of absence from work, the civil servant may—
- (i) cease to pay the periodical contributions payable under the option, or
  - (ii) pay the same amounts of contributions as would be payable if he were receiving salary (or wages) at the full-rate.
- This is subject to rules 7.8d to 7.8h.
- 7.8d Where a civil servant is receiving statutory maternity pay, or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave, paragraph (ii) of rule 7.8c does not apply and the civil servant may pay contributions on his or her actual pay in respect of the period of leave.

- 7.8e Where contributions are payable under paragraph (ii) of rule 7.8c, the civil servant may opt to pay the contributions after absence or leave has ended—
- (i) by such instalments as the civil servant may agree with the scheme administrator, or
  - (ii) by lump sum.
- This is subject to the limits in rule 7.4.
- 7.8f Where a civil servant who has opted to buy added years by periodic contributions is absent from duty for any period because of being called out or recalled for permanent service in the reserve forces or the regular forces in pursuance of a call-out order made under the Reserve Forces Act 1980 or the Reserve Forces Act 1996 or under an Order in Council made on 18 May 1982—
- (i) he may not pay the additional contributions payable under the option during that period, but
  - (ii) if that service does not qualify the civil servant for forces pension benefits, after the period has ended he may opt to pay an amount equal to the additional contributions which would have been payable apart from his absence on that service.
- 7.8g The amount referred to in paragraph (ii) of rule 7.8f is payable by such instalments as the civil servant may agree with the scheme administrator. This is subject to the limits in rule 7.4.
- 7.8h In paragraph (ii) of rule 7.8f “forces pension benefits” means benefits under any occupational pension scheme
- (i) open to members of the armed forces, or
  - (ii) made under the Reserve Forces Act 1996.
- 7.9 If a civil servant opts to buy added years by lump sum payment, the lump sum contribution will be based on his pensionable earnings at the date he exercises the option, and must be paid within three months of the actual date of exercising the option; otherwise the option will be invalidated. The contribution for one added year will be the appropriate amount. The contribution for part of an added year will be calculated by multiplying the contribution applicable for one added year by the decimal fraction expressing the number of days being purchased.
- 7.9a In rule 7.9 “appropriate amount” means an amount calculated by reference to the civil servant's age at his next birthday following the exercise of the option and to the table of contributions drawn up by the Scheme Actuary and for the time being used for the purposes of rule 7.9.
- 7.9b For the purposes of rules 7.9 and 7.9a:
- (i) the appropriate amount shall include a contribution for a widow's or widower's pension under part 1 or 2 of section 4 whether or not the civil servant is married when he exercises the option; and
  - (ii) the tables of contributions drawn up from time to time by the Scheme Actuary for the purposes of rule 7.9 shall specify the contributions for a widow's or widower's pension under part 1 or 2 of section 4.
- 7.10 If a civil servant dies or leaves the Civil Service or opts out of the scheme on or after reaching the pension age any added years he has bought will count in full as reckonable and qualifying service.



7.11 If a civil servant who has bought added years dies or leaves the Civil Service or cancels his option or opts out of the scheme before the pension age, his reckonable and qualifying service will be increased as follows:

- (i) if he has paid by lump sum payment, by the full amount of the added years bought;
- (ii) if he has paid by periodical deductions from salary, either
  - (a) in the case of a civil servant who dies or is retired on medical grounds, provided that his notice in writing under rule 7.6 was given on or after 21 August 1984, and that, where the civil servant dies or is retired on medical grounds within twelve months of the date of acceptance of his notice in writing, or dies or is retired on medical grounds because of an incapacity to which he has become subject within twelve months of that date, the Minister is satisfied that the declaration was made in good faith, by  $A \times (B+C) / D$  where
    - A is the number of added years for which he is paying periodical contributions;
    - B is the period (expressed to the nearest day) over which he has paid periodical contributions for those added years and he shall be deemed to have paid periodical contributions during a period of sick leave which does not count as reckonable service immediately preceding retirement on medical grounds or death;
    - C is the period from the date of death or retirement on medical grounds until the date on which he would have ceased to pay periodical contributions if he had stayed in service until pension age;
    - D is the period over which he would have paid periodical contributions for those added years if he had stayed in service until the pension age ; or
  - (b) in all other cases in respect of each particular option, by  $A \times B/C$  where
    - A is the number of added years for which he is paying periodical contributions;
    - B is the period (expressed to the nearest day) over which he has paid periodical contributions for those added years;
    - C is the period over which he would have paid periodical contributions for those added years if he had stayed in service until the pension age.

7.12 If a civil servant has made more than one option to buy added years, each such option will be treated separately for the purposes of the calculations in rules 7.8, 7.9, and 7.11.

7.12a A civil servant aged 50 or over with 5 or more years' qualifying service, who is retiring early and who will receive benefits under rules 2.1, 2A.4, 3.1 or 3A.4 of the Compensation Scheme, may opt to increase his reckonable and qualifying service by buying added years or parts of a year, subject to the resulting reckonable service not exceeding the appropriate limit in rule 7.2.

7.12b An option to buy added years under rule 7.12a must be exercised in writing while the civil servant is still in service and must be bought by lump sum payment.

The lump sum contribution will be based on the pensionable earnings of the civil servant which is used in calculating the benefits for which he is eligible under rule 3.11. The contribution for one added year will be the appropriate amount. The contribution for part of an added year will be calculated by multiplying the contribution applicable for one added year by the decimal fraction expressing the number of days being purchased. The lump

sum contribution shall be made and deducted by the employing department in the following sequence from:

- (a) any lump sum compensation payment calculated in accordance with rule 2.3, 2A.4 or 3A.4 of the Compensation Scheme; and then from
- (b) any payment in lieu of notice which may be made by the employing department under section 9 of the Compensation Scheme.

7.12c The provisions of rules 7.3, 7.5, 7.6 and 7.9 shall not apply to the operation of rule 7.12a and 7.12b.

7.12d In rule 7.12b “appropriate amount” means an amount calculated by reference to the civil servant's age at his next birthday following the exercise of the option and to the table of contributions drawn up by the Scheme Actuary and for the time being used for the purposes of rule 7.12b.

7.12e For the purposes of rules 7.12b and 7.12d:

- (i) the appropriate rate shall include a rate of contribution for a widow's or widower's pension under part 1 or 2 of section 4, whether or not the civil servant is married when he exercises the option; and
- (ii) the tables of contribution rates drawn up from time to time by the Scheme Actuary for the purposes of rule 7.12b shall specify the contributions for a widow's or widower's pension under part 1 or 2 of section 4.

7.13 Any added years bought by a prison officer will not reckon at double their length nor count towards the 20-year qualifying period for double reckoning under rule 2.27.

7.14 Where a civil servant who is buying added years by periodical deductions from salary (or wages) changes from full-time to part-time service or, on or after 1 December 1980, changes from part-time to full-time service, or is in part-time service and changes the number of hours he works, then

- (i) if the change is from full-time to part-time service and takes place before 1 December 1980 deductions will cease and he will be credited with the appropriate proportion of the added years he opted to buy, calculated as in rule 7.11;
- (ii) if the change takes place on or after 1 December 1980 the rate of contribution will be recalculated in accordance with rule 7.8, provided that the new rate does not result in a contribution which exceeds the limit set in rule 7.4(ii). Where this limit would be exceeded the new rate of contribution will be restricted to the permitted maximum, and when the civil servant dies or leaves the Civil Service the amount of added years bought over the period during which the rate of contribution was restricted will be reduced by applying  $A \times B/C \times (D/E)$  where

A is the number of added years which he opted to buy;

B is the period (expressed to the nearest day) over which the rate of periodical contributions was restricted;

C is the total period over which contributions were due under rule 7.8;

D is the rate to which the contribution was restricted;

E is the rate of contribution which should have been applied had the restriction not operated.

7.15 If a civil servant who is buying added years by periodical contributions from salary moves from a higher to a lower substantive grade or is re-employed without a break before the

pension age, those deductions will continue. If on retirement his two periods of service are treated separately for pension purposes, the added years he has bought will be allocated between them, his reckonable service in the first period of employment being increased by the number of added years which would have been credited under rule 7.11 if he had resigned at the end of that period.

- 7.16 If a civil servant who has bought added years is unmarried when he dies or leaves the Civil Service or opts out of the scheme, part or all of any element for widow's or widower's pension in his contributions for added years will be refunded, in accordance with guidance issued by the Minister after consulting the Scheme Actuary.
- 7.17 Refunds under rule 7.16 will be paid, with compound interest added, in the same way as refunds of contributions for widows' pensions are paid under rule 4.19 and contributions for widowers' pensions are paid under rule 4.23d.
- 7.18 If a civil servant who opts to buy added years is contributing for an invalidity or adult dependant's pension under part 4 or 5 of section 4, his contributions for added years will not include an element for those benefits. When he dies or leaves the Civil Service or opts out of the scheme, contributions under those parts of section 4 will be due for the added years at double the rate at which they are due for the rest of his reckonable service.

Rules 7.19 to 7.22 have been deleted.

- 7.23 (i) A woman civil servant in service on 1 July 1987 who opted on or before 30 June 1987 to purchase added years excluding family benefits, may on or before 31 December 1987 opt to purchase family benefits in respect of the total number of added years, including any fraction of a year, of the original added years option. Where a woman has exercised more than one option to buy added years each option will be treated separately.
- (ii) Where added years were bought by lump sum payment the purchase of family benefits will be by lump sum in accordance with rule 7.9. Where added years are being bought by periodical deductions from salary the purchase of family benefits will be by periodical deductions in accordance with rule 7.8 provided that at least two years will elapse between the date of the woman's next birthday and the date on which she will reach the pension age, and provided that the contributions will not exceed 15% of current salary and pensionable emoluments; otherwise purchase will be by lump sum payment. The additional contributions will be those appropriate to the woman's age at her next birthday at the time of exercising the option to buy family benefits; those are set out in the third column of the tables in Appendix 10.
- (iii) An option to buy family benefits must be exercised in accordance with the requirements of rule 7.6.
- 7.24 Where a woman who opts to purchase family benefits under rule 7.23 dies or leaves the Civil Service or cancels her option or opts out of the scheme before the pension age the following will apply:
- (i) if she has paid by lump sum payment all the added years covered by the option will reckon for family benefits;
- (ii) if she has paid by periodical deductions from salary either (a) or (b) below as appropriate will apply:
- (a) if she dies or is retired on medical grounds all added years in respect of which an option has been exercised will reckon for family benefits provided that the notice in writing under rule 7.6 in respect of the original option for added years was given on or after 21 August 1984; or

PCSPS – Section II (The 1972 Section)

- (b) in all other cases the number of added years for which family benefits have been purchased will be calculated by means of the formula  $A \times B/C$  as defined in rule 7.11(ii)(b) and to the extent that the total differs from the number of added years reckonable under that rule a contribution to cover the difference will be deducted from whichever of the benefits listed in rule 4.23b(i)(a) to (g) becomes payable.

7.25 This rule has been deleted.

7.26 For the purposes of rules 7.23 and 7.24 “family benefits” means a widower's pension under Part 2 of section 4, and “family benefit” will be construed accordingly.

## Section 8

### Forfeiture

- 8.1 The following benefits under this scheme will be paid at the discretion of the Minister, and nothing in the scheme will extend or be construed to extend to give any person an absolute right to them:
- (i) payments under rule 3.2 for service after the completion of 45 years' reckonable service; payments under rule 3.32a;
  - (ii) death benefits under rules 3.8, 3.9 and 3.16;
  - (iii) injury benefits under the former section 11 rules set out in Appendix 16.
- 8.2 Subject to the provisions of this rule, the Minister will have power to withhold benefits payable under this scheme to such extent as the Minister considers appropriate:
- (i) where a civil servant or former civil servant is convicted:
    - (a) of one or more offences under the Official Secrets Acts 1911 to 1989 for which the person concerned has been sentenced to a term of imprisonment of at least 10 years or has been sentenced on the same occasion to two or more consecutive terms amounting in the aggregate to at least 10 years; or
    - (b) of an offence in connection with any employment to which this scheme applies, being an offence which is certified by a Minister of the Crown either to have been gravely injurious to the State or to be liable to lead to a serious loss of confidence in the public service, or
  - (ii) subject to rule 8.2a, where a civil servant or former civil servant has after becoming a member of this scheme incurred a monetary obligation to the Crown or, if the member is not employed by the Crown, to his employer which:
    - (a) arises out of a criminal, negligent or fraudulent act or omission by the member, and,
    - (b) arises out of or is connected with his relationship with his employer; or
  - (iii) where the benefits would otherwise be payable to a person who is convicted of:
    - (a) the murder or manslaughter; or
    - (b) any other offence which involves the unlawful killing of the civil servant or former civil servant.

If the Minister proposes to withhold benefits under this rule, he must notify the person concerned in writing that he proposes to do so. The person will be entitled to appeal against the Minister's proposal to the Civil Service Appeal Board ("CSAB"). The CSAB may confirm, amend or reject the Minister's proposal. The Minister must comply with the CSAB's decision.

- 8.2a Where rule 8.2(ii) applies:
- (i) where the amount of the monetary obligation is in dispute, the Minister may not withhold benefits until the obligation has become enforceable:
    - (a) under an order of a competent court; or
    - (b) in consequence of an award of an arbitrator or, in Scotland, an arbiter to be appointed (failing agreement by the parties) by the sheriff;

## PCSPS – Section II (The 1972 Section)

- (ii) only the benefits to which the civil servant or former civil servant himself is entitled may be withheld;
- (iii) the benefits withheld must not exceed the amount of the monetary obligation or, if less, the value of the civil servant's or former civil servant's entitlement or the accrued right in question (as determined under section 93(2) of the Pensions Act 1995); and
- (iv) if the Minister withholds benefits the civil servant must be given a certificate showing any amount withheld and the effect of its being withheld on his benefits under the scheme.

8.3 Forfeiture of pension benefits where a person is convicted of treason is provided for in the Forfeiture Act 1870; section 51 of the Bankruptcy Act 1914 and section 148 of the Bankruptcy (Scotland) Act 1913 make provision for the payment of pensions in cases of bankruptcy; and section 5 of the Superannuation Act 1972 provides that any assignment or attempted assignment of a benefit under this scheme shall be void.

## Section 9

### Transitional Provisions

- 9.1 For civil servants whose service ended on or after 29 February 1972 and before 1 June 1972, the provisions listed in schedule 2 to the Superannuation Act 1972 will apply, subject to rules 9.2 to 9.16, as if they formed part of this scheme.
- 9.2 In this section “the Superannuation Acts” means the Superannuation Act 1965 together with the other provisions listed in Schedule 2 to the Superannuation Act 1972. “The transitional period” means the period from 29 February 1972 to 31 May 1972 inclusive.
- 9.3 Where the Superannuation Acts provide for salary and emoluments to be averaged over the last three years of service, account will be taken instead of salary and emoluments in whichever of the last three years of reckonable service gives the highest figure (see rule 1.7).
- 9.4 Where the Superannuation Acts provide for service to reckon by completed years, account will also be taken of parts of a year, with each completed day after the completion of a whole number of years counting as 1/365th of a further year.

## **Section 10**

### **Early Retirement**

This section has been deleted.

The rules originally set out in section 10, which were in force before 1 April 1987, are reproduced in Appendix 1 of the Compensation Scheme.

The section 10 rules which were in force from 1 April 1987 until 31 December 1994 are reproduced in Appendix 2 of the Compensation Scheme.



## **Section 11**

### **Injury Benefits**

This section has been deleted.

The rules formerly set out in section 11 which were in force before 1 October 2002 are reproduced in Appendix 16.

The rules in force from and including 1 October 2002 are set out in the Civil Service Injury Benefits Scheme.

## Section 12

### Pension Sharing on Divorce

#### Part 1

#### Interpretation

12.1 For the purposes of this section—

“the Welfare Act 1999” means the Welfare Reform and Pensions Act 1999 or corresponding

Northern Ireland legislation and references to legislation under that Act also refer to corresponding Northern Ireland legislation;

“accrued pension rights” and equivalent expressions mean such rights after taking into account any reduction applied in accordance with section 31 of the Welfare Act 1999;

“implementation period” means the four month period specified in section 34(1) of the Welfare

Act 1999 subject to any regulations made by the Secretary of State under section 34(4) or section 41(2)(a) of that Act;

“pension credit” means a credit under section 29(1)(b) of the Welfare Act 1999;

“pension credit benefit” has the meaning given by section 101B of the Pension Schemes Act 1993;

“pension credit member” means a person, whether or not that person is otherwise a member of this scheme, entitled to a pension credit giving rise to a liability upon the Minister for the Civil Service in respect of this scheme within the meaning of section 29(1)(b) of the Welfare Act 1999;

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

“pension debit member” means a person whose benefits or future benefits under this scheme are reduced under section 31 of the Welfare Act 1999;

“pension sharing order” means any provision or order specified in section 28 of the Welfare Act 1999 giving rise to a liability upon the Minister of the Civil Service in respect of this scheme relating to a pension credit;

“valuation day” means the day referred to in rule 12.14.

## **Part 2**

### **Pension credit members**

#### **Pension credit members' benefits**

- 12.2 (i) A pension credit member shall be entitled to a pension and, if (iv) applies, a lump sum in accordance with the provisions of this rule.
- (ii) The value of the pension shall be of an amount which complies with paragraph 5(b) of Schedule 5 to the Welfare Act 1999 and with such requirements as may be prescribed from time to time under that paragraph.
- (iii) Subject to rules 12.3, 12.4 and 12.5 the pension shall be paid to the pension credit member for life provided that he has reached the age of 60 years.
- (iv) A pension credit member is entitled to a lump sum under this rule if no lump sum was paid under this scheme to the pension debit member prior to the date on which the pension sharing order giving rise to the pension credit came into effect.
- (v) The lump sum payable under paragraph (i) shall be equal to three times the pension credit member's initial annual pension.

#### **General option to exchange part of pension for extra lump sum**

- 12.2a (i) This rule applies to a person—
- (a) who becomes a pension credit member after 30 September 2007;
- (b) whose rights derive from the rights of a civil servant who is in pensionable service after 30 September 2007; and
- (c) who is entitled to a lump sum under rule 12.2.
- (ii) A person to whom this rule applies may opt to exchange part of a pension to which the person would otherwise be entitled for an extra lump sum.
- (iii) If the person so opts, for every £1 by which the person's annual pension is reduced, the person is to be paid an extra lump sum of £12.
- (iv) A person may not exchange pension for lump sum under this rule to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of the Finance Act 2004 (see section 241 of that Act).
- (v) The option under this rule may only be exercised by giving notice in writing to the scheme administrator in such form as the Minister requires before the time when the first payment in respect of the pension is made.

