

Civil Service Compensation Scheme

The Civil Service Compensation Scheme 1994 was laid before Parliament on 9 January 1995 under section 1 of the Superannuation Act 1972.

The following amendments have subsequently been laid.

Civil Service Compensation Scheme (Amendment) Scheme	Laid before Parliament
1995	19 July 1995
1996	18 January 1996
1996 (No. 2)	1 April 1996
1996 (No. 3)	22 July 1996
1996 (No. 4)	16 October 1996
1997	1 April 1997
1997 (No. 2)	9 December 1997
1998	30 March 1998
1998 (No. 2)	30 July 1998
1999	27 July 1999
2001	19 July 2001
2002	22 July 2002
2002 (No 2)	22 July 2002
2003	30 April 2003
2004	22 July 2004
2005	11 November 2005
2006	28 March 2006
2006 (No 2)	25 July 2006
2006 (No 3)	18 December 2006
2007	26 March 2007
2007 (No 2)	26 July 2007
2008	5 February 2008

Rules of the Civil Service Compensation Scheme

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Section 1 Application

1.1 In this scheme, unless otherwise specified:

- (a) 'the PCSPS' means the Principal Civil Service Pension Scheme;
- (b) 'the 1972 Section' means Section II of the PCSPS;
- (c) 'the 2002 Section' means Section I of the PCSPS;
- (ca) 'the 2007 Section' means Section III of the PCSPS;
- (d) 'mobile civil servants' and 'non-mobile civil servants' mean civil servants in mobile and non-mobile grades respectively;
- (e) 'early retirement' means retirement before the pension age under one of the categories of early retirement or early severance referred to below;
- (f) 'former rules' mean certain of the rules of the 1972 Section applicable prior to 1 April 1987 as set out in Appendix 1 hereto;
- (g) 'former section 10 rules' means certain of the rules of the 1972 Section applicable on and between 1 April 1987 and the date of this scheme as set out in Appendix 2 hereto;
- (h) references to 'rules' shall be to the rules of this scheme unless otherwise specified;
- (i) terms used in this scheme shall have the same meaning as in the 1972 Section unless otherwise defined;
- (j) '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 in this scheme 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;
- (k) 'the Minister' means the Minister for the Civil Service;

- (l) 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;
 - (m) references in the former section 10 rules to the 1972 Section rule 3.11 shall, where the context so requires, be taken to include references to PCSPS rule 3.12.
 - (n) "pension benefits" means benefits awarded under sections 2 and 3 of this scheme in the form of a pension and lump sum equivalent to the preserved pension and lump sum otherwise payable under rule 3.11 of the 1972 Section but shall not include annual compensation payments.
 - (o) 'the partnership pension account', in relation to a person in an employment by virtue of which he is eligible for membership of the 2002 Section, means a stakeholder pension scheme or personal pension scheme to which the person's employer is paying contributions;
 - (p) 'stakeholder pension scheme' means a scheme which is a stakeholder pension scheme for the purposes of Part I of the Welfare Reform and Pensions Act 1999;
 - (q) "personal pension scheme" means a personal pension scheme, within the meaning of section 1 of the Pension Schemes Act 1993, that is registered under Chapter 2 of Part 4 of the Finance Act 2004;
 - (r) '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.
- 1.2 Where only part of a transfer value arising from service in a former pension scheme is transferred into the 1972 Section, any benefits preserved solely by virtue of service in the former pension scheme will not be enhanced under this scheme, and in such cases only the reckonable service credited in respect of the transfer value brought in will count together with any other qualifying service as qualifying service for the purposes of an award under this scheme.
- 1.3 Sections 2, 3, 4, 5 and 6 of this scheme apply to all persons serving full-time or part-time in the Civil Service with the exception (unless otherwise stated in this scheme) of:
- (a) those serving as specified in paragraphs (i) to (vi) of rule 1.4 of the 1972 Section, other than as provided by rules 1.14 or 6.7 of this scheme;