#### **Commutation of lump sum into pension**

- 12.3 (i) A pension credit member who is entitled to a pension and lump sum under rule 12.2 may, before his or her benefits are due to come into payment, elect to surrender the whole or part of the lump sum so as to receive, instead, the equivalent commutation value of that superannuation lump sum in the form of an increase in his or her annual pension from the date that such pension comes into payment.
- (i) An election made under sub-rule (i) above will be irrevocable from the date that the benefits under rule 12.2 are due to come into payment.
- (ii) For the purposes of determining any increases under this rule, the Scheme Actuary shall be consulted, or tables drawn up by him shall be used.

- (iii) Any amount of lump sum elected to be surrendered shall be determined in multiples of 100.

## **Early payment of pension credit member's benefits**

- 12.4
- (i) A pension credit member who is entitled to a pension under rule 12.2 and, if rule 12.2(iv) applies, to a lump sum, and who has reached the age of 55 years may opt for immediate payment of a reduced pension and (if applicable) lump sum before reaching pension age.
  - (ii) The annual amount of the pension and (if applicable) the amount of the lump sum to which the pension credit member is entitled under this rule is an amount calculated in accordance with rule 12.2 but reduced after consultation with the Scheme Actuary.
  - (iii) A pension credit member who opts for payment of an immediate pension under this rule may buy out the actuarial reduction that would otherwise apply to the pension credit member's pension and (if applicable) lump sum by giving notice in writing to the scheme administrator in such form as the Minister requires.
  - (iv) The cost of buying out the actuarial reduction is set out in tables prepared by the Minister, after consulting the Scheme Actuary.
  - (v) The pension credit member must meet the cost of buying out the actuarial reduction by paying a special contribution to the scheme.
  - (vi) Where a pension credit member exercises the option to buy out the actuarial reduction on a pension and (if applicable) lump sum payable under this rule, the amount of the pension credit member's pension and (if applicable) lump sum are calculated as if the reference in paragraph (ii) to applying an actuarial reduction were omitted.
  - (vii) Where regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (early or deferred retirement) applies, the Minister must be reasonably satisfied that the requirements of that regulation have been met.

## **Commutation of pension credit member's pension into lump sum on ill health**

- 12.5
- (i) A pension credit member who is suffering from serious ill health may elect, before the benefits under rule 12.2 are due to come into payment, to commute the whole of his or her pension credit into a lump sum payment. This paragraph is subject to paragraph (v).
  - (ii) The lump sum payment shall be an amount equal to five times the initial annual pension which would be payable if the pension credit member had reached the age of 60 years.
  - (iii) In this rule, "serious ill health" means ill health which is such as to give rise to a life expectancy of less than one year from the date on which an election is made under this rule.
  - (iv) For the purposes of this rule, the pension credit member will be required to be medically assessed by the Scheme Medical Adviser.
  - (v) No lump sum shall be payable under this rule unless the lump sum is a serious ill health lump sum for the purposes of Part 4 of the Finance Act 2004 (see paragraph 4 of Schedule 29 to that Act).

## **Death of pension credit member**

- 12.6
- (i) If a pension credit member dies before any benefits have become payable to him under rules 12.2, 12.3, 12.4 or 12.5, benefits will be paid in accordance with sub-rule (ii) to one person validly nominated by him to receive such benefits, or in the absence of a valid nomination, to his personal representatives.
  - (ii) For the purposes of sub-rule (i), the benefits shall consist of a lump sum of 25% of the value of the pension credit at the time of death.
  - (iii) If a pension credit member dies after any pension benefits have become payable to him under rules 12.2, 12.3, 12.4 or 12.5 benefits will be paid in accordance with sub-rule (iv) to one person nominated by him to receive such benefits, or in the absence of a valid nomination, to his personal representatives.
  - (iv) For the purpose of sub-rule (iii), the benefits will consist of a lump sum equal to five times the initial annual pension in payment to the pension credit member at the time of his death less all the pension and lump sum benefits (if any) that have been paid to the pension credit member that are directly attributable to the pension credit.
  - (v) A nomination shall be valid for the purposes of this rule if:
    - (a) it is made in writing to the Minister, or if the Minister directs, to the scheme administrator within 60 days of the valuation date, or such longer period as the Minister directs,
    - (b) it has not been revoked, and
    - (c) the person nominated has not died before the death of the pension credit member.

## **Aggregation**

- 12.7
- (i) Where a pension credit member is also a member of this scheme by virtue of any section other than this one, any period of time which may count for any purpose in connection with his pension credit benefit shall not be taken into account in determining his or her entitlement to, or calculation of, benefits under this scheme other than pension credit benefits.
  - (ii) Pension credit rights or benefits attributable to a pension credit may not be aggregated with any other rights or benefits under this scheme (including those attributable to a different pension credit).

## **Safeguarded rights**

- 12.8
- (i) Section 68A(2)(a) of the Pensions Act 1993 (safeguarded rights) shall apply in relation to the safeguarded rights of a pension credit member.
  - (ii) Safeguarded rights shall be identified in this scheme as being the safeguarded percentage of pension credit rights within the meaning of section 68A(3) of the Pensions Act 1993.

## **Transfers**

- 12.9
- A transfer value shall not be paid or accepted by this scheme in respect of any pension credit rights or pension credit benefits.

## **Effective date of provisions relating to benefits**

- 12.10 Any right or entitlement to any benefits payable under any of the foregoing provisions of this section to or in respect of a person in whose favour a pension sharing order has been made shall take effect from the day that order takes effect.

### **Application of the foregoing sections of these rules**

- 12.11 The Sections in this scheme apart from this one shall not apply in respect of the pension credit of any pension credit member.

## **Part 3**

### **Pension debit members**

#### **Pension debit members' benefits**

- 12.12 (i) Any benefits to which a pension debit member would be entitled under this scheme if no pension debit applied to that pension shall be reduced in accordance with and to the extent required by section 31 of the Welfare Act 1999.
- (ii) Without prejudice to the generality of paragraph (i), “benefits” for the purpose of this rule include accrued benefits for the purposes of payment of transfer values under this scheme.

#### **Dependants' pensions**

- 12.13 (i) The pension paid to the spouse of a deceased pension debit member under Section 4 shall be reduced by the same proportion by which the deceased's retirement benefits have been reduced in accordance with section 31 of the Welfare Act 1999 or would have been reduced if he had become entitled to them on the day he died.
- (ii) The amount of the reduction shall be calculated in accordance with any guidance issued by the Scheme Actuary.
- (iii) For the avoidance of doubt, the pension debit member shall not be entitled to any refund of contributions under section 4 arising from any deduction made under sub-rule (i).
- (iv) Subject to paragraph (v), when the child of a pension debit member becomes entitled to a pension under section 4, the child's pension shall be first calculated in accordance with rule 4.30 as if references to the civil servant's pension were to such pension without taking account of any reduction applied to that pension by virtue of section 31 of the Welfare Act 1999.
- (v) Notwithstanding paragraph (iv), the amount of a pension paid to a child of a debit member shall be reduced to the extent required by section 31 of the Welfare Act 1999.

#### **Valuation day**

- 12.14 For the purpose of calculating the cash equivalent referred to in section 29(2) of the Welfare Act 1999, the valuation day shall be the first day of the implementation period.

#### **Replacement of rights**

- 12.15 This rule has been deleted.

#### **Charging**

- 12.16 The Minister may recover charges incurred in connection with any of the activities prescribed for the time being under section 41 of the Welfare Act 1999 in accordance with, and to the extent prescribed in regulations under that section.

## Section 13

### The Lifetime Allowance Charge

#### Payment on behalf of civil servants of lifetime allowance charge

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

#### Reduction of benefits where lifetime allowance charge payable

- 13.2 (1) This rule applies if—
- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 occurs in relation to a civil servant,
  - (b) the civil servant and the scheme administrator for the purposes of section 217 (“the administrator”) are jointly and severally liable in relation to that event, and
  - (c) no request has been duly made under rule 13.1 in relation to the event or, if such a request has been made, the administrator is prevented from complying with it by paragraph (3) of that rule.
- (2) Where this rule applies the administrator must pay the tax payable on the event.
- (3) The benefits payable to or in respect of the civil servant, or the transfer payment in the case of event 8 in the table in section 216(1) of the Finance Act 2004, shall be reduced to reflect fully the amount of tax payable.
- (4) The amount of the reduction shall be determined in accordance with guidance provided by the Minister and, in the case of a reduction to pension benefits, consistent with normal actuarial practice.

#### Reduction of prospective benefits at civil servant’s request

- 13.3 (1) If a civil servant requests, prospective benefits to and in respect of him shall be reduced by such amount as he agrees with the Minister. This is subject to paragraph (2) and rules 3.49, 4.19a and 4.21i (guaranteed minimum pensions).
- (2) A request under paragraph (1) must be made in writing to the scheme administrator before the civil servant's benefits have come into payment.
- (3) Any reduction in respect of prospective benefits under this rule shall be irrevocable once the benefits have come into payment.



## Section 14

### Contributed Pension and Lump Sum

#### Part 1

#### Interpretation

14.1 For the purposes of this section—

- (a) “allocation amount” means the amount of the contributed pension allocated as a result of the exercise of an election under section 5;
- (b) “commutation addition amount” means the amount of contributed lump sum due to the civil servant as a result of the exercise of the option under rule 3.50 to exchange contributed pension for lump sum;
- (c) “commutation amount” means the amount of the contributed pension exchanged for a lump sum as a result of the exercise of the option under rule 3.50;
- (d) “contributed lump sum”, in relation to a civil servant means lump sum payable to the civil servant under rule 14.16, 14.17, 14.18 or 14.19;
- (e) “contributed pension”, in relation to a civil servant, means pension calculated wholly or partly by reference to the civil servant's carried forward contributed pension, as defined in rule 14.12(5);
- (f) “inverse commutation addition amount” means the amount of contributed pension due to the civil servant as a result of the exercise of the option under rule 3.1a to exchange contributed lump sum for additional pension;
- (g) “inverse commutation amount” means the amount of the contributed lump sum exchanged for additional pension as a result of the exercise of the option under rule 3.1a;
- (h) “pay period”, in relation to a person, means a period by reference to which the person's earnings in the employment by virtue of which he is eligible for membership of this 1972 Section of the scheme are payable;
- (i) “retirement index addition” has the meaning given by rule 14.14 ; and
- (j) “scheme year” means a period of one year beginning with 1st April and ending with 31st March.

## Part 2

### Buying contributed pension and lump sum

#### Civil servant's option to pay additional periodical contributions to purchase pension and lump sum

- 14.2 (1) A civil servant may opt to make additional periodical contributions to the 1972 Section during the contribution option period to increase the benefits payable to or in respect of the civil servant under section 3 and section 4 (retirement and death benefits and widows' and dependants' benefits). This option is only available to a civil servant—
- (a) on or after 1st March 2008, or
  - (b) where the civil servant reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) The option may only be exercised by notice in writing to the scheme administrator in such form as the Minister requires.
- (3) A civil servant may exercise the option under paragraph (1) more than once.
- (4) If a civil servant exercises an option under paragraph (1), the additional contributions are payable by deduction from the civil servant's salary (or wages)—
- (a) if the option is exercised before 1st March 2008, for the first pay period beginning on or after the date on which the scheme administrator receives the civil servant's application to exercise the option ("the receipt date") that the scheme administrator considers appropriate,
  - (b) if the option is exercised on or after 1st March 2008, for the first pay period of the scheme year beginning on or after the receipt date that the scheme administrator considers appropriate, and
  - (c) for all subsequent pay periods beginning during the contribution option period.
- (5) Paragraph (4) is subject to rules 14.4 (cancellation of options to make additional periodical contributions) and 14.5 (special cases).
- (6) If a civil servant exercises an option under paragraph (1)—
- (a) the additional contributions payable may be expressed as a percentage of the civil servant's salary (or wages) for the time being or as a fixed sum, and
  - (b) the amount that the civil servant is entitled to count as contributed pension for the scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost in the scheme year in which the contributions are paid of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person.

This is subject to rule 14.7.

- (7) A civil servant may not make additional contributions under this rule of less than such amount as the Minister may for the time being determine.
- (8) In this section 14 "the contribution option period", in relation to an option under this rule, means—

- (a) the period beginning with the pay period in respect of which the first contribution is made under the option and ending when the civil servant ceases to be in pensionable service, or
- (b) such shorter period as may be specified in the option.

**Civil servant's option to pay additional lump sum contributions to purchase pension and lump sum**

- 14.3
- (1) A civil servant who has been in pensionable service for a period exceeding 12 months may opt to make a single lump sum contribution to the 1972 Section to increase the benefits payable to or in respect of the civil servant under section 3 and section 4 (retirement and death benefits and widows' and dependants' benefits). This option is only available to a civil servant—
    - (a) on or after 1st March 2008, or
    - (b) where the civil servant reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
  - (2) A civil servant may not make a contribution under this rule of less than such amount as the Minister may for the time being determine.
  - (3) The option—
    - (a) may only be exercised in writing to the scheme administrator in such form and subject to such conditions as the Minister requires, and
    - (b) in particular, if the Minister so requires, may only be exercised if the civil servant has first requested a statement of the amount of pension that the civil servant will be entitled to count under this rule if the payment of the lump sum contribution is received by the scheme administrator before the end of the period of one month beginning with the date of the statement.
  - (4) A civil servant may exercise the option under paragraph (1) more than once, but it may only be exercised once in any scheme year.
  - (5) If a civil servant exercises an option under paragraph (1), the additional contribution is payable immediately by the civil servant to the scheme administrator by deduction from the civil servant's salary (or wages) or otherwise.
  - (6) If a civil servant exercises an option under paragraph (1), the amount that the civil servant is entitled to count as contributed pension for the relevant scheme year is—
    - (a) in the case of a payment made before the end of the period of one month beginning with the date of a statement given to the civil servant in accordance with such a request as is mentioned in paragraph (3)(b) in connection with the option, the amount specified in that statement, and
    - (b) otherwise, such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost as at the relevant day of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person.

This is subject to rule 14.7.

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

- (a) must specify such amounts as are indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person—
    - (i) so far as any factors relating to the civil servant's circumstances are concerned, by reference to the relevant day, and
    - (ii) so far as any other relevant factors are concerned, by reference to the date of the statement, and
  - (b) must inform the civil servant of the effects of rule 14.7 generally and, in any case where it appears to the scheme administrator that that rule will apply so as to restrict the amounts that the civil servant will be entitled to count under this rule, the effect of rule 14.7 in the civil servant's case.
- (8) In this rule—
- “the relevant day” means—
- (a) in a case where such a request as is mentioned in paragraph (3)(b) is made in connection with the option, the first day after the period of one month mentioned in that paragraph, and
  - (b) otherwise, the day on which the payment is received by the scheme administrator; and
- “the relevant scheme year” means the scheme year in which the relevant day falls.

### **Cancellation of options to make periodical contributions**

- 14.4 (1) A civil servant may cancel an option under rule 14.2 by giving the scheme administrator notice in writing.
- (2) If a civil servant cancels such an option, the additional periodical contributions cease to be payable in respect of the civil servant's salary (or wages) with effect from the first pay period the scheme administrator considers appropriate that begins after the date on which the scheme administrator receives the notice.
  - (3) If it appears to the scheme administrator that the limit in rule 14.7 will be exceeded if the civil servant continues to make periodical contributions under rule 14.2, he may cancel the option under rule 14.2(1) by giving the civil servant notice in writing.
  - (4) If the scheme administrator cancels such an option, the additional periodical contributions cease to be payable in respect of the civil servant's salary (or wages) for all pay periods beginning after the date specified in the notice.

### **Periodical contributions: special cases**

- 14.5 (1) If a civil servant who has exercised an option under rule 14.2 has a period of absence from work, the civil servant may—
- (a) cease to pay the additional periodical contributions payable under the option, or
  - (b) pay the same amounts of contributions as would be payable if he were receiving salary (or wages) at the full rate.
- (2) But if a civil servant is receiving statutory maternity pay or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave—

- (a) paragraph (1)(b) does not apply to the contributions payable under the option, and
- (b) the civil servant may pay the contributions on the civil servant's actual salary in respect of the period of leave.

**Payment of additional contributions by employer or third party contributor**

- 14.6 (1) The employer of a civil servant or a third party contributor in relation to a civil servant may, if the Minister approves, make one or more additional contributions to the 1972 Section to increase the benefits payable to or in respect of the civil servant under section 3 and section 4 (retirement and death benefits and widows' and dependants' benefits). This option is only available in respect of a civil servant—
- (a) on or after 1st March 2008, or
  - (b) where the civil servant reaches pension age before 1st March 2008, on or after the later of 1st October 2007 and the date on which he reaches pension age.
- (2) If a civil servant opts for the whole or part of any lump sum payable to the civil servant under the Civil Service Compensation Scheme to be so used, the employer may make an additional contribution under paragraph (1) using the whole or, as the case may be, that part of the lump sum.
- (3) If the employer makes an additional contribution under paragraph (1) to increase the amount specified in the civil servant's pension account under rule 14.10(2) as the amount of the contributed pension for the scheme year in which the contribution is paid by a particular amount—
- (a) the amount to be paid in order to increase it by that amount is such amount as is indicated as appropriate for the amount of that increase in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person, and
  - (b) the pension amount that the civil servant is entitled to count as contributed pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for that amount of contribution in those tables.

This is subject to rule 14.7.

- (3A) If a third party contributor makes an additional contribution under paragraph (1), the pension amount that the civil servant is entitled to count in respect of that contribution as contributed pension for the scheme year in which the contribution is paid is such amount as is indicated as appropriate for the amount of the contribution in tables issued by the Minister, after consultation with the Scheme Actuary, having regard to the cost in the scheme year in which the contribution is paid of making provision for providing benefits under the 1972 Section for a person of the civil servant's age and dependants of such a person.
- (4) A contribution under this rule must be paid in such manner as the Minister may require after consultation with the Scheme Actuary.
- (5) In this rule "third party contributor" means a third party approved by the Minister to pay contributions in respect of a civil servant.

## **Limit on contributed pension**

14.7 The total of—

- (a) the pension amount included in the civil servant's pension account under rule 14.10 (pension accounts for civil servants who have bought contributed pension and lump sum) as a result of contributions made under—
  - (i) rule 14.2 (civil servant's option to pay periodical contributions to purchase pension and lump sum),
  - (ii) rule 14.3 (civil servant's option to pay additional lump sum contributions to purchase pension and lump sum), or
  - (iii) rule 14.6 (payment of additional contributions by employer or third party contributor) other than contributions made by virtue of paragraph (2) of that rule or contributions made by a third party contributor, and
- (b) any pension amounts included in any other pension account established at any time under rule 14.10 in respect of the civil servant as a result of contributions made under—
  - (i) rule 14.2,
  - (ii) rule 14.3, or
  - (iii) rule 14.6 (other than contributions made by virtue of paragraph (2) of that rule or contributions made by a third party contributor), and
- (c) any pension amounts to which the civil servant is already entitled because the civil servant has exercised the option under rule 3.3b (partial retirement),

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

## **Repayment of contributions**

- 14.8 (1) The contributions made by a civil servant under this section 14 are not repayable in any circumstances except if—
- (a) paragraph (2) applies, or
  - (b) Chapter 5 of Part 4 of the Pension Schemes Act 1993 (early leavers: cash transfer sums and contribution refunds) applies and the payment is made in accordance with that Chapter.
- (2) This paragraph applies if—
- (a) a civil servant resigns or opts out of the scheme without immediately receiving a pension,
  - (b) the civil servant does not fall within paragraph (1)(b),
  - (c) the civil servant has less than two years' qualifying service (see rule 1.5),
  - (d) no transfer value payment has been accepted by the scheme in respect of the civil servant under part 2 of section 6 or Appendix 11 otherwise than from an occupational pension scheme,
  - (e) the employment of the civil servant has not been transferred without the civil servant's consent to a new employer in circumstances where, on transfer, the civil servant ceased to be eligible to accrue benefits under the 1972 Section, and
  - (f) the civil servant has not reached pension age.