- (b) those for whom rules 7.2 or 7.3 will apply to the extent that those rules apply to them and those for whom rules 7.2a and 7.3a will apply;
 - (c) those serving full or part-time in the Civil Service whose terms of appointment exclude them from the provisions of this scheme or the former section 10 rules (but this exclusion shall not have the effect of removing any right under rule 1.14 of this scheme);
 - (d) those who are members of the 2002 Section;
 - (e) those who were appointed on or after 1 October 2002 and who are not eligible to join the 2002 Section;
 - (f) those who have opted out of the 2002 Section;
 - (g) those who have a partnership pension account; and
 - (h) in relation to sections 2, 3, 5 and 6 of this scheme, those serving on period appointments other than as provided by rules 1.14 or 6.7 of this scheme.
- 1.4 Compensation payments for early retirement or severance under sections 2 to 8 of this scheme and for personal injury under section 10 of this scheme will be paid at the discretion of the Minister, and nothing in this scheme will extend or be construed to extend to give any person an absolute right to them.
- 1.5 Subject to the provisions of this rule and to rule 1.5a, the Minister will have power to withhold benefits payable under this scheme where a person serving in the Civil Service or a person who formerly served in the Civil Service is convicted:
- (i) 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
 - (ii) 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 serious loss of confidence in the public service.

Before benefits may be forfeited under this rule, the person concerned will be entitled to appeal against the forfeiture to an independent board nominated by the Minister; and where an appeal is made, the Minister will accept the board's judgement on whether or not the appellant's compensation benefits should be forfeited.

- 1.5a Subject to the provisions of this rule, the Minister will have power to withhold benefits payable under this scheme from:
- (a) a member of the 2002 Section;
 - (b) a person who was appointed to the Civil Service on or after 1 October 2002 and who is not eligible to join the 2002 Section;
 - (c) a person who has opted out of the 2002 Section; and
 - (d) a person who has a partnership pension account,
- in the circumstances provided for in rule J.2(1) (subject to rule J.3(5)) of the 2002 Section. Before benefits may be forfeited under this rule, the procedure in rule J.4 of the 2002 Section shall be followed.
- 1.6 Any question under the scheme shall be determined by the Minister, whose decision on it shall be final.
- 1.7 Where in consequence of any transfer of employment any person becomes entitled to benefits under this scheme the Minister may apply the rules of this scheme to that person with any modifications which may be necessary to reflect:
- (a) the terms and conditions of employment relating to compensation for early retirement or severance transferred with such person; or
 - (b) any undertaking by a Minister of the Crown given about compensation payments for early retirement or severance payable to such person.
- 1.8 Except as otherwise provided in this scheme, "current reckonable service" shall have the same meaning in relation to a person as "reckonable service", except that:
- (a) it shall not include any reckonable service which is attributable to service prior to the current period of continuous service in the Civil Service unless the prior service ended on resignation for the purpose of taking up a permanent appointment with a relevant body as defined in rule 1.8a and that appointment continued until re employment in the current period of continuous service in the Civil Service;
 - (b) it shall not include any reckonable service which results from a credit of reckonable service in accordance with the transfer provisions of section 6 of the 1972 Section, unless the department or other body employing him in the Civil Service has decided that it shall and the credit is in respect of a period of employment which:

- (i) before the credit was given was reckonable under a scheme the rules of which are in the Minister's opinion analogous for the purposes of this rule to those of the 1972 Section, and
- (ii) continued until his employment or re employment in his current period of continuous service in the Civil Service;
- (c) it shall not include any reckonable service which results from a purchase of added years under section 7 of the 1972 Section or from a grant of added years under rule 2.24 of the 1972 Section.

1.8a For the purposes of paragraph (a) of rule 1.8 a relevant body is:

- (a) a body which, in the opinion of the department or other body employing him, is a European Union institution; or
- (b) a coordination or international body that the Minister has determined shall be regarded as a relevant body for the purposes of paragraph (a) of rule 1.8.

1.9 Except as otherwise provided in this scheme, "current qualifying service" shall have the same meaning as "qualifying service" as defined in the 1972 Section except that qualifying service prior to the commencement of current reckonable service shall not be current qualifying service.

1.10 "new entrant" means any person who on or after 1 April 1997 takes up employment or is re employed in the Civil Service on a full time or part time basis except the following:

- (i) casual staff;
- (ii) staff employed on a fee paid or sessional basis or on a fixed term appointment;
- (iii) staff employed locally overseas;
- (iv) staff who are covered for their service in the Civil Service by other compensation arrangements arising out of their employment;
- (v) staff whose terms of appointment are to the effect that they are not entitled to benefits under section 2 or section 3 or, as the case may be, under section 2A or section 3A of this scheme;
- (vi) a person who was in post on or before 31 March 1997 and is re employed in the Civil Service, if his earlier service in the Civil Service ended on his resignation for the purpose of taking up a permanent appointment with a body which, in the opinion of the

department or other body employing him, is a European Union institution and that appointment continued until his current period of service in the Civil Service;

- (vii) a Joining By analogy Member, if the department or other body in the Civil Service employing him so decides.

1.11 This rule has been deleted.

1.12 "Joining By analogy Member" means a person who before 1 April 1997 began a period of employment:

- (a) which was reckonable under a scheme the rules of which are in the Minister's opinion analogous for the purposes of this rule to those of the 1972 Section;
- (b) which continued until his employment or re employment in his current period of continuous service in the Civil Service; and
- (c) in respect of which a credit of reckonable service under the 1972 Section has been made in accordance with section 6 of the 1972 Section.

1.13 The expressions "reckonable service" and "pensionable earnings" shall have the same meaning for the same purposes as under the PCSPS, except as otherwise provided in this scheme and except that:

- (a) for the purposes of a calculation under rule 2.8:
 - (i) rule 2.33(iii) of the 1972 Section shall apply for the purpose of calculating the total period of reckonable service;
 - (ii) for the purpose of determining what period of reckonable service was given after any date, reckonable service (as reduced under rule 2.33(iii)) shall be treated as if it were a continuous period which ended on the last day of service; and
 - (iii) rule 2.33(iv) of the 1972 Section shall apply to the calculation of pensionable earnings during the period of a year starting on the Starting Date (as defined in rule 2.33); and
- (b) for the purposes of a calculation under rule 3.3:
 - (i) rule 2.33(iii) of the 1972 Section shall apply for the purpose of calculating the total period of reckonable service;

- (ii) for the purpose of determining what period of reckonable service was given either during any period of qualifying service or after any date, the period of reckonable service (as reduced under rule 2.33(iii)) shall be treated as if it were a continuous period which ended on the last day of service; and
 - (iii) rule 2.33(iv) of the 1972 Section shall apply to the calculation of pensionable earnings during the period of a year starting on the Starting Date (as defined in rule 2.33).
- (c) rule 1.6b of the 1972 Section shall, unless otherwise specified, be disregarded for the purpose of calculating pensionable earnings; and
- (d) for the purposes of calculations under sections 2 and 3 in relation to a civil servant who is in post on or before 31 March 1997, reckonable service shall not include any reckonable service under the PCSPS that results from a credit of reckonable service in accordance with the transfer provisions of section 6 of the 1972 section if that credit is in respect of an application made on or after 1 December 2005 under rule 6.22 of the 1972 section, unless the department or other body employing him in the Civil Service has decided that it shall and the credit is in respect of a period of employment which:
- (i) before the credit was given was reckonable under a scheme the rules of which are in the Minister's opinion analogous for the purposes of this rule to those of the 1972 section, and
 - (ii) continued until his employment or re-employment in his current period of continuous service in the Civil Service.

1.14 In all cases of persons serving in full-time or part-time employment in the Civil Service retired on the grounds of redundancy, the amount of lump sum compensation payable on the grounds of redundancy under either rules 2.3, 2.6a(iii), 2.8, 2.9, 2A.4(a) or 2A.7 of this scheme (after any recovery under rule 6.3 or 6A.8) or any other compensation scheme by which persons are covered for their service in the Civil Service shall, if it is less in value than the redundancy payment which would, but for section 159 of the Employment Rights Act 1996, have been payable under that Act ("the statutory redundancy payment"), be made up to that value. If no lump sum compensation of the type referred to above is payable to a person serving in the Civil Service who is retired on grounds of redundancy an amount equal to the statutory redundancy payment shall be paid to him. Notwithstanding the provisions of rule 1.3(a) above, this rule will apply to persons serving on period appointments.