PCSPS – Section II (The 1972 Section)

- (3) If paragraph (1)(b) applies, the civil servant is entitled to be paid the amount to which he is entitled under Chapter 5 of Part 4 of the Pension Schemes Act 1993, less an amount equal to the income tax payable under section 205 of the Finance Act 2004 (short service refund lump sum charge) as a result of the repayment.
- (4) If paragraph (2) applies, the civil servant is entitled to be paid an amount equal to the sum of the contributions made by the person under this section 14, less an amount equal to the income tax payable under section 205 of the Finance Act 2004 as a result of the repayment.
- (5) If a repayment is made under this rule, the civil servant's rights and any rights in respect of the civil servant under this section 14 are extinguished.

## **Part 3**

### **Pension accounts for contributed pension**

#### **Establishment of pension accounts: general**

- 14.9 (1) The scheme administrator must establish and maintain one or more pension accounts in accordance with this section 14 for each member of the 1972 Section who has bought contributed pension and lump sum under this section 14.
- (2) A pension account may be kept in any form the scheme administrator considers appropriate.
- (3) A pension account must contain such matters as are required by these rules.
- (4) References in these rules to any amount specified in a pension account are references to the amount that is required by these rules to be so specified and not, if different, the amount actually so specified.

#### **Pension accounts for civil servants who have bought contributed pension and lump sum**

- 14.10 (1) A pension account must be established under this rule for each civil servant who has bought contributed pension and lump sum under this section 14.
- (2) At any time in a scheme year the pension account under this rule must specify the civil servant's contributed pension for that year as at that time.
- (3) At any time in a scheme year—
- (a) which is not the scheme year in which a pension account under this rule is established, and
- (b) before the beginning of which the civil servant has reached pension age, the civil servant's pension account under this rule must specify the age addition awarded under paragraph (6) at the beginning of that year for the civil servant's contributed pension referred to in paragraph (2).
- (4) At any time in a scheme year that is not the scheme year in which a pension account under this rule is established, the account must specify the opening balance of the civil servant's contributed pension for that year and the index addition in respect of it.
- (5) In this rule “the opening balance” of the civil servant's contributed pension for a scheme year means the sum of—
- (a) the contributed pension for the previous scheme year as at the end of that year, and
- (b) if paragraph (3) or (4) applied at the beginning of that previous year, the amounts specified in respect of contributed pension in accordance with those paragraphs.
- (6) The reference in paragraph (3) to the age addition awarded under this paragraph at the beginning of a scheme year for the civil servant's contributed pension referred to in paragraph (2) is a reference to the amount the Minister determines, after consulting the Scheme Actuary, in respect of the opening balance of the civil servant's contributed pension at the beginning of the previous scheme year (as specified in accordance with paragraph (4)).



PCSPS – Section II (The 1972 Section)

- (7) In making the determination under paragraph (6) at the beginning of a scheme year, the Minister must have regard to the proportion of the previous scheme year during which the civil servant had reached pension age.
- (8) For the purposes of paragraph (4), the index addition in respect of any opening balance for a scheme year is the amount by which an annual pension of an amount equal to that opening balance which was eligible to be increased under the Pensions (Increase) Act 1971 would be so increased in the scheme year if the beginning date for that pension were the first day of the previous scheme year.
- (9) In paragraph (8) “the beginning date”, in relation to a pension, means the date on which it is treated as beginning for the purposes of the Pensions (Increase) Act 1971 (see section 8(2) of that Act).
- (10) For the meaning of the expression “contributed pension” in paragraph (2) see rule 14.11.
- (11) In cases involving a re-employed civil servant where the person’s previous reckonable service is counted with his service during re-employment for a single award under the 1972 Section —
  - (a) any account that was established for the civil servant under rule 14.12 when the earlier service ceased must be closed,
  - (b) section 14 applies as if rule 14.12 had not applied to the civil servant at that time,
  - (c) the civil servant’s account under rule 14.10 must be re-established, and
  - (d) such entries must be made in that account as if the civil servant had continued in pensionable service during the period since the earlier service ceased, but had received no earnings.
- (12) In cases involving a re-employed civil servant where the person’s preserved pension is retained and his service during re-employment reckons towards a second pension under the 1972 Section—
  - (a) the civil servant continues to have an account under rule 14.12 in respect of contributed pension relating to his earlier service,
  - (b) a new account under this rule must be opened for the civil servant in respect of any contributed pension bought under this part 14 during the current service,
  - (c) his contributed pension relating to the earlier service is disregarded in determining his or any other person’s rights in respect of his contributed pension relating to the current service or later service (if any), and
  - (d) his contributed pension relating to the current service is disregarded in determining his or any other person’s rights in respect of his contributed pension in the earlier service.
- (13) In any case involving a re-employed civil servant where rule C1.8(13) of the 2002 Section applies, no benefits will be payable to or in respect of the civil servant under section 14 of this 1972 Section.

### **Meaning of “contributed pension” used in rule 14.10**

- 14.11 (1) For the purposes of rule 14.10(2) a civil servant's contributed pension for a scheme year is the sum of—
- (a) the amounts that the civil servant is entitled to count as such pension in respect of contributions in the scheme year under rule 14.2(6)(b) (periodical added pension contributions) under an option under rule 14.2(1),
  - (b) the amounts that the civil servant is entitled to count as such pension for the scheme year as a result of contributions under rule 14.3(6) (lump sum added pension contributions) under an option under rule 14.3(1), and
  - (c) the amounts that the civil servant is entitled to count as such pension in respect of contributions in the scheme year under rule 14.6(3)(b) or rule 14.6(3A) (payment of additional contributions by employer or third party contributor).

### **Effect on pension account of civil servant resigning or opting out of the scheme**

- 14.12 (1) This rule applies if a civil servant — (a) resigns or opts out of the scheme,
- (a) is eligible for a preserved pension and lump sum under rule 3.11, and
  - (b) his preserved pension and lump sum are not brought into payment immediately.
- (1A) This rule also applies if a civil servant defers payment of the contributed pension and lump sum under rule 14.18B.
- (2) The civil servant's pension account under rule 14.10 must be closed and an account (or, as the case may be, a further account) must be established under this rule for the civil servant.
- (3) The pension account under this rule must specify the provisional amount of the civil servant's deferred contributed pension (see paragraph (4)).
- (4) The provisional amount of the civil servant's deferred contributed pension is found by—
- (a) calculating the civil servant's carried forward contributed pension (see paragraph (5)),
  - (b) except in the case of an immediate Scheme leaver, adding the retirement index addition for that pension (see rule 14.14), and
  - (c) in the case of any civil servant who has reached pension age at least one month before the last day of service in respect of which the civil servant's pension will be payable under the 1972 Section (“the relevant last day”), adding the age addition for that pension (see paragraph (9)).
- (5) The civil servant's carried forward contributed pension is the sum of the amounts specified in the civil servant's account under rule 14.10 in accordance with rule 14.10(2) and (4) as at the relevant last day.
- (6) Once the civil servant has become entitled to the immediate payment of a pension under rule 3.10c (early payment of preserved pension and lump sum with actuarial reduction), 3.11 (payment of preserved pension and lump sum at pension age), 3.14 (early payment of preserved pension and lump sum where former civil servant is suffering from ill-health), 3.14b (early payment of preserved pension and lump sum where civil servant who has opted out of the scheme is retired on medical grounds), 3.15 (early payment of preserved pension and lump sum where personal circumstances compel a person to give up employment) or, where a civil servant has

exercised the option in rule 14.18B to defer payment of the contributed pension and lump sum, once the civil servant has notified the scheme administrator, in accordance with rule 14.18B(2)(b) that the civil servant wishes to take the contributed pension and lump sum the pension account under this rule must specify in respect of the contributed pension for which there is a provisional amount specified under paragraph (3)—

- (a) the early payment reduction (if applicable) (see paragraph (7)),
  - (b) the commutation amount (if any),
  - (c) the allocation amount (if any), and
  - (d) the inverse commutation addition amount (if any).
- (7) The early payment reduction mentioned in paragraph (6)(a)—
- (a) only applies where—
    - (i) the civil servant has become entitled to payment of a pension under rule 3.10c or the member has exercised the option in rule 14.18B to defer payment of the contributed pension and lump sum and has notified the scheme administrator in accordance with rule 14.18B(2)(b) that the civil servant wishes to take the contributed pension and lump sum before pension age; and
    - (ii) the civil servant has not exercised the option to buy out the actuarial reduction on the civil servant's contributed pension and lump sum under rule 14.18A, and
  - (b) is determined by the same factors as are provided by the Scheme Actuary for the reduction of the pension payable under rule 3.10c.
- (8) For the purposes of this rule a civil servant is an immediate Scheme leaver in relation to the provisional amount of his deferred contributed pension if a transfer value payment is made under section 6 or Appendix 11 in respect of the civil servant's rights to that pension before the end of the scheme year in which the relevant last day falls.
- (9) In this rule “the age addition” in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme Actuary having regard to—
- (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule 14.10(6) at the beginning of the scheme year following that in which the relevant last day falls (“the last active scheme year”) had the civil servant continued to be in pensionable service throughout the last active scheme year, and
  - (b) the proportion of the last active scheme year during which the civil servant was in pensionable service after reaching pension age.
- (10) For the treatment of the pension account under this rule if the civil servant joins the scheme again, see rules 14.10(11), (12) and (13).

## **Effect on pension account of civil servant becoming entitled to pension**

- 14.13 (1) This rule applies if a civil servant becomes entitled to immediate payment of a pension under rules 3.1 (ordinary retirement), 3.4 (retirement on medical grounds) or 3.10a (early retirement).
- (2) The civil servant's pension account under rule 14.10 must be closed and a pension account (or, as the case may be, a further pension account) must be established under this rule for the civil servant in respect of the contributed pension.
- (3) The pension account under this rule must specify—
- (a) the civil servant's carried forward contributed pension (as defined in rule 14.12(5)),
  - (b) the early payment reduction (if applicable) in respect of the civil servant's carried forward contributed pension (see paragraph (6)),
  - (c) the retirement index addition in respect of the civil servant's carried forward contributed pension (see rule 14.14),
  - (d) the age addition, if any, in respect of the civil servant's carried forward contributed pension (see paragraph (5)),
  - (e) the civil servant's full retirement contributed pension (see paragraph (4)),
  - (f) the commutation amount (if any) for the civil servant's full retirement contributed pension,
  - (g) the allocation amount (if any) for the civil servant's full retirement contributed pension, and
  - (h) the inverse commutation addition amount (if any) for the civil servant's full retirement contributed pension.
- (4) The civil servant's full retirement contributed pension is the sum of—
- (a) the civil servant's carried forward contributed pension (as defined in rule 14.12(5)),
  - (b) the retirement index addition for that pension, and
  - (c) in the case of a civil servant who has reached pension age at least one month before the relevant last day, the age addition for that pension.
- (5) In this rule “the age addition” in respect of a carried forward contributed pension means such additional amount as the Minister determines after consulting the Scheme Actuary having regard to—
- (a) the amount by which the amount of the carried forward contributed pension would have been increased by virtue of an award under rule 14.10(6) at the beginning of the scheme year following that in which the relevant last day falls (“the last active scheme year”) had the civil servant continued to be in pensionable service throughout the last active scheme year, and
  - (b) the proportion of the last active scheme year during which the civil servant was in pensionable service after reaching pension age.
- (6) The early payment reduction for the civil servant's carried forward contributed pension—
- (a) only applies where—

- (i) the civil servant has become entitled to payment of a pension under rule 3.10a; and
  - (ii) the civil servant has not exercised the option to buy out the actuarial reduction on the civil servant's contributed pension and lump sum under rule 14.18A; and
- (b) is determined by reference to the same factors as are provided by the Scheme Actuary for the reduction of the pension payable under rule 3.10a.
- (7) In this rule “the relevant last day” means the last day of service in respect of which the civil servant's pension will be payable under the 1972 Section.

### **Effect on pension account of civil servant becoming entitled to pension under rule 3.3b (partial retirement)**

- 14.13A (1) This rule applies if a civil servant becomes entitled to a pension under rule 3.3b (partial retirement).
- (2) If the option under that rule is exercised in respect of the whole of the civil servant's pension—
- (a) rule 14.13 applies as if the civil servant had ceased to be in service on the day before he becomes entitled to the pension under rule 3.3b, but
    - (i) ignoring paragraph (3)(g) (allocation amount), and
    - (ii) with the substitution in paragraph (7) for the definition of “the relevant last day” of the following—  
““the relevant last day” has the same meaning as in rule 3.3b(xiv)”, and
  - (b) if the civil servant builds up further contributed pension after he becomes entitled to a pension under rule 3.3b, a new pension account must be established under rule 14.10 for the civil servant.
- (3) If the option under rule 3.3b is exercised in respect of part of the civil servant's pension, he will not be entitled to payment of any contributed pension under this section 14 until full retirement.

### **The retirement index addition**

- 14.14 (1) This rule deals with the way in which, for the purposes of rules 14.12, 14.13 and 14.13A, the retirement index addition is calculated in respect of the civil servant's carried forward contributed pension for the purposes of calculating
- (a) in the case of rule 14.12, the provisional amount of the civil servant's deferred contributed pension, and
  - (b) in the case of rules 14.13 and 14.13A, the civil servant's full retirement contributed pension.

- (2) The retirement index addition is calculated as follows.

#### *Step 1*

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

#### *Step 2*

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

*Step 3*

Calculate the increase percentage by—

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

*Step 4*

Calculate the increase percentage of the carried forward pension.

- (3) In this rule—

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

“the relevant last day” means—

- (i) in a case where the pension is payable under rule 3.3b, the relevant last day as defined in rule 3.3b(xiv), and
  - (ii) otherwise, the last day of service in respect of which the civil servant's pension is payable.
- (4) Nothing in these rules requires the payment of any part of a contributed pension that is attributable to retirement index addition payable in respect of the scheme year in which the pension becomes payable to be made before the end of that year.

## **Closing and adjusting accounts on transfer out**

- 14.15 (1) If a transfer value is paid by the 1972 Section in respect of a civil servant, all pension accounts relating to the civil servant must be closed except as provided in paragraph (2).
- (2) Nothing in paragraph (1) requires any account to be closed if the amounts specified in the account are or include amounts to which the transfer value does not relate or is not attributable, but an account that is not closed because of this paragraph must be adjusted in such manner as the Minister considers appropriate to reflect the extinguishment under rule 6.39 of the rights to any other benefits to which the transfer value payment relates.

## **Part 4**

### **Payment of contributed pension and lump sum**

#### **Entitlement to contributed pension and lump sum on normal retirement**

- 14.16 (1) A civil servant entitled to a pension under rule 3.1 (normal retirement) is also entitled to a contributed pension and lump sum if the civil servant has a pension account under this section 14.
- (2) The annual amount of the contributed pension is found by—
- (a) taking the full retirement contributed pension specified in the civil servant's pension account under rule 14.13,
  - (b) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any), and
  - (c) adding the inverse commutation addition amount so specified (if any).
- (3) The amount of the contributed lump sum is found by
- (a) taking the amount of the full retirement contributed pension specified in the civil servant's pension account under rule 14.13 and multiplying it by three,
  - (b) subtracting the inverse commutation amount (if any), or (c) adding the commutation addition amount (if any).

#### **Entitlement to contributed pension and lump sum on a civil servant with a preserved pension and lump sum entitlement reaching pension age**

- 14.17 (1) A civil servant with a preserved pension and lump sum entitlement under rule 3.11 whose preserved pension and lump sum come into payment at pension age is also entitled to a contributed pension and lump sum under this rule if he has a pension account under this section 14.
- (2) The annual amount of the contributed pension is found by—
- (a) taking the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12,
  - (b) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any), and
  - (c) adding the inverse commutation addition amount so specified (if any).
- (3) The amount of the contributed lump sum is found by
- (a) taking the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12 and multiplying it by three, and
  - (b) subtracting the inverse commutation amount (if any), or (c) adding the commutation addition amount (if any).

### **Entitlement to contributed pension and lump sum on early payment of pension with actuarial reduction**

- 14.18 (1) A civil servant entitled to immediate payment of a pension and lump sum under rules 3.10a or 3.10c is also entitled to a contributed pension and lump sum under this rule if the civil servant has a pension account under this section 14.
- (2) The annual amount of the contributed pension is found by—
- (a) taking
    - (i) in the case of a civil servant entitled to a pension under rule 3.10a, the full retirement contributed pension specified in the civil servant's pension account under rule 14.13, or
    - (ii) in the case of a civil servant entitled to a pension under rule 3.10c, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, and
  - (b) (where the member has not exercised the option in rule 14.18A), subtracting the early payment reduction so specified in respect of that pension (if any), and
  - (c) subtracting the commutation amount so specified (if any) and the allocation amount so specified (if any), and
  - (d) adding the inverse commutation addition amount so specified (if any).
- (3) The amount of the contributed lump sum is found by—
- (a) taking
    - (i) in the case of a civil servant entitled to a pension under rule 3.10a, the amount of the full retirement contributed pension specified in the civil servant's pension account under rule 14.13 and multiplying it by three, or
    - (ii) in the case of a civil servant entitled to a pension under rule 3.10c, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12 and multiplying it by three, and
  - (b) if an early payment reduction was applied to the pension under paragraph (2)(b), subtracting the early payment reduction in respect of that lump sum calculated using the same factors as are provided by the Scheme Actuary for the purposes of rule 3.10a, and
  - (c) subtracting the inverse commutation amount (if any), or
  - (d) adding the commutation addition amount (if any).

### **Option to buy out actuarial reduction**

- 14.18A (1) Where a civil servant is entitled to early payment of a pension and lump sum under rule 3.10a or 3.10c and is also entitled to a contributed pension under rule 14.18, the civil servant may buy out the early payment reduction that would otherwise apply under rule 14.18(2)(b) and (3)(b).
- (2) The cost of buying out the early payment reduction is set out in tables prepared by the Minister, after consulting the Scheme Actuary.