- 1.15 Where a person who has become entitled to payment of a pension and/or lump sum under rule 3.3b of the 1972 Section or rule D.1A of the 2002 Section (partial retirement) subsequently becomes entitled to benefits under this scheme—
- (a) any reckonable service used to calculate that pension and/or lump sum will not be included when calculating the person's reckonable service or current reckonable service for the purposes of this scheme, and
 - (b) the person's partial retirement will have no effect on the length of his qualifying service or current qualifying service.

Section 2 Compulsory and Redundancy category (1972 Section members)

- 2.1 A civil servant who is compulsorily retired early on grounds of structure or limited efficiency, or retired early on grounds of redundancy, will receive the benefits as described in rules 2.2 to 2.9.
- 2.1a A person shall not be regarded as retired early for the purposes of this section on ceasing to be in the Civil Service if the person is re-employed in the Civil Service after not more than 28 days.

Early retirement for civil servants in post on or before 31 March 1997

- 2.2 This rule applies where a civil servant:
- (a) was in post on or before 31 March 1997;
 - (b) is retired early on or after 6 April 2006 under rule 2.1 above;
 - (c) is aged 50 or over;
 - (d) has five or more years' qualifying service;
 - (e) has not opted out of the 1972 Section; and
 - (f) has not opted in accordance with rule 2.4 to be treated under section 2A.

The civil servant will be eligible for a pension and lump sum payable under the PCSPS in accordance with rule 3.11 of the 1972 Section, but with reckonable service increased by 6 2/3 years and the benefits being brought into payment immediately. This is subject to rules 2.2.1 to 2.2.4 and rules 2.5 and 2.6. If the civil servant's pension under rule 3.11 of the 1972 Section would have been higher if rule 1.6b of the 1972 Section were disregarded the civil servant will also be eligible for a lump sum compensation payment under rule 2.3a.

- 2.2.1 The pension and lump sum that would result from the increased reckonable service are subject to the limit that they may not exceed the benefits that would have been earned (assuming no increase in the elements that make up pensionable earnings, apart from incremental increases which were due in the then current grade under pay arrangements which are no longer applicable) if he had stayed in service in a full-time capacity until the pension age. For the purpose of calculating this limit:
- (a) no account shall be taken of any added years or contributed pension, which would have been bought in the relevant period;

- (b) no account shall be taken of any increase in the elements that make up pensionable earnings except:
- (i) any incremental increases which were due under the then current grade within any formerly applicable scale maximum;
 - (ii) any increase in excess of the no longer applicable scale maximum (or where appropriate, the single pay point for the grade) in the pay range for the then current grade which is already in payment at the time of early retirement;
 - (iii) any increase which would have been due under assimilation arrangements, provided that such arrangements have been promulgated at the date of the early retirement; and
 - (iv) any increase in the elements that make up pensionable earnings, which has been promulgated at the time of the early retirement, notwithstanding that it is not due to be brought into payment at that time;
- (c) where a civil servant is employed in a pay band in the service of Her Majesty's Stationery Office:
- (i) reference to 'current grade' shall read 'current pay band';
 - (ii) rule (b)(i) above shall read 'any service increment due under his or her current pay band';
 - (iii) rule (b)(ii) above shall read 'any performance pay which is already in payment at the time of the early retirement.'
- (d) Subject to sub-paragraph (e) below, in the case of a prison officer who was in post on or before 30 September 1987, and who retires early on or after 1 January 2001 or on or before 31 December 1995 no account shall be taken of any doubling of reckonable service under rule 2.27 of the 1972 Section and the former rules and former section 10 rules shall be construed accordingly and as if this provision had applied since 1 June 1972 or 1 April 1987 as the case may be.
- (e) Where a prison officer who was in post on 30 September 1987 retires early on or after 1 January 1996 and on or before 31 December 2000, or leaves after 31 December 2000 under a scheme of early retirement announced on or before 31 December 2000, reckonable service shall be eligible for doubling in accordance with rule 2.27 of the 1972 Section, up to a maximum of $6\frac{2}{3}$ years. If such a prison officer so retires with

less than 20 years of actual service as a prison officer, he or she shall be deemed to have completed such 20 years of actual service in accordance with rule 2.27 of the 1972 Section as at the date when he or she would otherwise have completed 20 years of service as a prison officer if he or she had stayed in service in a full-time capacity until the pension age.