- (3) The civil servant must meet the cost of buying out the early payment reduction in one of the ways set out in rule 3.51(iv).

### **Option to defer payment of contributed pension**

14.18B (1) Where—

- (a) a civil servant is entitled to early payment of a pension and lump sum under rule 3.10a or 3.10c ;
- (b) the civil servant is also entitled to a contributed pension and lump sum under this section 14 ; and
- (c) if the civil servant is a civil servant to whom an exclusion in rule 3.10aa(i)-(iii) applies, he has reached the age of 55 years,

the civil servant may opt not to take the contributed pension and lump sum at the same time as the early pension and lump sum under rule 3.10a or 3.10c (as applicable).

(2) If a civil servant exercises the option in paragraph (1)—

- (a) rule 14.12 applies (effect on pension account of civil servant resigning or opting out of the scheme) in respect of the civil servant's contributed pension and lump sum; and
- (b) the civil servant is entitled to a contributed pension and lump sum when the civil servant notifies the scheme administrator in writing, in such form as the Minister requires, that the civil servant wishes to take the contributed pension and lump sum, provided that the civil servant must take the contributed pension and lump sum at or before pension age.

(3) If a civil servant chooses to take the contributed pension and lump sum under paragraph (2) before pension age—

- (a) the annual amount of the contributed pension is found by applying rule 14.18(2)(a)(ii), (b), (c) and (d); and
- (b) the amount of the contributed lump sum is found by applying rule 14.18(3)(a)(ii), (b), (c) and (d).

(4) If the civil servant chooses to take the contributed pension and lump sum under paragraph (2) at pension age—

- (a) the annual amount of the contributed pension is found by applying rule 14.18(2)(a)(ii), (c) and (d); and
- (b) the amount of the contributed lump sum is found by applying rule 14.18(3)(a)(ii), (c) and (d).

### **Entitlement to contributed pension and lump sum on early payment of pension on medical grounds or where personal circumstances prevent future employment**

14.19 (1) A civil servant entitled to—

- (a) an ill health pension and lump sum under rule 3.4 (retirement on medical grounds),
- (b) immediate payment of his preserved pension and lump sum under rule 3.14 (early retirement on medical grounds of former civil servant),

PCSPS – Section II (The 1972 Section)

- (c) immediate payment of his preserved pension and lump sum under rule 3.14b (early retirement on medical grounds of civil servant who has opted out of the scheme), or
- (d) immediate payment of his preserved pension and lump sum under rule 3.15 (retirement in personal circumstances which prevent future employment)

is also entitled to a contributed pension and lump sum under this rule if the civil servant has a pension account under this section 14.

- (2) The annual amount of the contributed pension is found by—

(a) taking

- (i) in the case of a civil servant entitled to an ill health pension and lump sum under rule 3.4, the full retirement contributed pension specified in the civil servant's pension account under rule 14.13, or
  - (ii) in the case of a civil servant entitled to immediate payment of his preserved pension and lump sum under rules 3.14, 3.14b or 3.15, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, and
- (b) subtracting the commutation amount so specified (if any) and the allocation amount (except in the case of an ill health pension where allocation is not permitted) so specified (if any), and
- (c) adding the inverse commutation addition amount so specified (if any).

- (3) The annual amount of the contributed lump sum is found by—

(a) taking

- (i) in the case of a civil servant entitled to an ill health pension and lump sum under rule 3.4, the amount of the full retirement contributed pension specified in the civil servant's pension account under rule 14.13 and multiplying it by three, or
  - (ii) in the case of a civil servant entitled to immediate payment of his preserved pension and lump sum under rules 3.14, 3.14b or 3.15, the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12 and multiplying it by three, and
- (b) subtracting the inverse commutation amount (if any), or
- (c) adding the commutation addition amount (if any).

- (4) If, in the case of a civil servant to whom rule 3.4 applies, any of the amounts specified in the civil servant's account under rule 14.10 in accordance with rule 14.10(2) and (4), as at the end of the last service day, were, or were attributable to, contributions made under rule 14.3 (civil servant's option to pay additional lump sum contributions to purchase pension and lump sum) made less than 12 months before the relevant day ("recent lump sum contributions"), these rules apply as if the civil servant had left pensionable service in respect of the rights that accrued in the service that is ceasing so far as relating to the recent lump sum contributions. Accordingly—

- (a) rule 14.12 applies as if—

- (i) the only amounts specified in the civil servant's pension account under rule 14.10 in accordance with rule 14.10(2) and (4) as at the end of the last service day were so much of those amounts as are, or are attributable to, the recent lump sum contributions, and
    - (ii) no other amounts were specified in that account, and
  - (b) rule 14.13 applies as if the only amounts specified in the civil servant's account under rule 14.10 in accordance with rule 14.10(2) and (4) as at the end of the last service day were the amounts so specified, less so much of those amounts as are, or are attributable to, the recent lump sum contributions, and
  - (c) rules 14.17 or 14.18 apply to the payment of contributed pension to the civil servant from the amounts to which rule 14.12 applies, as if the civil servant had been awarded preserved benefits under rule 3.11, provided that he meets the requirements for his preserved benefits to be brought into payment under rule 3.11 or rule 3.10c, and
  - (d) this rule and rule 3.4 apply to the payment of contributed pension to the civil servant from the amounts to which rule 14.13 applies.
- (5) In paragraph (4) “the relevant day”, in relation to a civil servant, means—
- (a) the day on which the civil servant's employer first requested the Scheme Medical Adviser for the opinion by virtue of which the civil servant is entitled to retire on medical grounds, or
  - (b) if the civil servant was on sick leave on that day and did not return to service from that leave, the day on which that leave began.
- (6) In paragraph (4) “the last service day” means the last day of service in respect of which the civil servant's pension under rule 3.4 will be payable.
- (7) If the circumstances set out in rule 3.7(i)(a) or (b) apply (civil servant makes false declaration or suppresses a material fact about his health), rule 3.7(ii) applies to any payment made under this section 14.

### **Abatement of contributed pension on re-employment of a civil servant**

- 14.20 If a person receiving contributed pension under this section 14 or a person with a pension account under rule 14.12 (deferred contributed pension) is re-employed in the Civil Service in circumstances where rules 3.26, 3.28 or 3.29 apply to him, then rules 3.26 to 3.30 apply to suspend or reduce his contributed pension on the same basis as those rules apply to the pension payable to him under section 3.

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

### **Entitlement to contributed pension for widows, widowers and surviving civil partners**

- 14.21 (1) This rule applies if—
- (a) a civil servant was entitled to immediate payment of a contributed pension at the date of death or would have become entitled to such a pension had he not died, and
  - (b) the civil servant leaves—
    - (i) an eligible widow entitled to a widow's pension under rule 4.3,
    - (ii) an eligible widower entitled to a widower's pension under rule 4.21, or

- (iii) a surviving civil partner entitled to a pension under part 8 of section 4.
- (2) Where this rule applies, the civil servant's eligible widow, eligible widower or surviving civil partner (as applicable) is entitled to a dependant's contributed pension under this rule.
- (3) Where a civil servant dies in pensionable service without having opted out of the scheme, the annual amount of the dependant's contributed pension payable under paragraph (2) is 50% of the civil servant's assumed contributed pension.
- (4) For the purposes of paragraph (3), "the civil servant's assumed contributed pension" is—
- (a) the annual amount of the contributed pension to which the civil servant would have been entitled if immediately before his death the civil servant had become entitled, on normal retirement, to the immediate payment of a contributed pension under rule 14.16, and
  - (b) as if paragraphs (b) and (c) of rule 14.16(2) were omitted.
- (5) On the death of a civil servant or former civil servant with entitlement to a preserved pension and lump sum under rule 3.11, the annual amount of the dependant's contributed pension payable under paragraph (2) is an amount equal to 50% of the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12.
- (6) On the death of a civil servant after retirement, the annual amount of the dependant's contributed pension payable under paragraph (2) is an amount equal to 50% of the annual amount of the civil servant's contributed pension, assuming no subtractions had been made under rules 14.16(2)(b), 14.17(2)(b), 14.18(2)(b) and (c) or 14.19(2)(b) and assuming no additions had been made under rules 14.16(2)(c), 14.17(2)(c), 14.18(2)(d) or 14.19(2)(c).
- (7) In accordance with section 7(4) of the Pensions (Increase) Act 1971, for the purposes of paragraph (6) any increase in the civil servant's contributed pension since the date on which it is treated as beginning for the purposes of that Act is disregarded.
- (8) A dependant's contributed pension under this rule will be paid from the day after the date of the civil servant's death until the date of the widow's, widower's or surviving civil partner's death or, if earlier, until such date as the widow, widower or surviving civil partner remarries, forms a civil partnership or was living or begins to live with another person as his spouse or civil partner. This paragraph is subject to paragraph (9).
- (9) In any case where a widow's, widower's or surviving civil partner's pension ceases under paragraph (8) the Minister, or if the Minister so directs, the scheme administrator, may restore it if they are satisfied that there are compassionate grounds for so doing or if the second marriage or civil partnership comes to an end or if the widow, widower or surviving civil partner ceases to live with another person as his spouse or civil partner.
- (10) In this rule—
- “eligible widow” has the meaning given in rule 4.4, and
- “eligible widower” has the meaning given in rule 4.21a.

## **Surviving children's entitlement to contributed pension**

14.22 (1) If—

- (a) a civil servant dies leaving one or more eligible children,
- (b) a children's pension is payable in respect of one or more eligible children under rule 4.25, and
- (c) the civil servant was entitled to immediate payment of a contributed pension at the date of death or would have become entitled to such a pension had he not died,

a children's contributed pension is payable under this rule.

- (2) "Eligible child" has the meaning given in rule 4.26, subject to rules 4.26a to 4.28.
- (3) A children's contributed pension under this rule will be paid for all children who are still eligible and the amount of it will depend on the number of such children. Subject to paragraphs (5) and (6), the annual amount will be—
  - (a) in the case of a civil servant who dies in pensionable service without having opted out of the scheme, the appropriate fraction of the civil servant's assumed contributed pension as calculated in accordance with rule 14.21(4),
  - (b) in the case of a civil servant or former civil servant who dies with entitlement to a preserved pension and lump sum under rule 3.11, the appropriate fraction of the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, or
  - (c) in the case of a civil servant who dies after retirement, the appropriate fraction of the civil servant's contributed pension calculated using the assumptions set out in rule 14.21(6) and (7).
- (4) In this rule "the appropriate fraction" means—
  - (a) one-quarter for each eligible child in the care of the civil servant's widow, widower or surviving civil partner (whether or not the widow, widower or surviving civil partner is receiving a dependant's contributed pension under rule 14.21), or
  - (b) one-third for each eligible child in the care of some other person.
- (5) The total amount of a children's contributed pension under this rule may at no time exceed—
  - (a) in the case of a civil servant who dies in pensionable service without having opted out of the scheme, the maximum fraction of the civil servant's assumed contributed pension as calculated in accordance with rule 14.21(4),
  - (b) in the case of a civil servant or former civil servant who dies with entitlement to a preserved pension and lump sum under rule 3.11, the maximum fraction of the provisional amount of the civil servant's deferred contributed pension specified in the civil servant's pension account under rule 14.12, or
  - (c) in the case of a civil servant who dies after retirement, the maximum fraction of the civil servant's contributed pension calculated using the same assumptions as set out in rule 14.21(6) and (7).

Where the number of eligible children is such that a children's contributed pension under paragraph (3) of this rule would exceed these limits, the part of the pension payable to each child will be scaled down accordingly.

- (6) In this rule "the maximum fraction" means—
- (a) one-half if all of the eligible children are in the care of the civil servant's widow, widower or surviving civil partner or if a dependant's contributed pension under rule 14.21 is in payment;
  - (b) seven-twelfths if there is one eligible child in the care of some other person and if no dependant's contributed pension under rule 14.21 is in payment; or
  - (c) two-thirds if there are two or more eligible children in the care of some other person and if no dependant's contributed pension under rule 14.21 is in payment.
- (7) Unless the Minister, or if the Minister so directs the scheme administrator, directs otherwise, a children's contributed pension under this rule will be paid to the civil servant's widow, widower or surviving civil partner if the eligible children are in his care, and to the children's guardian if they are in the care of some other person. If they are in the care of more than one person different parts of the pension will be paid to those persons in the appropriate proportions. In all cases the pension is to be applied for the benefit of the children for whom it is granted.
- (8) If an increase in widow's pension is payable under rules 4.7 or 4.7a or if an increase in widower's pension is payable under rules 4.21d or 4.21e or, if a short term pension is payable under rules 4.8 or 4.21f, a children's contributed pension under this rule will be paid from the day following the date on which the increased or short-term pension ceases. Where an increased or short-term pension is not payable, or where an eligible child is in the care of some person other than the widow, widower or surviving civil partner a children's contributed pension under this rule will be paid, in respect of that eligible child, from the day after the date of the civil servant's death. It will continue until such time as there are no longer any eligible children.
- (9) An eligible child may receive a children's contributed pension under this rule in respect of not more than two civil servants to each of whom this scheme applies. If an eligible child is eligible for children's contributed pension in respect of three or more civil servants to each of whom this scheme applies, the child will count as eligible in respect of only two civil servants, in the way which gives the most favourable overall result.

### **Invalidity pension/pension for adult dependants**

- 14.23 If a civil servant who opts to pay additional contributions to purchase contributed pension and lump sum under this section 14 is also paying contributions for an invalidity or adult dependant's pension under part 4 or 5 of section 4, his contributions under this section 14 will not include an element for those benefits. No additional invalidity or adult dependant's pension will become payable under this section 14.

## **Section 15**

### **Employers' Contributions**

#### **Employers' contributions**

- 15.1 (1) Each employer of a civil servant in pensionable service in the scheme must make contributions to the scheme in respect of the civil servant at such rate and at such intervals as the Minister may for the time being determine after consultation with the Scheme Actuary.
- (2) This rule is subject to rule B.2(8) of the General Provisions Section.

#### **Employers' payments**

- 15.2 (1) Each employer of a civil servant in pensionable service in the scheme 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.
- (2) 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.

## Section 16

### Information to be Provided by Employers

- 16.1 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.
- 16.2 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.
- 16.3 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.
- 16.4 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.



## Section 17

### **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**

#### **Conditions for eligibility**

- 17.1 (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 the 1972 Section —
- (a) P must have been—
    - (i) a member of the 1972 Section; or
    - (ii) eligible to be a member of the 1972 Section 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.

## Additional Protections for the scheme

- 17.2 (1) (a) If the pensionable earnings, calculated in accordance with rule 1.6a, of a section 1(4A) eligible person who is an active member of the 1972 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 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 pensionable earnings calculated in accordance with rule 1.6a had P's last day of qualifying service been the first day of the applicable relevant period;
- a is the amount to which £5,000 would have increased at the last day of the applicable relevant period if it had been an official pension within the meaning of section 5(1) of the Pensions (Increase) Act 1971 beginning, and first qualifying for increases under that Act, on 1st April 2011; and
- b is  $(P1/P2)$
- where—
- P1 is the index number for the earnings series which applies to the last day of the applicable relevant period;
- P2 is the index number for the earnings series which applies to the first day of the applicable relevant period; and the earning series is the total weekly earnings growth including bonuses but excluding arrears specified in the Average Weekly Earnings index on a seasonally adjusted basis for the public sector excluding financial services published by the Office for National Statistics.
- (c) In paragraph (b) the relevant period is—
- (i) the period starting with the day which is 3 calendar years before P's last day of qualifying service and ending with P's last day of qualifying service; or
  - (ii) if P was transferred to a new employer during the period of 4 calendar years before P's last day of qualifying service, the period starting with the day which is 12 months after the day that P transferred to that new employer and ending with P's last day of qualifying service; or
  - (iii) if P was transferred to a new employer during the period of 12 months before P's last day of qualifying service, the period starting with the day that P transferred to that new employer and ending with P's last day of qualifying service.
- (2) Where an employer of a section 1(4A) eligible person increases the salary (or wages) or pensionable emoluments 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.

## **Application of Rules**

### **17.3**

(1) Where an employer of a section 1(4A) eligible person proposes to make an additional contribution under rule 14.6 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 Minister 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.

## **Section 18**

### **2015 Scheme Members: Transition Members**

#### **Preliminary**

##### **Application of Section 18**

- 18.1 (i) This Section makes provision regarding the application of the rules of this scheme for transition members.
- (ii) This scheme has effect in relation to a transition member with continuity of service as if the member was a civil servant to whom this scheme applies, subject to the provisions of this Section.

##### **Interpretation of Section 18**

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

##### **Application of rule 1.4e**

- 18.3 A transition member with continuity of service cannot exercise an option under rule 1.4e (inactive members) to be treated as an inactive member of the scheme.

##### **Application of rule 1.5**

- 18.4 (i) Rule 1.5 (definition of “reckonable service”) applies to a transition member with continuity of service subject to the provisions of this rule.
- (ii) In relation to a transition member with continuity of service, references in these rules to qualifying service include qualifying service for the purposes of this scheme and any continuous period of pensionable service under the 2015 Scheme taken together, subject to paragraph (iii).
- (iii) (a) Qualifying service (“the past period of qualifying service”) that a re-employed civil servant (“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, in accordance with rules 3.35 – 3.35f.

##### **Application of rules 1.6a – 1.8**

- 18.5 (i) In determining the pensionable earnings of a transition member, rules 1.6a – 1.8 (meaning of “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).
- (ii) In determining the final salary (within the meaning of the 2013 Act) of a transition member 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.

## **Application of Section 2**

- 18.6 (i) Section 2 (reckonable service) applies to a transition member (T) subject to the provisions of this rule.
- (ii) No period on or after T's transition date shall count as reckonable service.

## **Application of Rule 2A.2**

- 18.7 Rule 2A.2 (rate of further contributions) does not apply to a transition member.

## **Application of rules relating to previous periods of pension**

- 18.8 (i) A transition member (T) who returns to scheme employment after a gap in service may, if T has not previously exercised the option in rule 3.35, exercise that option whilst T is an active member of the 2015 Scheme (but before T's pension age in relation to this scheme).
- (ii) Rule 3.35f applies to a transition member with continuity of service with the following modifications—
- (a) in rule 3.35f(a)(i) for “at the end of his re-employment” there is substituted “at the end of the person's period of pensionable service in the 2015 Scheme” ;
- (b) where a re-employed civil servant who is a transition member with continuity of service who is entitled to exercise an option under 3.35(f)(a)(ii) dies before exercising that option, the civil servant is assumed to have exercised the option in the way which would provide the greatest level of benefits in respect of the member under the 2015 Scheme.

## **Application of Rules 4.9 and 4.22**

- 18.9 Rules 4.9 and 4.22 (contributions) do not apply to a transition member.

## **Application of Section 6**

- 18.10 (i) In relation to a transition member with continuity of service (T), Section 6 (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.
- (ii) 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.
- (iii) T may only apply for a transfer value into this scheme if—
- (a) it is a transfer of final salary benefits under the public sector transfer arrangements; or
- (b) T 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.
- (iv) 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.

### **Application of Section 7**

- 18.11 (i) An option made by a transition member to buy added years under rule 7.1 (option to purchase added years) continues to have effect during any such period as the transition member is an active member of the 2015 Scheme with continuity of service.
- (ii) Section 7 (purchase of added years) of this scheme applies to any such continuing option to make additional contributions as if the transition member was an active member of this scheme save that—
- (a) the periodical contributions for added years are payable by deduction from the transition member's pensionable earnings in relation to the transition member's 2015 Scheme service; and
- (b) references in Section 7 to the civil servant leaving the Civil Service or opting out of the scheme are taken as references to the civil servant ceasing to be an active member of the 2015 Scheme.
- (iii) Where a transition member with continuity of service cancels an option to buy added years, the option cannot be exercised again.

### **Application of Section 14**

- 18.12 (i) A transition member cannot exercise a new option under Section 14 (contributed pension and lump sum) to make additional periodical contributions to this scheme.
- (ii) An option already made by a transition member to make additional contributions to this scheme under rule 14.2 (civil servant's option to pay additional periodical contributions to purchase pension and lump sum) continues to have effect during any such period as the circumstances in subparagraph (iii) are met.
- (iii) The circumstances are—
- (a) the transition member opted to make the additional periodical contributions to this scheme under rule 14.2 before the member's transition date; and
- (b) the transition member is an active member of the 2015 Scheme with continuity of service.
- (iv) Part 2 of this scheme applies to any such continuing option to make additional contributions as if the transition member was an active member of this scheme save that—
- (a) the additional contributions are payable by deduction from the transition member's pensionable earnings in relation to the member's 2015 Scheme service; and
- (b) the contribution option period ends when the transition member ceases to be an active member of the 2015 Scheme or such shorter period as may be specified in the option.
- (v) Where a transition member with continuity of service cancels an option to make additional periodical contributions, the option cannot be exercised again.

### **Application of rules relating to ill-health pension**

- 18.13 (i) 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”).
- (ii) T is not entitled under rule 3.4 (retirement on medical grounds) to payment of an ill health pension or a lump sum or to enhancement.
- (iii) T is not entitled to payment of a lump sum under rule 3.11.
- (iv) The following rules do not apply to T—
- (a) 3.1(b) (lump sum on ordinary retirement);
  - (b) 3.3b, (partial retirement), to the extent that it provides for a lump sum to be payable; and
  - (c) 3.50 (general option to exchange part of pension for extra lump sum).
- (v) Subject to the provisions of this rule, this scheme applies to T as if T was awarded a preserved pension under rule 3.11 on the day that T became entitled to payment of the ill-health pension.
- (vi) In calculating the pension that T is entitled to under rule 3.11 on reaching pension age, the following are subtracted—
- (a) the amount of pension exchanged for a lump sum as a result of the exercise of an option to commute pension under the 2014 Regulations (if any) to the extent that it relates to pension payable under this scheme; and
  - (b) an amount equal to any transfer payment made to another scheme before the member reached normal pension age under the PCSPS.
- (vii) Before the amounts in paragraph (5)(a) and (b) are subtracted they must be increased by the amount by which the annual rate of a pension of that amount would have been increased under the Pensions (Increase) Act 1971 if—
- (a) that pension was eligible to be so increased; and
  - (b) the beginning date for that pension was the date that the ill-health pension became payable.

### **Application of rules relating to payment of death benefits on the death in service of a civil servant**

- 18.14 (i) 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.
- (ii) Benefits under rules 3.8 – 3.9b (death benefits) are not payable in respect of the transition member.
- (iii) A nomination for lump sum death benefit by the transition member under regulation 122 of the 2014 Regulations—
- (a) has effect as a nomination under rule 3.8 of this scheme; and
  - (b) replaces any previous nomination under or which has effect as a nomination under rule 3.8 of this scheme.

PCSPS – Section II (The 1972 Section)

- (iv) 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 3.8 of this scheme.



## Appendix 1

### Pensionable Emoluments

(Rule 1.9)

1. As a general rule only permanent emoluments are pensionable. It is not possible to draw up an exhaustive list of pensionable emoluments, since whether or not an emolument is pensionable often depends on individual circumstances. The following paragraphs list the main emoluments which are regarded as pensionable or non-pensionable.
2. The following emoluments are pensionable:
  - (i) Substitution pay or deputising allowance.
  - (ii) Sunday duty pay.
  - (iii) Night duty and shift duty allowances for work performed in the course of normal duty.
  - (iv) Additional emoluments paid for extra responsibility and granted on a permanent basis, eg:
    - (a) allowances in lieu of promotion;
    - (b) private secretaries' allowances;
    - (c) typing grade allowances;
    - (d) allowances for supervision;
    - (e) allowances for performing the duties of deputy to the head of a branch.
  - (v) Free rations, free laundry and uniforms which are expressly provided on a pensionable basis. (The pensionable value of such uniforms is taken to be 2% of salary, excluding emoluments.)
  - (vi) Free official residences or quarters, fuel and light, or allowances in lieu of these, granted to civil servants stationed in the United Kingdom (unless they are expressly granted on a non-pensionable basis). But:
    - (a) the pensionable value of a free official residence or quarters (or of cash allowances in lieu of these) may not exceed one-sixth of pensionable earnings;
    - (b) the pensionable value of all emoluments under this sub-paragraph may not exceed one-third of pensionable earnings.
  - (vii) Free official residences or quarters abroad are pensionable only if the grade in question or a corresponding grade is employed in the United Kingdom, and if the employee in question would be entitled to similar emoluments if he were serving in such a grade in the United Kingdom.
  - (viii) Recruitment and retention allowance 1.
  - (ix) Non-consolidated pay schemes designated in whole or in part as pensionable by the Minister.
3. The following emoluments are not pensionable:
  - (i) Gratuities.
  - (ii) Allowances intended to meet special expenses (e.g. subsistence allowances, cost of living allowances and other foreign service allowances).

PCSPS – Section II (The 1972 Section)

- (iii) Fluctuating emoluments including overtime pay and bonus payments other than those designated as pensionable pursuant to paragraph 2 (ix) above (and see paragraph 5).
  - (iv) Other payments or allowances for casual or intermittent duties.
  - (v) Recruitment and retention allowance 2.
  - (vi) Free uniforms which are expressly provided on a non-pensionable basis.
4. Where there are special circumstances the Minister may agree to count as pensionable an emolument which is normally non-pensionable.
5. Where authorised by the Minister, staff appointed before certain dates have reserved rights to count some non-pensionable emoluments as pensionable. In particular, certain staff in post on 1 March 1965 may count overtime pay as pensionable if it is drawn continuously and regularly and if they remain in a grade or post in which overtime pay was pensionable on that date.

## **Appendix 2**

This appendix has been deleted.

## Appendix 3

### Block Transfers Into the Civil Service

(Rule 2.18)

Service in the employments shown in the following table is treated as reckonable or qualifying service in the Civil Service if the person concerned subsequently became a civil servant. The first column of the table gives the outside employment; the second column gives the dates on which or within which the civil servant must have transferred to the Civil Service; and the third column gives the Statutory Instrument or enactment which set out the conditions on which the earlier service was reckonable.

#### Rules made under section 33 of the Superannuation Act 1965

Roehampton Hospital	30/4/1935 to 31/8/1953	SI 1957/1723
Wartime Social Survey	on 26/11/1946	SI 1957/1989
Polish Education Committee	on 1/10/1954	SI 1959/191
British Council	1/5/1946 to 27/1/1947	SI 1959/1922
Imperial Institute (Mineral Resources Department or Plant and Animal Products Department)	on 1/4/1949	SI 1959/1923
Imperial Institute (Central Film Library)	1/4/1948 to 1/3/1951	SI 1959/1923
Imperial Institute (Timber Mechanics Staff)	on 1/10/1929	SI 1959/1923
Local Government (and transferred to the Unemployment Assistance Board, Assistance Board or National Assistance Board)	before 1/10/1960, 19/10/1948, 13/7/1948 or 11/7/1950, according to circumstances	SIs 1959/1985 and 1961/1376
Imperial Forestry Institute	1/1/1927 to 1/1/1931	SI 1961/1775
Low Temperature Research Station	1/4/1934 to 1/1/1947	SI 1961/1776
Pest Infestation Laboratory	on 1/4/1940	SI 1961/1777
Hostels Staff	on 1/4/1954, 1/7/1954 or 1/10/1955	SI 1962/158
Agricultural Staff	27/7/1944 to 1/1/1951	SI 1963/1220
Institutes for the Blind	on 1/10/1963	SI 1964/719
Anti-Locust Research Centre	on 1/4/1961	SI 1964/1720
City of London Collectors of Taxes	on 1/4/1946	SI 1965/1558
National Buildings Record	on 1/4/1963	SI 1965/1040
Local Government (and transferred to the National Assistance Board)	30/9/1960 to 2/2/1965	SI 1965/2130
Tropical Research Units	on 1/4/1965	SI 1966/776
Pool of Soil Scientists	1/7/1965 to 30/9/1966	SI 1969/402
Hovercraft Development Ltd	on 1/10/1967	SI 1970/1331
Pest Infestation Laboratory	on 1/11/1970	SI 1971/1726

#### Rules made under section 35 of the Superannuation Act 1965

Local Government	before 28/5/1948	SI 1949/1803
Safety in Mines Research Board	before 13/7/1946	SI 1949/1803
War Agricultural Executive	before 17/2/1948 (England and Wales) or 2/12/1947 (Scotland)	SI 1949/1803

**Rules made under section 36 of the Superannuation Act 1965**

Approved Societies	before 5/7/1949	SI 1948/2434
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**Section 37 of the Superannuation Act 1965**

Imperial War Graves Commission	before 30/9/1934	S.37 of the Superannuation Act 1965
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**Rules made under section 281 of the Government of India Act 1935**

India Service	before 2/8/1935	SI 1936/1034 and S.92 of the Superannuation Act 1965
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**Rules made under section 51 of the Unemployment Act 1934**

Local Government (and transferred to the Unemployment Assistance Board under the Unemployment Act 1934)		SR & O 1935/592
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**Rules made under section 2 of the Superannuation (Miscellaneous Provisions) Act 1948**

Silicosis Medical Board	on or after 7/4/1948	SI 1949/168
Wheat Commission	before 2/11/1957	SI 1958/1807
(Note: This Instrument provided for service in the Wheat Commission to count as qualifying service only, rather than as reckonable service, in the Civil Service. Paragraph (2) of Rule 1 of the Instrument, which makes special provision for the reckoning of service on medical retirement, is to be treated as having been revoked.)		
General Medical Council	on 1/3/1970	SI 1970/1357

**Rules made under section 6(2)(d)(i) to (iii) of the Commonwealth Telegraphs Act 1949 (as amended by section 43 of the Superannuation Act 1949)**

Cable and Wireless Limited	on or after 1/4/1950	Sis 1955/1893, 1962/196, 1968/1979 and 1971/61
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**Section 2 (7) of the Supreme Court Officers (Pensions) Act 1954**

Secretary or clerk to High Court judge, etc	on 4/6/1954	S.2(7) of the Supreme Court Officers (Pensions) Act 1954
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## Appendix 4

### Rules Applying to Transfers Between the Civil Service and Other Employments

(Rule 2.19 and paragraphs 1 and 5 of Appendix 12)

(Except where otherwise stated, the Statutory Instruments listed below were made or were deemed to have been made under section 2 of the Superannuation (Miscellaneous Provisions) Act 1948. The first column of the table shows the Statutory Instrument and the second column shows the outside employment.)

#### Part 1 Statutory Instruments revoked with effect from 1 June 1972

SI 1950/1539, as amended by Sis 1952/1330, 1954/263, 1955/127, 1955/1427, 1958/2092, 1959/2015, 1960/1466, 1961/377, 1963/1760, 1964/1719, 1964/1800, 1966/454, 1966/705, 1967/89, 1967/1111, 1968/471, 1969/1382, 1970/744, 1970/1563 and 1971/752	Public Boards
SI 1952/917	Fire Service
* SI 1953/337, as amended by SI 1966/453	FSSU
* SI 1954/981	Imperial Institute
SI 1956/976, as amended by SI 1966/450	Jersey Civil Service
SI 1957/1222, as amended by SI 1966/451	Northern Ireland Health Service
SI 1957/2229, as amended by SI 1966/449	Isle of Man Authorities
SI 1960/819, as amended by SIs 1966/452 and 1968/779	Northern Ireland Local Government
* SI 1965/1827, as amended by SI 1966/447	Agricultural Research Organisations
SI 1966/769, as amended by SI 1967/614	Members of the House of Commons
SI 1966/1586	Police
SI 1968/841	Public Transport Services
* SI 1969/34	Territorial and Auxiliary Forces Association
SI 1971/2013	Northern Ireland Teaching Service

#### Part 2 Statutory Instruments in force after 1 June 1972

SR & O 1936/651, as amended by SR & Os 1940/1076 and 1947/2809	Local Government
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## PCSPS – Section II (The 1972 Section)

Regulation 77 of SI 1961/1441 (made under section 67 of the National Health Service Act 1946)	National Health Service
Regulation 75 of SI 1961/1398 (made under section 66 of the National Health Service (Scotland) Act 1947)	National Health Service (Scotland)
SI 1968/72	Local Government
SI 1970/260	Teaching Service
SI 1970/1464	Teaching Service (Scotland)

### Notes

- Rules marked \* provided for the service in the outside employment to count as qualifying service only, rather than as reckonable service in the Civil Service. The following provisions of these rules, which make special provision for the reckoning of service on medical retirement, will be treated as having been revoked:  
 Rule 5 of SI 1953/337  
 Rule 5 of SI 1954/981  
 Rule 3 of SI 1965/1827  
 Rule 3(4) of SI 1969/34
- SR & O 1936/651 should be read with section 26 of the Agriculture Act 1937, Part II of the Schedule to the Agriculture (Miscellaneous Provisions) Act 1944 and section 6 of the Food and Drugs (Milk and Dairies) Act 1944; and SR & O 1940/1076 should be read with section 18 of the Old Age and Widows' Pensions Act 1940.
- On 24 May 1972 several of these rules were extended to other outside employments by the Principal Civil Service Pension Scheme (Transfer Scheme) 1972, as follows:

Rule	Outside employment
SI 1950/1539	British Tourist Authority
	Lancaster Palatine Court
	Guernsey Civil Service
	Welsh National School of Medicine
	University of East Anglia
	Inter-University Council
SI 1953/337	University of London (Administrative Staff Pension Scheme)



PCSPS – Section II (The 1972 Section)

SI 1968/841	<p>Development Corporations</p> <p>London Transport</p> <p>British Railways</p> <p>British Transport Police</p> <p>British Transport Docks Board</p> <p>British Waterways Board</p> <p>University of London (Superannuation Fund and Pension and Life Assurance Scheme)</p>
SI 1968/841 (modified)	<p>Federation Pension Schemes Employment</p> <p>Jersey Police</p> <p>Jersey Fire Service</p> <p>Jersey Prison Service</p> <p>Overseas Civil Service (Overseas Superannuation Scheme)</p> <p>Open University</p> <p>Gas Council and Area Gas Boards (manual workers)</p> <p>National Freight Corporation</p> <p>Tilling Group</p>

## Appendix 5

### Prison Officer Grades

(Rule 2.26)

Subject to the notes below, rules 2.26 and 2.27 apply to service as a prison officer in one of the following grades or pay bands:

England and Wales	Scotland
Chief Officer I/Grade IV/Governor 4	Chief Prison Officer 1&2/Grades IV&V/pay band G
Chief Officer II/Grade V/Governor 5	Principal Prison Officer/Grade VI/pay band F
Principal Prison Officer/Grade VI/Principal Officer	Senior Prison Officer/Grade VII/pay band E
Senior Prison Officer/Grade VII/Senior Officer	Prison Officer/Grade VIII/pay bands D or C
Prison Officer/Grade VIII/Officer	Senior Foreman of Works
Senior Foreman of Works	Foreman of Works
Foreman of Works	Engineer Officer
Engineer	Chief Clerk Officer
House Matron/Grade VI/Principal Officer	Principal Clerk Officer
Pharmacist	Clerk Officer
Principal Nursing Sister	Borstal Matron
Nursing Sister	Nursing Sister
Temporary Officer/Grade VIIIA (who joined before 12.12.82)	
Prison Auxiliary (who joined as a Temporary Officer before 18.1.74)	
service in an operational capacity in Grade 3	
service in an operational capacity in Grade 2 band B or C	
service in an operational capacity as Manager E, F, or G	

PCSPS – Section II (The 1972 Section)

service in a non-operational capacity as a Manager G if appointed in that capacity before 1 January 2007	
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Note 1. Persons in service as Governor IV, Assistant Governor and Assistant Governor (Trainee) who are, or have been regraded Grade IV or V on or before 30 September 1987 and subsequently graded Governor 4 or 5 are excluded.

Note 2. Persons in service as Prison Officer, who have been recruited through the open competition for governor grades but who have been required by their terms and conditions of service to serve 1 year as a Prison Officer before being regraded Grade V, are excluded.

## Appendix 6

### Countries and Places to Which Rule 2.29 Applies

Territories are shown under their common or current names as at 1 June 1972. Rule 2.29 applies to service in each country or place after the date shown in the second column and before 1 June 1972. Where the word “always” appears in the second column, the rule applies to all service in that territory before 1 June 1972.