- 2.2.2 In all cases, however, reckonable service may not be increased by more than its length, or in the case of new entrants, by more than current reckonable service and benefits cannot be less than those which would have been paid under rule 3.11 of the 1972 Section without enhancement of reckonable service or, in the case of a prison officer to whom rule 2.27 of the 1972 Section applies, the benefits which would have been paid under rule 3.12 of the 1972 Section.
- 2.2.3 For the purpose of this rule 'current grade' includes a grade held on temporary promotion or a grade in which a civil servant was substituting or deputising for an absentee if the department in which the civil servant was so employed is of the opinion that if the civil servant had not been retired early it would have expected such temporary promotion, substitution or deputising to have continued until the civil servant reached pension age or until a date within the last three years of reckonable service before the pension age.
- 2.2.4 Where a civil servant is employed in the service of Her Majesty's Stationery Office, references to 'temporary promotion' shall read 'temporary appointment'.
- 2.3 Subject to rules 5.1 and 5.5 a civil servant may also be paid a lump sum compensation payment of 6 months' pensionable earnings. The lump sum compensation payment will not, however, be payable to non-mobile civil servants aged 50 or over but under age 55 where the last day of service is before 1 April 1995. This rule does not apply to a civil servant who has opted in accordance with rule 2.4 to be treated under section 2A.
- 2.3a This rule applies to a civil servant to whom either rule 2.2 or rule 2.6a applies and whose pension under rule 3.11 of the 1972 Section would have been higher if rule 1.6b of the 1972 Section were disregarded. The civil servant will receive an additional lump sum compensation payment equal to the value of the extra pension he would have received from the date the pension began until his pension age had rule 1.6b of the 1972 Section not applied. The lump sum compensation shall be calculated using the appropriate commutation table drawn up by the Scheme Actuary.
- 2.4 A civil servant who meets criteria (a) to (e) of rule 2.2 or criteria (a) to (d) of rule 2.6a may opt to be treated under section 2A. The option may only be exercised by notice in writing in such form as the Minister requires.

2.5 A civil servant to whom rule 3.24a(ii) of the 1972 Section applies who is retired early under the Compulsory and Redundancy categories referred to in this scheme will be treated in one of the following ways:

(a) where the employing department has considered it inappropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii) of the 1972 Section in calculating the pension to be awarded in respect of the service after the move to the lower grade, the civil servant will be treated as qualifying for enhancement under rule 2.2 and the total of the 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 that rule;

(b) where the employing department has considered it appropriate that a civil servant's reckonable service should be enhanced under rule 3.24a(ii) of the 1972 Section, the civil servant's pension and lump sum will be calculated for the purposes of rule 2.2 according to whichever of the calculations in sub-paragraphs (i) and (ii) 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:

(i) the total of:

- (1) the pension awarded under rule 3.24a(ii) of the 1972 Section (including any enhancement of reckonable service under that rule) and
- (2) a pension calculated under rule 3.1 of the 1972 Section by reference to reckonable service, if any, after the move to the lower grade (reduced in accordance with rule 3.24a(iii) of the 1972 Section), and excluding any enhancement of reckonable service under rule 2.2; or

(ii) the total of:

- (1) the pension awarded under rule 3.24a(ii) of the 1972 Section (excluding any enhancement of reckonable service under that rule) and
- (2) a pension calculated under rule 3.1 of the 1972 Section by reference to reckonable service after the move to the lower grade (without any reduction under rule 3.24a(iii) of the 1972 Section), and including any enhancement of reckonable service

under rule 2.2. That enhancement is to be calculated by reference to the total of the 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 2.2).

- 2.6 Where either rule 3.24(i) or rule 3.24a(ii) of the 1972 Section applies, and a civil servant is retired early with benefits payable under this scheme, any preserved pension in respect of service before the move to the lower grade or designation will be brought into payment when the civil servant retires.