Place	Date
Admiralty Islands (Pacific Ocean)	3.9.39
Afghanistan	12.8.47
Albania	8.5.45
Angola	always
Arabian Sub-Continent and Islands	always
Australia (West and North of latitude 31.5 degrees South longitude 150 degrees East)	14.7.49
Port Darwin	3.9.39
Bangladesh	3.9.39
Bolivia	always
Brazil	always
Belem (Para), Cidale do Salvador (Bahia), Recife (Pernambuco), Rio de Janeiro and Santos	always
Other places	14.7.49
British Honduras	always
Brunei	always
Bulgaria	8.5.45
Burma (except Rangoon)	14.7.49
Rangoon	always
Cameroon	always
Cape Verde Islands	always
Central African Republic	always
Chad	always
China (except Wei-hai-Wei and Tsingtao)	always
Wei-hai-Wei and Tsingtao	14.7.49
Christmas Island (Pacific Ocean)	6.11.56
Cocos (or Keeling) Islands	3.9.39
Colombia	always
Congo People's Republic (Brazzaville)	always
Costa Rica	14.7.49
Cuba	always
Cyprus	1.5.57 to 31.7.59
Czechoslovakia	8.5.45
Dahomey	always
Dominican Republic	always
Dutch Guiana (Surinam)	always
Ecuador	always
Ethiopia Addis Ababa	1.10.35

## PCSPS – Section II (The 1972 Section)

Eritrea and Harar	always
Other places	14.7.49
Fernando Po	always
Fiji	always
Formosa (Taiwan)	always
French Guiana	always
French Somaliland	always
Gabon	always
Gambia	always
Ghana	always
Gilbert and Ellice Islands	always
Guatemala	14.7.49
Guyana	always
Guinea	always
Haiti	always
Honduras	14.7.49
Hong Kong	always
Hungary	8.5.45
Iceland	5.9.39
India (except Bombay and Calcutta)	3.9.39
Bombay and Calcutta	always
Indonesia	always
Iraq	always
Israel	15.5.48
Ivory Coast	always
Japan	always
Jordan	14.7.49
Kenya	always
Khmer Republic (Cambodia)	always
Korea	always
Laos	always
Lebanon	always
Liberia	always
Libya	14.7.49
Macao	always
Malagasy Republic	always
Malawi	always
Malaysia	always
Malden Island	6.11.56
Maldives Islands	1.1.57
Mali	always
Martinique	14.7.49
Mauretania	always
Mauritius	always
Mexico (except Vera Cruz)	14.7.49
Vera Cruz	always
Mozambique	always
Nauru	always
Nepal	12.8.47
Netherlands Antilles	3.9.39
New Hebrides	always
Nicaragua	always

## PCSPS – Section II (The 1972 Section)

Nicobar Islands	14.7.49
Niger	always
Nigeria	always
Norway (Narvik and Tromsø only)	8.5.45
Pakistan	3.9.39
Palestine	8.5.45 to 14.5.48
Panama	always
Paraguay	always
Penrhyn Island	6.11.56
Persia (Iran)	always
Peru	always
Phillipines	always
Poland	8.5.45
Portuguese Guinea	always
Puerto Rico	always
Reunion	always
Roumania	8.5.45
Russia (except Batoum, Poti and Tiflis)	8.5.45
Batoum, Poti and Tiflis	always
Sao Thome	always
Salvador	14.7.49
Samoan Islands	always
Senegal	always
Sierra Leone	always
Singapore	always
Solomon Islands	always
Somalia	always
Spanish possessions in Africa (excluding N.Africa)	always
Sri Lanka (Ceylon)	always
Sudan (except Khartoum and Suakim)	14.7.49
Khartoum and Suakim	always
Sweden (Lulea only)	8.5.45
Syria	always
Tahiti	14.7.49
Tanzania and Zanzibar	always
Thailand	always
Togo	always
Tonga	always
Trinidad and Tobago	always
Turkey in Asia	
Diabekir and Mersin (Icel)	always
Adana and Iskenderun	3.9.39
Other places (excluding Smyrna)	14.7.49
Uganda	always
United Arab Republic (excluding Alexandria)	3.9.39
Upper Volta	always
USA (Houston, New Orleans and St.Louis only)	always
Venezuela	always
Vietnam (North and South)	always

PCSPS – Section II (The 1972 Section)

Yugoslavia	8.5.45
Zaire	always
Zambia	always
Ships operated by or on behalf of HM Government in the sea area bounded on the North by the continents of Asia and America and the Arctic Circle, on the East by the continent of America (including the Panama Canal) and longitude 67 degrees West, on the South by the Antarctic Circle, and on the West by the continent of Africa (including Port Said and the Suez Canal) and longitude 18 degrees East	14.7.49

## Appendix 7

# Re-employed Civil Servants Whose Earlier Service Ended Before 1 June 1972

(Rule 3.25)

In this appendix, references to s. — eg s.5 — are references to sections of the Superannuation Act 1965.

## Staff re-employed before 1 June 1972

Paragraphs 1 to 3 have been deleted.

4. A civil servant who was re-employed before 1 June 1972, and who received a gratuity for his earlier service, may reckon that service with his current service if the gratuity is refunded in accordance with the conditions applying at the time of re-employment. These were as follows:
- (i) Short service gratuity and additional allowance under ss.2 and 3. These could be refunded on re-establishment, provided that the service for which they were awarded ended before the pension age. The option to refund had to be taken within three months of the date of re-establishment, and repayment had to be made by deductions of not less than 25% of salary. (A civil servant who retired on age grounds with a short service gratuity and additional allowance under ss.2 and 3, and who is re-employed in the Civil Service, may reckon service during re-employment for a payment of 3/80ths of his pensionable earnings for each year of such service (and so in proportion for any fraction of a year), together with one month's pensionable earnings per year of reckonable service before 1 June 1972 if he was serving in an established capacity on 31 May 1972. His service during re-employment may not reckon towards a pension and Section 4 will not apply to him; and if he dies during re-employment the death benefit payable under rule 3.8 will be reduced by the amount of the short service gratuity and additional allowance under ss.2 and 3.)
  - (ii) Unestablished gratuity or part-time gratuity under s.15, 16 or 17. These could be refunded on re-employment, provided that:
    - (a) the break in employment was not greater than three years;
    - (b) the option to refund was exercised within two years of re-employment;
    - (c) the refund was made in one sum.

If the person concerned was subsequently established, a second option to refund was allowed. This option had to be exercised within six months of establishment or (if later) within 2½ years of re-employment. Again the refund had to be made in one sum. The amount to be refunded was increased by 2½% for each complete year in excess of seven between the last day of service for which the gratuity was awarded, and the date of opting to refund.
  - (iii) Marriage gratuity under Treasury Minutes of 15 October 1946, 14 September 1949, 30 August 1957 and 3 May 1966. Before 3 May 1966, if re-establishment took place within seven years of the last day of continuous full-time service (including any unestablished service after resignation on marriage), the refund of a marriage



gratuity was a condition of re-establishment. After a break of more than 7 years the gratuity could not be refunded. The Minute of 3 May 1966 removed this time limit for those re-established on or after that date and made the refund of the gratuity optional. The option to refund had then to be made within three months of the date of re-establishment, and the amount of refund was increased by 3% for each year of the interval between the end of the period for which the gratuity was calculated and the date of re-establishment.

- (iv) Terminal Grant under s.8 of the Superannuation Act 1965. Under the provisions of TIM (60)5 of 16 February 1960 an industrial civil servant who was re-employed and subsequently re-established could refund the Terminal Grant provided that the option was exercised within one month of the date of re-establishment and the refund was made in one lump sum or by deductions of not less than 25% of pay.

For the purposes of this paragraph, unestablished civil servants who became pensionable on 1 June 1972 will be regarded as having become established on that date. An option under (i) or (iii) to refund the gratuities must be exercised within three months of being notified that the option is available; an option under (ii) to refund the gratuities must be exercised within six months of being notified that the option is available, or (if later) within 2½ years of re-employment; and an option under (iv) to refund a Terminal Grant must be exercised within one month of being notified that the option is available.

- 5. A civil servant who was re-employed before 1 June 1972, and who had earlier unestablished service or part-time service of 18 hours a week or more, may reckon that service (at the appropriate rate) if:
  - (i) the earlier service was ended by voluntary resignation (not being to avoid dismissal) and the break was not more than 31 days long; or
  - (ii) the earlier service was ended by voluntary resignation in circumstances which qualified for the payment of an unestablished or part-time gratuity and any gratuity paid was refunded in accordance with the provisions applying at the time (see paragraph 4.(ii)) and the break was not more than 3 years long; or
  - (iii) the earlier service was ended for reasons other than voluntary resignation or dismissal and the break was not more than 3 years long.

In calculating the length of a break, no account will be taken of part-time service of less than 18 hours a week which was continuous with either the earlier or later service of 18 hours a week or more.

- 6. A woman civil servant who resigned from an established post before 1 June 1972 on marriage or subsequently for reasons connected with her marriage may aggregate her previous service with her current service:
  - (i) if she was re-established on or after 3 May 1966, provided any marriage gratuity received has been refunded (see paragraph 4.(iii)); or
  - (ii) if she was re-established before 3 May 1966 and the interval between the last day of continuous full-time employment (including any unestablished service after resignation for marriage) and the date of re-establishment did not exceed seven years (refund of the marriage gratuity was then a condition of re-establishment); or
  - (iii) if she resigned after 22 March 1965 without sufficient service to qualify for a marriage gratuity.

## **Staff re-employed on or after 1 June 1972**

PCSPS – Section II (The 1972 Section)

- 7 This paragraph has been deleted.
8. A civil servant who is re-employed on or after 1 June 1972, and who received for his earlier service one of the gratuities described in paragraph 4, may reckon that service with his current service in accordance with the provisions of paragraph 4. For this purpose, he will be treated as having become established on the date that he becomes pensionable under this scheme.
9. Provided the earlier service ended before 1 June 1972, paragraphs 5 and 6 will apply to civil servants re-employed on or after 1 June 1972 in the same way as to those re-employed before that date.

## **Appendices 8 to 10**

These appendices have been deleted.

## Appendix 11

### Public Service Transfer Values

(Rules 6.1, 6.23, 6.29, 6.32 and 6.34)

Transfer arrangements for civil servants in post from 1 June 1972 to 31 December 1985; and, in certain circumstances, for civil servants in the interim period and for transferees under the public sector transfer arrangements; and for the purposes of calculating a mixed transfer value.

The term “pension scheme” in this appendix retains the meaning it had as at 31 December 1985, namely a contracted-out salary related occupational pension scheme or a not contracted-out occupational pension scheme.

#### Outgoing transfers

1. A person leaving pensionable employment in the Civil Service on or after 1 June 1972 may apply for a transfer value to be paid to his new pension scheme provided the scheme is approved for this purpose by the Inland Revenue and is prepared to accept the transfer value. However, where a person whose pensionable employment in the Civil Service ends on or after 6 April 1978 has a guaranteed minimum in relation to this scheme, a transfer value may be paid to a scheme which is not contracted-out under the Pension Schemes Act 1993 in relation to such person's new employment only if a contributions equivalent premium has been paid. (Formerly Rule 6.1.)
2. Transfer values will not be paid in respect of service for which pension or annual compensation payments have been brought into payment under the provisions of sections 3 and 10. They will be paid in other cases only if the civil servant has preserved pension benefits awarded under rules 3.11 or 3.24a(ii) and—
  - (i) application for payment is made within six months of joining his new scheme; or
  - (ii) application is made within six months of being notified that his new scheme, although initially unable to take a transfer value, will, after all, accept one.

The Minister, or if the Minister so directs, the scheme administrator, may, however, allow a longer period than the period specified above in cases where the Minister or the scheme administrator considers that it is fair and reasonable to do so. (Formerly rule 6.2.)

3. The transfer value will be calculated according to the transfer value tables given in the annex. The tables will be applied using the civil servant's age when he left the Civil Service and his preserved pension benefits at that date; ie personal pension, lump sum and, where appropriate, widow's pension or, after 1 January 1986, widower's pension and any benefit under part 4 or 5 of section 4 and any benefit under section 14 (contributed pension and lump sum). The preserved pension benefits will be calculated under rules 3.11, 3.12 or 3.24a(ii) (whichever is appropriate) and rule 4.6 or rule 4.21c, or rules 4.43 or 4.54, or section 14 as appropriate, except that there will be no minimum period of qualifying service. Where the transfer value tables do not contain factors relating to the benefit to be transferred ie a widower's pension or a benefit under part 4 or 5 of section 4, the factors to be used will be those which are provided from time to time by the Scheme Actuary to the Minister and which are in force at the date of the transfer. However, in certain cases, the civil servant may instead exercise the option conferred by, and in accordance with, paragraph 4. (Formerly rule 6.3.)
4. The option referred to in paragraph 3 is as follows. The option is not available in relation to any benefits built up under section 14 (contributed pension and lump sum), which will be included for the purposes of calculating the transfer value. Where a transfer value is

calculated for a civil servant who falls within the scope of rule 4.22(ii) or who has opted for benefits under part 4 or 5 of section 4, any contributions paid, including any element for widower's benefits in contributions for added years under section 7, will not be included in the transfer value unless the civil servant so wishes but will be treated as follows:

- (i) where the qualifying service is less than 5 years, any contributions paid will be refunded, in the same way as contributions are refunded under rule 4.19, and the civil servant will cease to be eligible for benefits under part 2, 4 or 5 of section 4. Any liability for contributions by deduction from the lump sum will be cancelled.
  - (ii) where the qualifying service is 5 years or more, and the civil servant has paid contributions in respect of service before 6 April 1975 and in respect of service of less than 5 years after 5 April 1975, and he opts for a refund of all contributions paid, the contributions will be refunded to him in the same way as contributions are refunded under rule 4.19 and he will cease to be eligible for benefits under part 2, 4 or 5 of section 4. Any liability for contributions by deduction from the lump sum will be cancelled.
  - (iii) in any other case, the civil servant will be entitled to have the benefits purchased by the contributions paid preserved, any liability for contributions by deduction from the lump sum being cancelled. Alternatively, he may opt to have preserved benefits calculated by reference to the whole of his reckonable service up to the time of transfer, the liability for contributions for deduction from the lump sum being taken into account in the calculation of the preserved personal benefits by reference to which the transfer value is calculated. In either case, the preserved benefits will be brought into payment on the date on which they would have been brought into payment had the civil servant remained subject to part 2, 4 or 5 of section 4. (Formerly rule 6.4.)
- 5.
- (i) To the extent that contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.54, as appropriate, have not been paid before the date of transfer by periodical contributions the balance will, subject to paragraph (ii) below, be deducted from the preserved lump sum before calculation of the transfer value.
  - (ii) If contributions due under rules 4.15, 4.16, 4.23, 4.23a, 4.48 or 4.54, as appropriate, have not been paid before the date of transfer by periodical contributions because, by reason of departmental default, the necessary sums have not been deducted from the civil servant's salary (or wages), these contributions will be treated for the purposes of this scheme as if they had been paid but will be treated by the relevant department as an overpayment of salary.
  - (iii) Contributions will not be refunded under rule 4.19 or 4.23d, as appropriate, where the civil servant has applied for a transfer value before leaving the Civil Service. However, where contributions for a widow's or widower's pension have been refunded under rule 4.19 or 4.23d, as appropriate, they may be repaid with the addition of compound interest. For the purposes of this rule a reference to compound interest means, in a case where the repayment is made before 6 April 1978, compound interest added to the relevant sum at a rate of 3% a year with yearly rests and, in a case where the repayment is made on or after 6 April 1978, compound interest added to the relevant sum at a rate of 4% a year with yearly rests. Any repayment of refunded contributions must be made within the time limits described in paragraph 2. (Formerly rule 6.5.)

6. (i) A transfer value paid before 1 April 1979 will be increased by 6% compound interest for each completed year of interval between the date of leaving the Civil Service and the date of payment of the transfer value.
- (ii) A transfer value paid on or after 1 April 1979 will be increased by
  - (a) 6% compound interest for any completed year of interval between the date of leaving the Civil Service and 1 April 1977, and
  - (b) 2¼% compound interest for each completed three months of interval between 1 April 1977 or the date of leaving the Civil Service, whichever is the later, and the date of payment of the transfer value; except that no interest will be added to a transfer value paid within 6 months of the date of leaving the Civil Service. (Formerly rule 6.6.)
7. Where a civil servant is in the process of buying added years, only the added years he has actually bought in by the time of transfer will reckon for the purpose of the calculation of his preserved pension benefits (and thus his transfer value). (Formerly rule 6.7.)
- 7a If, when a civil servant applies for a cash equivalent transfer value, he has a pension account under section 14 (contributed pension and lump sum), his accrued benefits for the purpose of calculating his transfer value will be increased to take account of the benefits he has built up under section 14.
8. No interest is payable on a short service payment refunded before 1 August 1984. Interest at the rate specified in paragraph 6(ii)(b) will be payable on a short service payment or an ill health payment refunded on or after 1 August 1984, except that no interest will be payable if the refund is made within twelve months of leaving the Civil Service. (Formerly rule 6.8.)

### Incoming transfers

9. Subject in the case of a person who takes up service as a prison officer to rule 2.28a, a person taking up pensionable employment in the Civil Service on or after 1 June 1972 — and who brings with him a transfer value from his former pension scheme will be credited with such reckonable service as, according to the transfer value tables given in the annex, corresponds to the amount of the transfer value received. Where the transfer value relates to his guaranteed minimum the Minister will have discretion to refuse it if, in his opinion, its amount is inadequate to cover that liability. (Formerly rule 6.9.)
10. Subject to rule 2.28a, the transfer value tables will be applied to the transfer value (irrespective of the particular benefits of the scheme making the payment) to give equal periods of reckonable service for personal pension, lump sum and (for both married and unmarried men) half rate widow's pension. The length of reckonable service credited may, however, be restricted in those circumstances where the limits laid down from time to time by the Inland Revenue for approved occupational pension schemes would otherwise be exceeded. (Formerly rule 6.10.)
11. Subject to rule 2.28a, where a transfer value is received from a scheme approved by the Minister, the pensionable earnings and age in the old scheme at the time of leaving that scheme will be used for calculating reckonable service to be credited. Pensionable earnings is the pay used by the old scheme in the calculation of the transfer value but shall be increased by the amount of any salary disregard in respect of national insurance modification. Interest added to the transfer value will be ignored in using the transfer value tables. (Formerly rule 6.11.)
12. Where a transfer value is received from a scheme other than one of those referred to in paragraph 11 the starting pay and age on joining the Civil Service will be used in applying

the transfer value tables for the purpose of crediting reckonable service. If, however, a transfer value is received more than twelve months after the person took up pensionable employment in the Civil Service the pay and age on the date the transfer value is received will be used in applying the transfer value tables; any interest element in the transfer value will not be distinguished from the rest of it. (Formerly rule 6.12.)

13. Where service is less than service actually served in the old scheme, the previous service will count as to its actual length for the purpose of the five year qualifying period for pension benefits. (Formerly rule 6.13.)
14.
  - (i) Where a person enters the Civil Service before 1 April 1980, service credited in the scheme by means of a transfer value received from a scheme referred to in paragraph 11 will be subject to modification as described in rules 3.19 to 3.23 as if the service had been service as a civil servant, except where the transferee came from such a scheme and his pension was unmodified in respect of flat-rate national insurance pension or basic social security pension in that scheme for the whole of his service. In that case, the reduction under rule 3.19 will not apply. If the transferee came from such a scheme with flat-rate modification at a rate of £1.70 (or its equivalent) and was unmodified for part of his service in that scheme the reduction under rule 3.19 will apply only to the equivalent proportion of his reckonable service credited under this scheme (see rule 3.20(ii)).
  - (ii) Where a person enters the Civil Service before 1 April 1980, service credited in the scheme by means of a transfer value received from a scheme other than one referred to in paragraph 11 will be modified under rule 3.19.
  - (iii) Where a person enters the Civil Service on or after 1 April 1980, rules 3.19 to 3.23 will not apply to any reckonable service credited in this scheme as a result of a transfer value from his former pension scheme. (Formerly rule 6.14.)