Early retirement for new entrants

2.6a This rule applies where a new entrant:

- (a) is, on or after 6 April 2006, compulsorily retired early on grounds of structure or limited efficiency, or retired early on grounds of redundancy;
- (b) is aged 50 or over or, in the case of a civil servant to whom rule 3.10aa of the 1972 Section applies, is aged 55 or over;
- (c) has five or more years' current qualifying service;
- (d) has not opted out of the 1972 Section; and
- (e) has not opted in accordance with rule 2.4 to be treated under section 2A.

The new entrant will be eligible for the following benefits:

- (i) a pension and lump sum payable under the PCSPS on the terms described in rule 2.2, except those benefits shall be calculated by reference to current reckonable service in place of reckonable service;
- (ii) if his reckonable service is greater than his current reckonable service, an additional pension and lump sum payable under the PCSPS from pension age and calculated in accordance with rule 3.11 of the 1972 Section, except those benefits shall not be calculated by reference to all his reckonable service but by reference to the amount his reckonable service is in excess of his current reckonable service;
- (iii) a lump sum compensation payment payable in accordance with rule 2.3; and

- (iv) if the civil servant's pension under rule 3.11 of the 1972 Section would have been higher if rule 1.6b of the 1972 Section were disregarded, an additional lump sum compensation payment under rule 2.3a.

This is subject to rules 2.5 and 2.6.

Early severance (or leaving with less than 5 years' service)

2.7 Where the civil servant has less than five years' qualifying service or is under age 50, he or she is entitled to the same benefits (if any) under rule 3.11 of the 1972 Section as in the event of a voluntary resignation.

2.8 In addition, provided the civil servant has at least one year's qualifying service, a civil servant to whom rule 2.7 applies, may be paid, subject to rule 5.1, a compensation payment calculated as follows:

- (a) one month's pensionable earnings multiplied by the length of the civil servant's reckonable service; plus
- (b) one month's pensionable earnings multiplied by the length of the reckonable service given after the later of:
 - (i) the date on which five years' reckonable service is completed, and
 - (ii) the civil servant's 30th birthday; plus
- (c) one month's pensionable earnings multiplied by the length of the reckonable service given after the 35th birthday;

up to a maximum of three years' pensionable earnings. The limit of three years' pensionable earnings will not, however, apply to a civil servant who was serving in a mobile grade on 1 April 1987. In the case of a prison officer to whom rule 2.27 of the 1972 Section applies, reckonable service for the purposes of calculating compensation under this rule, shall be reckonable service determined in accordance with that rule. Subject to rule 6.1a, where reckonable service includes earlier service which has been aggregated with the final period of service, the total reckonable service shall be treated as if it were a period of continuous service which ended on the last day of the final period of service.

2.8a Where early severance takes place on or after 1 April 1998, the calculation in rule 2.8 shall be on the basis that:

- (a) in (b)(i), in place of 'reckonable service' use 'qualifying service'. For this purpose, qualifying service does not include service which would only qualify by virtue of rule 2.10a of the 1972 Section;

- (b) at the end of the rule, for the reference to a maximum of three years' pensionable earnings use the calculation of pensionable earnings in rule 5.5.

Early severance for optants out

2.9 This rule applies where a person:

- (a) has at any time opted out of the 1972 Section;
- (b) is compulsorily retired early on grounds of structure or limited efficiency or is retired early on grounds of redundancy; and
- (c) has less than five years' service that would have been qualifying service if he had not opted out of the 1972 Section or is under age 50.

The person to whom this rule applies will receive a lump sum compensation calculated under rule 2.8 with all service treated as service as a civil servant.

Early severance for new entrants

2.9a In the case of new entrants any award made under rules 2.8 or 2.9(b)(i) shall be calculated by reference to current reckonable service and to current qualifying service, and references in those rules to reckonable service and to qualifying service respectively shall be construed accordingly.

Section 2A Compulsory and Redundancy category

Application

- 2A.1 (a) Subject to paragraph (b), this section applies to:
- (i) members of the 2002 Section;
 - (ii) persons who have opted out of the 2002 Section and who do not have a partnership pension account (“2002 optants out”);
 - (iii) persons who have a partnership pension account;
 - (iv) persons who have opted out of the 1972 Section (“1972 optants out”); and
 - (v) members of the 1972 Section who have opted in accordance with rule 2.4 to be treated under this section or who would have been treated under rule 2.6a but for them being aged 50 or over and under age 55 (“1972 members”).
- (b) This section does not apply to:
- (i) persons who hold an appointment in the Civil Service for a fixed term; or
 - (ii) persons serving in the Civil Service whose terms of employment exclude them from the provisions of this scheme.
- (c) A person shall not be regarded as retired early for the purposes of this section on ceasing to be in the Civil Service if the person is re-employed in the Civil Service after not more than 28 days.

Interpretation

- 2A.2 In this section, unless otherwise specified or, in the case of a 1972 member or a 1972 optant out, unless the term is defined in the 1972 Section or in section 1 of this scheme:
- (a) “active membership period” in respect of a member of the 2002 Section has the meaning given in rule A.7 of the 2002 Section and, in respect of a person who is not a member of the 2002 Section, means the last period during which the person has served in the Civil Service and does not include any earlier period separated from it by a break in service.

- (b) “current qualifying service” shall have the same meaning as “qualifying service” (as defined in this rule 2A.2) except that qualifying service prior to the commencement of current reckonable service (as defined in this rule 2A.2) shall not be current qualifying service.
- (c) “current reckonable service” shall have the same meaning in relation to a person as “reckonable service” (as defined in this rule 2A.2), except that:
- (i) it shall not include any service prior to the current period of continuous service in the Civil Service unless the prior service ended on resignation for the purpose of taking up a permanent appointment with a body which, in the opinion of the department or other body employing him, is a European Union institution and that appointment continued until re-employment in the current period of continuous service in the Civil Service;
 - (ii) it shall not include any reckonable service described in rule A.9(1)(b) or (c) of the 2002 Section;
 - (iii) it shall not include any reckonable service which results from the payment of contributions before 1 October 2002 for added years under section 7 of the 1972 Section or from a grant of added years made under rule 2.24 of the 1972 Section;
 - (iv) it shall not include any reckonable service described in rule A.9(1)(d) of the 2002 Section unless the department or other body employing him in the Civil Service has decided that it shall and –
 - (1) the credit is in respect of a period of employment which:
 - (aa) before the credit was given was reckonable under a scheme the rules of which are in the Minister’s opinion analogous for the purposes of this rule to those of the PCSPS, and
 - (bb) continued until his employment or re-employment in his current period of continuous service in the Civil Service; and
 - (2) the person had-
 - (aa) applied to bring in a transfer value in respect of that reckonable service under

rule F.7 of the 2002 Section within 12 months of the date he started the employment that qualified him to belong to the 2002 Section; or

- (bb) transferred to the 2002 Section on terms agreed under rule F.13(2) of the 2002 Section (bulk transfers into the scheme).
- (v) it shall not include any reckonable service which results from a credit of reckonable service in accordance with the transfer provisions of section 6 of the 1972 Section unless the conditions in paragraph (iv) (1) above are met.
- (d) “final pensionable earnings” has the meaning –
 - (i) in the case of a 1972 member or a 1972 optant out, given to the term pensionable earnings under the 1972 Section, except that rule 1.6b of the 1972 Section shall not apply other than for the purposes of calculating final pensionable earnings under rules 2A.5.5, 2A.5.6, 2A.5.8 and 2A.5.11, and
 - (ii) in all other cases, given in rule A.4(2) of the 2002 Section, except that rule A.6 of the 2002 Section shall not apply other than for the purposes of calculating final pensionable earnings under rules 2A.5.5, 2A.5.6, 2A.5.8 and 2A.5.11.
- (e) this paragraph has been deleted.
- (f) “pension age” has the meaning given in rule A.1(4) of the 2002 Section.
- (g) “qualifying service” has the meaning given in rule A.8 of the 2002 Section.
- (h) “reckonable service” has the meaning given in rule A.9 of the 2002 Section except that:
 - (i) the reckonable service which an unreserved joiner (as defined in the 2002 Section) is entitled to count under rules K.3, K.4 and K.6 of the 2002 Section shall be the reckonable service he was entitled to count immediately before 1 October 2002 under the 1972 Section;
 - (ii) where resettlement leave is granted, the period of leave will not count as reckonable service and any annual compensation payment will not come into payment until the end of it;

- (iii) it shall not include any service that a person is entitled to count under rule A.9(1)(d) of the 2002 Section (transfers under Part F); and
 - (iv) it shall not include any service that a person is entitled to count under rule C.11(1A) of the 2002 Section (purchase of added years by the employer from lump sum benefits payable under this scheme).
- (i) “scheme year” has the meaning given in rule A.1(4) of the 2002 Section.