## Miscellaneous

15. The provisions of this section shall not affect the operation of the provisions of Appendix 12 in their application to a person who has left the Civil Service and for whom a transfer value has been paid before 3 May 1973 or to a person who has entered the Civil Service and for whom a transfer value has been received before that date. (Formerly rule 6.15.)
16. Where, in respect of a transfer which took place before 1 July 1978, a transfer value is paid to, or received from, a scheme still operating the provisions of Appendix 12 the transfer will be dealt with by reference to those provisions. A person transferring to such a scheme before that date may, however, apply to have his pension benefits preserved and converted to a transfer value when the receiving scheme introduces transfer arrangements similar to these rules. (Formerly rule 6.16.)
17. Transfers between this scheme and certain other public service schemes which are a direct charge on the Consolidated Fund or on monies provided by Parliament will be dealt with on the basis described in paragraphs 1 to 14 but, subject to the agreement of the Treasury, the payment and receipt of such transfer values will be waived where:
  - (i) the transfer value amount that would otherwise be paid is notified to the receiving scheme by the sending scheme before 1 April 2000; and
  - (ii) the notification is made after the civil servant has applied for the transfer to be completed.

If the transfer value amount is notified on or after 1 April 2000, the payment of the transfer value must be made. (Formerly rule 6.17.)

18. A transfer value will not be paid in respect of service for which a pension, gratuity or annual compensation payment has become payable under this scheme. (Formerly rule 6.18.)
19. For groups of persons who are transferred out of the Civil Service together with their work there may be paid to another contracted-out scheme a transfer value of an amount to be determined by the Scheme Actuary instead of one calculated by reference to the transfer value tables given in the Annex, except that a transfer value so determined by the Scheme Actuary may not be paid in respect of a person who has not consented to the transfer of his accrued rights under this scheme. For groups of persons who transfer to this scheme, the Minister may apply these rules with necessary modifications to those persons if any Ministerial undertaking has been given about the pension position of such staff, or if the transfer is directly or indirectly attributable to an Act of Parliament, or if there are other special circumstances to justify exceptional treatment. (Formerly rule 6.19.)
20. The Minister may apply these rules with necessary modifications in order to comply with the terms of any transfer arrangements concluded with the European Communities or an overseas pension scheme. (Formerly rule 6.20.)
21. Guaranteed minimum pensions in the scheme are revalued in accordance with sections 14 and 16 of the Pension Schemes Act 1993. Where, in accordance with section 95 of that Act, a civil servant opts on or after 1 January 1986 to have his transfer value applied to the purchase of an approved insurance policy or annuity contract, any guaranteed minimum pension benefits to be so transferred may be revalued by reference to the fixed rate.



# Annex to paragraphs 3 and 9 of Appendix 11

(Formerly Appendix 11)

## Public service transfer values

### Transfer values per unit of benefit accrued at date of transfer

**Table 1 — Men**

Age last birthday at date of transfer	Gross pension of £1 per annum  £	Deduction for national insurance modification of £1 per annum  £  flat rate*	Lump sum of £1  £	Widow's pension of £1 per annum  £	Deduction for guaranteed minimum pension of £1 per annum  £
less than 20	5.00	.25	.60	4.00	1.47
20	5.05	.25	.60	4.00	1.50
21	5.10	.25	.61	4.00	1.53
22	5.15	.30	.61	4.00	1.56
23	5.20	.30	.61	4.00	1.59
24	5.25	.30	.62	4.00	1.62
25	5.30	.35	.62	4.00	1.65
26	5.35	.40	.63	4.00	1.68
27	5.40	.40	.63	4.00	1.71
28	5.45	.45	.63	4.00	1.74
29	5.50	.50	.64	4.00	1.78
30	5.55	.50	.64	4.00	1.81
31	5.60	.55	.65	4.00	1.85
32	5.65	.60	.66	4.00	1.88
33	5.70	.65	.66	4.00	1.92
34	5.75	.70	.67	4.00	1.95
35	5.80	.80	.67	4.00	1.99
36	5.85	.90	.68	4.00	2.02
37	5.90	1.00	.68	4.00	2.06
38	5.95	1.10	.68	4.00	2.10
39	6.00	1.20	.69	4.00	2.14
40	6.05	1.30	.69	4.00	2.18
41	6.10	1.40	.70	4.00	2.22
42	6.15	1.50	.70	4.00	2.26
43	6.20	1.60	.71	4.00	2.30
44	6.25	1.70	.72	4.00	2.34
45	6.30	1.80	.72	4.00	2.39
46	6.40	1.90	.73	4.00	2.44
47	6.50	2.00	.74	4.00	2.48
48	6.60	2.20	.74	4.00	2.53
49	6.70	2.40	.75	4.00	2.58

PCSPS – Section II (The 1972 Section)

50	6.80	2.60	.75	4.00	2.62
51	6.90	2.90	.76	4.00	2.67
52	7.10	3.20	.76	4.00	2.72
53	7.30	3.50	.77	4.00	2.78
54	7.50	3.80	.78	4.00	2.84
Age last birthday at date of transfer	Gross pension of £ 1 per annum  £	Deduction for national insurance modification of £1 per annum  £  flat rate*	Lump sum of £1  £	Widow's pension of £1 per annum  £	Deduction for guaranteed minimum pension of £1 per annum  £
55	7.70	4.20	.79	4.00	2.90
56	8.00	4.60	.80	4.00	2.97
57	8.30	5.00	.81	4.00	3.04
58	8.60	5.40	.82	4.00	3.12
59	9.00	5.80	.84	4.00	3.20
60	9.50	6.30	.86	4.00	3.28
61	9.50	6.80	.88	4.00	3.36
62	9.50	7.40	.91	4.00	3.44
63	9.50	8.10	.94	4.00	3.53
64	9.50	9.00	.98	4.00	3.64
65	9.50	9.50	1.00	4.00	—

\* “Flat-rate” means modification fixed in money terms, such as the modification on account of national insurance and graduated pension applied in the public services.

**Table 2 — Women**

Age last birthday at date of transfer	Gross pension of £1 per annum	Deduction for national insurance modification of £1 per annum  £ flat rate*	Lump sum of £1  £	Deduction for guaranteed minimum pension of £1 per annum  £
Less than 20	7.00	.50	.60	2.20
20	7.05	.50	.60	2.24
21	7.10	.55	.61	2.28
22	7.15	.60	.61	2.32
23	7.20	.65	.61	2.36
24	7.25	.70	.62	2.40
25	7.35	.75	.62	2.45
26	7.40	.80	.63	2.50
27	7.45	.85	.63	2.55
28	7.50	.90	.63	2.60
29	7.55	.95	.64	2.66
30	7.65	1.05	.64	2.71
31	7.70	1.15	.65	2.77
32	7.80	1.25	.66	2.82
33	7.90	1.35	.66	2.88
34	7.95	1.45	.67	2.93
35	8.05	1.55	.67	2.99
36	8.15	1.65	.68	3.05
37	8.25	1.75	.68	3.11
38	8.35	1.85	.68	3.17
39	8.45	1.95	.69	3.24
40	8.55	2.10	.69	3.31
41	8.65	2.25	.70	3.38
42	8.75	2.45	.70	3.45
43	8.85	2.65	.71	3.52
44	8.95	2.90	.72	3.59
45	9.05	3.15	.73	3.66
46	9.15	3.40	.74	3.74
47	9.25	3.70	.75	3.82
48	9.35	4.00	.76	3.90
49	9.45	4.35	.77	3.98
50	9.55	4.75	.78	4.06
51	9.65	5.15	.79	4.15
52	9.80	5.60	.80	4.24
53	9.95	6.10	.81	4.33
54	10.10	6.65	.82	4.43

PCSPS – Section II (The 1972 Section)

55	10.30	7.25	.83	4.53
56	10.50	7.95	.84	4.63
57	10.75	8.75	.85	4.74
58	11.05	9.65	.87	4.85
59	11.40	10.65	.89	4.97
Age last birthday at date of transfer	Gross pension of £1 per annum       £	Deduction for national insurance modification of £1 per annum   £ flat rate*	Lump sum of £1   £	Deduction for guaranteed minimum pension of £1 per annum   £
60	11.75	11.75	.91	—
61	11.75	11.75	.93	—
62	11.75	11.75	.95	—
63	11.75	11.75	.97	—
64	11.75	11.75	.99	—
65	11.75	11.75	1.00	—
* “Flat-rate” means modification fixed in money terms, such as the modification on account of national insurance and graduated pension applied in the public services.				

## Appendix 12

### Containing the Provisions Originally set out in Section 6

(paragraph 16 of Appendix 11)

1. For a person leaving or joining the Civil Service on or after 1 June 1972, the provisions of the Statutory Instruments listed in part 1 of Appendix 4, as amended and extended by the Principal Civil Service Pension Scheme (Transfer Scheme) 1972, will apply subject to paragraphs 2 to 6 below as if those provisions formed part of this scheme; and the provisions will apply to persons who joined the Civil Service in an unestablished capacity before 1 June 1972 and who on that date became pensionable civil servants as they apply to persons joining the Civil Service on or after that date.
2. References in the Instruments will be amended as follows:
  - (i) references to the Superannuation Acts will be taken to be references to this scheme;
  - (ii) reference to benefits under the Superannuation Acts will be taken (where appropriate) to be references to the corresponding benefits under this scheme;
  - (iii) references to a “civil servant” or “established civil servant” will be taken to be references to a “civil servant” in the sense defined in rule 1.4;
  - (iv) references to “established service” will be taken to be references to “pensionable service” in the sense defined in rule 1.4;
  - (v) references to “service in an unestablished capacity” will be taken to be references to service as a civil servant to whom this scheme does not apply.
3. Note 1 to Appendix 4 (the revocation of special provisions dealing with medical retirement) will apply.
4. The words “provided that he has not been dismissed in consequence of an offence of a fraudulent character or of grave misconduct” in the following provisions will be treated as having been revoked: Rule 6 of SI 1950/1539  
Rule 5 of SI 1956/976  
Rule 7 of SI 1957/1222  
Rule 6 of SI 1957/2229  
Rule 5 of SI 1960/819  
Rule 3 of SI 1966/769  
Rule 4 of SI 1966/1586  
Rule 5 of SI 1968/841  
Rule 5 of SI 1971/2013
5. The Statutory Instruments listed in part 2 of Appendix 4 continue to have statutory force and apply, subject to paragraph 6, to persons leaving or joining the Civil Service on or after 1 June 1972.
6. Notwithstanding the provisions of the Statutory Instruments listed in Appendix 4:
  - (i) where a person transfers to the Civil Service, and a transfer value is paid to the Minister which takes account of flat-rate modification for part of his service only, the reduction under rule 3.19 on account of flat-rate national insurance pensions will

apply only to the equivalent part of his reckonable service under this scheme (see rule 3.20(ii));

- (ii) where a person transfers to the Civil Service, and a transfer value is paid to the Minister which is reduced on account of equivalent pension benefit purchased by the scheme paying the transfer value, a pension paid to that person under section 3 will be reduced by the amount of the equivalent pension benefit (see rule 3.22).

“Flat rate modification” means a prospective reduction in a pension on account of flat-rate national insurance pensions.

## Widows' and dependants' benefits

- 7. When a transfer value is paid under this section for a person leaving the Civil Service, all contributions which he has paid for widows', widowers' and dependants' benefits under section 4 will be refunded to him, in the same way as contributions are refunded under rules 4.19 and 4.23d, and he will cease to be eligible for any benefits under that section. The whole of any element for family benefits in contributions for added years under section 7 will also be refunded.

## Appendix 13

### Reckoning of Service Pensionable Under the Federated Superannuation System for Universities

(Rule 2.22)

1. This appendix applies to civil servants in service on 1 April 1975 and who, on that date, were either members of FSSU or had previous periods of FSSU service as defined in the Pension Increase (FSSU) Regulations 1972 (SI 1972 No 877) as amended by the Pensions Increase (FSSU) (Amendment) Regulations 1974 (SI 1974 No 737).
2. If a civil servant to whom this appendix applies elects before 1 April 1977 or before such later date as, in special circumstances and subject to such conditions as may be specified, the Treasury may determine—
  - (a) if he is a member of FSSU, to cease to be such a member and to become a member of this Scheme, and
  - (b) in any case, to relinquish his rights in respect of all policies and other assets held by a Minister of the Crown in relation to him for the purpose of a superannuation scheme maintained by the Minister under FSSU,and consents to those policies and other assets becoming the absolute property of the Minister free and discharged from all the trusts, powers and provisions of that scheme, his period of FSSU service, as defined in Regulation 2(1) of the Pensions Increase (FSSU) Regulations 1972, as amended, shall be treated as reckonable service for the purpose of this scheme.
3. A male civil servant, and a female civil servant to whom rule 4.20 applies, will be deemed to have paid contributions of 1½% of salary for the whole of the reckonable service arising from paragraph 2 of this appendix.
4. Rules 3.19 to 3.21 will apply as though service in the Civil Service started on the date that the period of FSSU service started.
5. Rule 3.22 will apply, with the following modification. A pension under section 3 will be reduced by £3.25 a year for men and £2.70 a year for women for each year of reckonable service between 3 April 1961 and 5 April 1975, and so in proportion for any period of less than a year; except that reckonable service in respect of periods of service outside the United Kingdom during which the civil servant is not required to pay contributions under
  - (a) the National Insurance Acts, or
  - (b) any scheme which is the subject of a reciprocal agreement under section 105 of the National Insurance Act 1965,will not be taken into account for this purpose.
6. Notwithstanding rule 7.8, a civil servant who has opted to buy added years by periodical deductions from salary may, at the time that he makes his election under paragraph 2, change his option to the extent necessary to ensure that his total reckonable service does not exceed the limits set out in rule 2.3 and the deduction from salary may then cease, or be reduced, accordingly. Deductions already made will not be refunded.

## **Appendix 14**

This appendix has been deleted

## **Appendix 15**

This appendix has been deleted.



## **Appendix 16**

### **Containing the former Section 11 rules in force before 1 October 2002**

## **SECTION 11: Injury benefits**

### **Part 1 Persons employed in the Civil Service**

- 11.1 This part of section 11 applies to persons serving in full-time or part-time employment in the Civil Service (except a person in that service who is recruited and employed in a place outside the United Kingdom in which a satisfactory scheme of injury compensation is provided under local legislation which is applicable to, or the provisions of which will be applied to, such a person) who:
- (i) if the Injury Warrants 1952–71 applied to them are injured or contract a disease on or after 29 February 1972;
  - (ii) if those Warrants did not apply to them are injured or contract a disease on or after 1 June 1972;
- in any of the circumstances set out in rule 11.3. The provisions of section 18 of the Superannuation Act 1965, insofar as they have effect by virtue of section 2(12) of the Superannuation Act 1972 as if they constituted part of the Principal Civil Service Pension Scheme, are hereby revoked.
- 11.2 This section also applies to persons to whom the Injury Warrants 1952–71 applied who were injured or contracted a disease before 29 February 1972 in circumstances which satisfied the conditions of those Warrants, but whose service had not ended before 29 February 1972.

### **Qualifying conditions**

- 11.3 Except as provided under rule 11.11, benefits in accordance with the provisions of this section may be paid to any person to whom the section applies and
- (i) who suffers an injury in the course of official duty, provided that such injury is solely attributable to the nature of the duty or arises from an activity reasonably incidental to the duty; or
  - (ii) who suffers an injury as a result of an attack or similar act which is directly attributable to his being employed, or holding office, as a person to whom the section applies; or
  - (iii) who contracts a disease to which he is exposed solely by the nature of his duty; or
  - (iv) who, having been recruited in the United Kingdom, is injured while in an area outside the United Kingdom for the purposes of his employment by an injury which is directly attributable to the existence in or near that area of a state of war, revolution, or serious and widespread internal disturbance, or is a direct result of deliberate acts of the local population or of sporadic political disturbances; or
  - (v) who, having been recruited in the United Kingdom, but as a result of having been employed outside the United Kingdom suffers an aggravation of a disease from

which he is already suffering, being an aggravation to which he was exposed because of his duty outside the United Kingdom:

except that benefits will not be payable if the said injury or disease, or aggravation, is wholly or mainly due to or is seriously aggravated by his own serious and culpable negligence or misconduct.

- 11.4 (i) Subject to paragraph (ii) below, an injury suffered in the course of a journey between the person's place of residence and his place of employment shall not be treated as falling within rule 11.3(i).
- (ii) An injury suffered in the course of a duty journey shall be treated as an injury in the course of official duty. For the purposes of this paragraph, a duty journey includes a journey:
- (a) between the normal place of employment and the detached duty station, and between any two points of detached duty;
  - (b) between the place of residence at the headquarters station and the detached duty station;
  - (c) between the temporary place of residence on the detached duty station and the place of employment on the detached duty station, for the first 30 days only of detached duty;
  - (d) between the place of residence and the place of employment, if required for official purposes and additional to the journeys required for the individual's normal attendance at work.
- (iii) Any injury unrelated to the nature of a person's official duty and suffered during his main meal break, whether or not on official premises, shall not be treated as falling within rule 11.3(i).
- 11.5 Any reference in the following provisions of this section to "injury" will be taken to include a reference to "disease", and references to a person being injured and to the date on which an injury is sustained will be construed respectively as including references to his contracting a disease and to the date on which the disease is contracted. In this section in the case of a civil servant whose benefits fall to be calculated under rule 3.1b or 3.4(ii) "pensionable earnings" means pensionable earnings in his last period of service and "reckonable service" means the whole of his reckonable service.

### **Eligibility for benefit**

- 11.6 Subject to the provision of this section, any person to whom this part of this section applies whose earning capacity is impaired because of injury and:
- (i) whose service is ended otherwise than at his own request or for disciplinary reasons before the pension age may be paid an annual allowance and lump sum according to the medical assessment of the impairment of his earning capacity, the length of his service, and his pensionable earnings when his service ends;
  - (ii) whose service is ended at his own request or who is discharged for disciplinary reasons, may be eligible on reaching pension age for an annual allowance and lump sum according to the demonstrated impairment of his earning capacity, the length of his service and his pensionable earnings at the date of his resignation or discharge;
  - (iii) who is receiving sick pay or sick pay at pension rate for his injury, or whose entitlement to paid sick leave has expired and for whom the total amount of any sick pay or sick pay at pension rate, together with any occupational pension payable from

public funds and any annual allowance payable under rule 3.24a(i), or for which all or part of the contributions are payable from public funds, or where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be) and any annual allowance payable under rule 3.24b, and any of the national insurance benefits specified in rule 11.8(iii), amount to less than the amount of guaranteed minimum income provided in rule 11.7 for total incapacity, may be paid a temporary allowance under this section for an amount sufficient to bring the said total up to the guaranteed minimum income for total incapacity;

- (iv) who has not retired but because of his injury is employed in a lower grade or in a different capacity with loss of earnings, may be paid an annual allowance in accordance with the medical assessment of impairment of earning capacity of an amount which when added to the amount of the pension to which he would have been entitled had he retired on ill health grounds at the date of his re-employment with loss of earnings, any of the national insurance benefits specified in rule 11.8(iii) and any occupational pension payable from public funds or for which all or part of the contributions are payable from public funds, or where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be), equals the appropriate guaranteed minimum income provided in rule 11.7; except that for the purposes of this rule the amount of the annual allowance payable under this rule shall be subject to suspension or abatement in accordance with rules 3.26 and 3.27 as if the allowance were a pension under rule 3.1 and the person had resigned and become re-employed;
- (v) who had retired because of injury and to whom an annual allowance under this section is in payment may, on re-employment in the Civil Service, continue to receive that allowance; except that for the purposes of this rule the amount of such allowance when added to any occupational pension payable from public funds or for which all or part of the contributions are payable from public funds or where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be) shall be subject to suspension or abatement in accordance with rules 3.26 and 3.27 as if that allowance were a pension payable under rule 3.1;
- (vi) who has sustained an injury in circumstances which satisfy the conditions of this section and for which no allowance, other than a temporary allowance under rule 11.6(iii), or a lump sum, has been paid under this section, and who subsequently retires on age grounds, may be paid an annual allowance and lump sum as provided by this section in accordance with the demonstrated impairment of his earning capacity, the length of his service and his pensionable earnings at the date of his retirement.

## Scale of benefits

- 11.7 The annual allowance under rule 11.6 will be the amount which when added to the benefits specified below, will provide an income of not less than the guaranteed minimum shown in the table below and appropriate to the circumstances of the case.

Where a person is employed part-time, his pensionable earnings for the purpose of determining the guaranteed minimum income, will be scaled down by the ratio that hours worked bear to full-time hours.

Where he has opted out of the scheme, his pensionable earnings and reckonable service are calculated as if he had remained a civil servant.

The benefits to be taken into account are:

PCSPS – Section II (The 1972 Section)

- (i) any occupational pension payable to him out of public funds or for which all or part of the contributions are so payable, except that
  - (a) no account shall be taken of increases in pension resulting from an election made under rule 3.1a, or rule 5.8(b) of the Compensation Scheme;
  - (b) where a civil servant has commuted an ill health pension under rule 3.4b, the pre commutation value of the ill health pension shall be used;
- (ii) any of the national insurance benefits specified in rule 11.8(iii) which are payable to him; and
- (iii) where he has opted out of the scheme, any personal pension or state earnings-related pension (as the case may be) to which he may be entitled.

In applying this rule no account shall be taken of pensions:

- (a) payable under section 1 or 2 of the Overseas Pensions Act 1973 except for those pensions payable under a scheme which incorporates, replaces or amends the Governors Pensions Acts 1957 and 1967 or the Superannuation Act 1965 so far as it continues to have effect by virtue of section 23(2) of the Superannuation Act 1972; or
- (b) for which Her Majesty's Government in the United Kingdom has accepted, or in the opinion of the Secretary of State with the consent of the Minister would be prepared to accept, responsibility for the whole or part of the cost in pursuance of arrangements made with the Secretary of State under section 1 of the Overseas Aid Act 1966.

Impairment of earning capacity	Guaranteed minimum income			
	Proportion of pensionable earnings			
	Length of service or reckonable service if longer			
	Less than 5 years	5 years and over but less than 15 years	15 years and over but less than 25 years	25 years and over
Slight impairment (more than 10% impaired but not more than 25%)	15%	30%	45%	60%
Impairment (More than 25% impaired but not more than 50%)	40%	50%	60%	70%
Material impairment (More than 50% impaired)	65%	70%	75%	80%

PCSPS – Section II (The 1972 Section)

but not more than 75%)				
Total impairment (More than 75% impaired)	85%	85%	85%	85%

If the total of benefits payable under (i), (ii) and (iii) above exceeds the guaranteed minimum income ascertained from the table, no annual allowance is payable under rule 11.6.

11.8 The pensions and benefits referred to in rule 11.7 are taken to be of the following amounts as at (as the case may be):

the date of retirement, or

the date of commencement of part sick pay or sick pay at pension rate, or

the date of discontinuance of sick pay, or

the date of movement from a higher to a lower substantive grade, or

(in the case of persons to whom part 2 or 3 of this section applies) the date of ceasing to hold office or the date the annual allowance under this section begins:

- (i) the annual amount of any occupational pension payable from public funds, or for which all or part of the contributions are payable from public funds, or the annual amount of any personal pension or state earnings-related pension to which the person may be entitled consequent on his having opted out of the scheme; and any other periodical payment provided for in any section of this scheme other than this section;
- (ii) three-quarters of the annual value of the benefits of the policies or accumulated investments held under the Federated Superannuation System for Universities, the Federated Superannuation Scheme for Nurses, or any other scheme under which the benefits are payable otherwise than as an annual pension;
- (iii) the annuity value or the annual value, as appropriate, of any rights which have accrued or probably will accrue from the injury by way of industrial disablement benefit, sickness benefit, invalidity pension or incapacity benefit; except that no account will be taken of any increase of the disablement pension payable under section 61 of the Social Security Act 1975 (increase of a disablement pension where constant attendance is needed) or under section 63 of the Social Security Act 1975 (increase of disablement pension in cases of exceptionally severe disablement); and no account will be taken of so much of an unemployability supplement as represents an increase payable under section 59 of the Social Security Act 1975 (early onset of incapacity for work);
- (iv) the annual amount or annuity value of payments made under any insurance for which the premium was paid wholly or partly from public funds (where the premium was partly paid from public funds, the amount of insurance payments taken into account will be proportionate to the amount of the premium so paid).

11.9 The lump sum will be calculated according to the degree of impairment of earning capacity and the amount of pensionable earnings as follows:

<b>Impairment of earning capacity</b>	<b>Proportion of pensionable earnings</b>
Slight impairment	one eighth

Impairment	one quarter
Material impairment	three eighths
Total impairment	one half

Where any person is employed part-time, the pensionable earnings used to determine the lump sum due may be scaled down by the ratio that hours worked bear to full-time hours.

## Review of awards

11.10 The annual allowance may be reviewed:

- (i) if the beneficiary's condition attributable to his injury deteriorates and he appeals for such review; or
- (ii) if any change is made in the class of benefit payable to him under the Social Security Acts, such as substitution of retirement pension for sickness benefit or invalidity pension, or cessation of a dependant's allowance; or
- (iii) when re-employment ends; or
- (iv) on modification of pension on account of national insurance pension; or
- (v) when there comes into payment a retirement pension payable wholly or partly out of public funds; or
- (vi) where the beneficiary has opted out of the scheme and there comes into payment any personal pension or state earnings-related pension to which he may be entitled in consequence of having done so.

## Temporary service outside the United Kingdom

11.11 If a person to whom this part of this section applies and who is normally employed in the United Kingdom or, in the case of a member of the Diplomatic Service, is normally based in the United Kingdom, is injured while serving outside the United Kingdom he may be paid

- (i) the rate of benefit which would have been payable to him under the Social Security Act 1975; or
- (ii) the award which would have been payable to him under the Criminal Injuries Compensation Scheme; or
- (iii) the benefits which would have been provided by this section

if the injury had been sustained in analogous circumstances in Great Britain, whichever is the most favourable. In calculating the sums payable under this rule no account will be taken of any benefit which would have reduced the sum payable if the injury had been sustained in analogous circumstances in Great Britain unless there is in fact any present or future entitlement to that benefit.

## Widows', widowers' and dependants' benefits

11.12 References in this section to an eligible widow shall be construed where applicable as references to an eligible widower as defined in rule 4.21a. If a civil servant to whom this part of this section applies:

- (i) was a person to whom the Injury Warrants 1952–71 applied and is injured on or after 29 February 1972; or

- (ii) was a person to whom the Injury Warrants 1952–71 did not apply and is injured on or after 1 June 1972;

in any of the circumstances set out in rule 11.3, and dies as the direct result of his injury, an annual allowance and a lump sum may be paid in accordance with rules 11.13 to 11.18 as follows:

- (a) An annual allowance may be paid to an “eligible widow” as defined in rule 4.4. This allowance will begin on the 183rd day after the date of the civil servant's death except that it will begin on
  - (i) the day after the date of his death if this produces a more favourable result for his widow and if, in the case of a civil servant leaving the Civil Service before 6 April 1978, he dies after leaving the Civil Service; or
  - (ii) on the 92nd day where death occurred before 1 January 1986.

The allowance will be paid under the same conditions as those specified in rule 4.5 in respect of a widow's pension or rule 4.21b in respect of a widower's pension.

- (b) An annual allowance may be paid for each “eligible child” as defined in rules 4.26 to 4.28, up to a maximum of four children at any one time. If there is also an eligible widow, the allowance will begin at the same time as the widow's allowance under (a). If there is no eligible widow and if he dies in service it will begin on the 92nd day after the date of the civil servant's death or (if earlier) on the day after payments under rule 4.8 or rule 4.21f cease or, where death occurred on or after 1 January 1986 on the 183rd day after the date of the civil servant's death; if he dies after leaving the Civil Service it will begin on the day after the date of his death or where death occurred on or after 1 January 1986, on the 183rd day after the date of his death.
- (c) An annual allowance may be paid to the civil servant's mother, or if his mother is dead, his father, provided his mother or his father as the case may be was wholly or mainly dependent on the civil servant at the date of his death.
- (d) An annual allowance may be paid to the civil servant's incapacitated children, brothers and sisters who have ceased to be in the period of childhood and full-time education and who were wholly or mainly dependent on the civil servant at the date of his death. (The limitation to four children in (b) does not apply to incapacitated children.)

11.13 The allowance payable under this section to a widow will be reduced by the annual value of any rights which may accrue to her by way of industrial death benefit under the Social Security Act 1975 at the date when industrial death benefit first comes into payment. The allowance may not thereafter be further reduced because of any subsequent change in the annual value of those rights.

11.14 A lump sum may be paid to an “eligible widow” as defined in rule 4.4. Where there is no eligible widow a lump sum may be paid for the benefit of any children of the deceased civil servant who are entitled to an allowance under this section, and if there is more than one child the lump sum shall be paid for the benefit of them equally. Where there is neither an eligible widow nor eligible children the lump sum may be paid to a dependent parent. If there is no eligible widow, eligible children, nor dependent parents, the lump sum may be paid to dependent brothers and sisters, being divided equally between them if there is more than one. In all cases the lump sum may be paid immediately after the civil servant's death. However, no lump sum will be payable under this rule if a lump sum in respect of the injury was previously paid to the civil servant under rule 11.6.

11.15 In rules 11.12 and 11.14

“father” includes the civil servant's step-father and a male person by whom he has been adopted;

“mother” includes his step-mother and a female person by whom he has been adopted;

“brother” includes every male child of his father and of his mother;

“sister” includes every female child of his father and of his mother.

11.16 References in this section to a widow or her husband may be construed as references to a widower or his wife, except that where the deceased civil servant died on or before 30 June 1987 and left a widow no award may be made to him or for his children unless the widower was at the date of the deceased civil servant's death permanently incapacitated and wholly or mainly dependent on her.

11.17 (i) This rule applies where any civil servant referred to below dies on or before 30 June 1987. In such cases a child may not be eligible for an award under this section in respect of more than one deceased civil servant. Where there would otherwise be an eligibility for children's allowance in respect of two or more such civil servants, the child will count as eligible in respect of one of them in the way which, in the opinion of the Minister, gives the most favourable overall result for all the children in question.

(ii) This rule applies provided that at least one civil servant referred to below dies on or after 1 July 1987. An eligible child may receive a children's allowance in respect of not more than two deceased civil servants to each of whom this section applies. If an eligible child is eligible for children's allowances in respect of three or more civil servants to each of whom this section applies, the child will count as eligible in respect of only two civil servants, in the way which gives the most favourable overall result.

### Scale of dependants' benefits

11.18 (i) The annual allowance under rule 11.12 will be an amount which, when added to any pension to which the dependant is entitled under section 4 or any occupational pension payable from public funds or for which all or part of the contributions are payable from public funds, or any personal pension or state earnings-related pension payable as a consequence of the deceased having previously opted out of the scheme, will provide an income not less than the guaranteed minimum income at the rate provided in the following table. Where a person has opted out of the scheme, pensionable earnings will be calculated as if he had remained a civil servant. If any pension in issue exceeds the appropriate guaranteed minimum income, no allowance will be payable under this rule. In applying this rule, no account shall be taken of any increase in a pension under section 4, resulting from an election made under rule 3.1a.

Guaranteed minimum income.		
Proportion of pensionable earnings		
Beneficiary		
(a) widow or widower	45%	
	Where there is a widow or widower eligible for benefit	Where there is no widow or widower eligible for benefit
(b) Children during the period of childhood and	10% for each child	20% for each child



PCSPS – Section II (The 1972 Section)

full-time education up to a maximum of 4 at any one time		
(c) Dependent mother or father	20%	45%
(d) Dependent brothers and sisters during the period of childhood and fulltime education up to a maximum of 4 inclusive of the children in (b) above	10% for each child	20% for each child
(e) Dependent adult children, brothers and sisters	20% each	45% each

Allowances for incapacitated children may be paid in addition to the maximum number of children's allowance laid down in (b) and (d) above. The total of allowances awarded for the death of a civil servant may not exceed 100% of his pensionable earnings

- (ii) The lump sum under rule 11.14 will be equal to six months' pensionable earnings except that where the civil servant's death occurred before 1 January 1986, the lump sum will be equal to three months' pensionable earnings.

## Damages

- 11.19 (i) Where the Minister for the Civil Service is satisfied that damages have been or will be recovered by any person in respect of an injury for which benefits may be paid under this section, or damages in respect of the death of a person to whom this section applies, the Minister for the Civil Service will take those damages into account against any benefit which might otherwise be payable under this section and will withhold or reduce the allowance and lump sum payable under this section accordingly.
- (ii) (a) Before 6 April 1978 a person shall be regarded as having recovered damages whether they are paid in pursuance of a judgment or order of the Court or by way of settlement or compromise of his claim and whether or not proceedings are instituted to enforce the claim; and if they are recovered for his benefit in respect of a claim under the Fatal Accidents Acts 1846–1959.
- (b) From 6 April 1978 damages will, for the purpose of this rule, include payment received by a person to whom this section applies as a result of a claim in respect of an injury for which benefits may be paid under this section, or received by the estate or dependants of such a person as a result of a claim in respect of his death, whether or not payment is made in pursuance of a judgment or order of a court of any jurisdiction or by way of settlement or compromise of the claim and whether or not proceedings are instituted to enforce the claim.
- (iii) Where compensation is paid
- (a) under a Criminal Injuries Compensation Scheme in the United Kingdom, or
  - (b) under a scheme of injury compensation provided under local legislation or otherwise in respect of an injury to, or the death of, a person injured in an area outside the United Kingdom in the circumstances described in rule 11.3(iv), or circumstances resulting in a payment under rule 11.11(ii),

the person to whom or for whose benefit the compensation is paid shall be deemed to recover damages and the compensation paid shall be deemed to be the damages recovered.

## **Apprentices**

- 11.20 If a civil servant to whom this part of section 11 applies is at the date on which he becomes eligible for an allowance under rule 11.6 an apprentice, or because of his youth is receiving pay at a lower rate than is payable to an adult worker employed in similar work, the allowance payable to him will, for any period after he attains the adult age, be calculated as if at the date of eligibility for an allowance he had been receiving the pay of an adult worker employed in similar work.

## Part 2

### Persons employed for the purposes of HM Government

11.21 This part of section 11 applies to persons who, although not serving in employment in the Civil Service are employed in a civil capacity, whether temporarily or permanently and whether for reward or not, for the purposes of Her Majesty's Government in the United Kingdom and are injured after 31 May 1972 in any of the circumstances set out in rules 11.3 and 11.4. A person shall not be considered to be employed for the purposes of Her Majesty's Government in the United Kingdom by reason only that he renders or agrees to render services in the ordinary course of his profession, trade or business.

11.22 If the earning capacity of any person to whom this part of this section applies is impaired because of injury he may be paid an allowance and lump sum in accordance with the provisions of rules 11.7, 11.8, 11.9 and 11.19 according to the demonstrated impairment of his earning capacity, the salary and emoluments which would have been payable to a civil servant employed to perform similar duties and, if his normal employment is in the public sector, the length of his service in his normal employment; and if he is in private employment or has no employment, the length of his employment for the purposes of Her Majesty's Government.

If the person to whom this part of this section applies is normally employed in the public sector the allowance and lump sum provided by this rule may be paid on retirement or loss of earnings as if he were a civil servant to whom rule 11.6(i) and (vi) applied.

If the person to whom this part of this section applies is normally in private employment, or has no employment, the allowance and lump sum provided by this rule may be paid when employment for the purpose of Her Majesty's Government ceases.

Exceptionally, if the impairment of earning capacity is of a short-term nature, a temporary allowance may be paid in accordance with the provisions of rule 11.6(iii) applied as appropriate to the circumstances of the particular case.

11.23 If any person to whom this part of this section applies dies as the direct result of injury his spouse and his dependants may be paid an allowance and lump sum in accordance with the provisions of rules 11.12 to 11.19 except that the guaranteed minimum income shall be based on the salary and emoluments of a civil servant who would be employed to perform similar duties. The allowance and lump sum may be paid on the day following the date of death, or alternatively on the day following the date of cessation of any short-term pension to which the spouse is entitled at a rate higher than the guaranteed minimum income.

## Part 3

### Ministers

- 11.24 This part of section 11 applies to persons holding office in Her Majesty's Government in the United Kingdom who are injured on or after 29 February 1972 in any of the circumstances set out in rules 11.3 and 11.4.
- 11.25 Any person to whom this part of this section applies, in respect of whose office provision is made by Statute for the payment of a pension or who is entitled to such a pension in respect of past service, and whose earning capacity is impaired because of injury, may on ceasing to hold Ministerial office, and subject to his not holding any office in respect of which the salary is payable out of monies voted by Parliament, be paid an annual allowance and lump sum in accordance with the provisions of rules 11.7, 11.8, 11.9 and 11.19 according to the medical assessment of impairment of earning capacity and the amount of his Ministerial salary. For the purpose of the table in rule 11.7 he will be treated as if the length of his service was between 15 and 25 years.
- 11.26 Any person to whom this part of this section applies in respect of whose office no provision is made by Statute for the payment of a pension and whose earning capacity is impaired because of injury may, on ceasing to hold Ministerial office, be paid an annual allowance and lump sum in accordance with the provisions of rules 11.7, 11.8, 11.9 and 11.19 according to the medical assessment of impairment of earning capacity, the aggregate of his service in Ministerial office and the amount of his Ministerial salary at date of ceasing to hold office or date of injury whichever is the more favourable.
- 11.27 If any person to whom this part of this section applies dies as the result of injury his spouse and his dependants may be paid an allowance and lump sum in accordance with the provisions of rules 11.12 to 11.19, except that the guaranteed minimum income shall be based on Ministerial salary at date of injury or date of death whichever is more favourable. The allowance and lump sum may be paid on the day following date of death.