Compulsory Early Retirement – Eligibility for compulsory early retirement benefits

2A.3 Subject to rule 2A.3.1, a person to whom this section applies shall be eligible for the compulsory early retirement benefits specified in rule 2A.4 if:

- (a) he is aged 50 or over;
- (b) he has five or more years’ qualifying service; and
- (c) he is compulsorily retired early on the grounds of structure or limited efficiency or retired early on the ground of redundancy (“compulsory early retirement”).

2A.3.1 In the case of a new entrant, the reference to “qualifying service” in rule 2A.3 shall be deemed to be a reference to “current qualifying service” (as defined in rule 2A.2).

Compulsory early retirement benefits

2A.4 For the purpose of rule 2A.3 and subject to rule 2A.4.1, “compulsory early retirement benefits” are:

- (a) a lump sum compensation payment payable on compulsory early retirement and calculated in accordance with rule 2A.5.2;
- (b) a lump sum compensation payment payable on compulsory early retirement and calculated in accordance with rule 2A.5.5;
- (c) a lump sum compensation payment payable on compulsory early retirement and calculated in accordance with rule 2A.5.6;
- (d) an annual compensation payment payable from compulsory early retirement up to and including the day before pension age and calculated in accordance with rule 2A.5.7;

- (e) an annual compensation payment payable as provided in rule 2A.5.9 and calculated in accordance with rule 2A.5.8.

2A.4.1 2002 optants out and 1972 optants out shall not be eligible for the lump sum compensation payment in rule 2A.4(b).

Calculation of compulsory early retirement benefits

2A.5 For the purpose of calculating compulsory early retirement benefits, all service in the Civil Service of a 2002 optant out and of a person who has a partnership pension account shall be treated as service as a member of the 2002 Section and all service in the Civil Service of a 1972 optant out shall be treated as service as a member of the 1972 Section.

2A.5.1 The compulsory early retirement benefits of a new entrant shall be calculated by reference to “current reckonable service” (as defined in rule 2A.2) in place of “reckonable service”.

2A.5.2 Subject to rules 2A.5.3 and 2A.5.4, the lump sum compensation payment in rule 2A.4(a), shall be the equivalent of six months’ final pensionable earnings.

2A.5.3 For any person who is within three years of pension age, the lump sum compensation payment in rule 2A.4(a), shall be reduced by 1/36 for each month of service within that three year period, counting any part of a month as a full month.

2A.5.4 For the purpose of calculating the lump sum compensation payment referred to in rule 2A.4(a), “final pensionable earnings” shall be calculated as follows where the person has a period of part-time service to which paragraph (a) or (b) applies:

- (a) in the case of a 1972 member or a 1972 optant out, where there is part-time service in the last three years of reckonable service, “final pensionable earnings” shall be calculated as “pensionable earnings” is calculated under rule 5.5 for the purposes of calculating the lump sum compensation payment under rule 2.3; and
- (b) in the case of a person who is not a 1972 member or a 1972 optant out, where there is part-time service in the 12 months ending with the last day of the person’s reckonable service or in the last two years ending during or at the same time as his active membership period of the 2002 Section, “final pensionable earnings” shall be calculated in accordance with rule A.4(2) of the 2002 Section without regard to rules A.4(3) and A.6 of the 2002 Section.

2A.5.5 The lump sum compensation payment in rule 2A.4(b) shall be calculated as follows:

$$RS \times 3/80 \times FPE \times AF$$

where:

RS is the person's reckonable service

FPE is the person's final pensionable earnings

AF is a factor specified by the Scheme Actuary

2A.5.6 The lump sum compensation payment in rule 2A.4(c) shall be calculated as follows:

$$NERS \times 3/80 \times FPE$$

where:

NERS is the notional enhancement of reckonable service calculated in accordance with rule 2A.5.10

FPE is the person's final pensionable earnings

2A.5.7 The annual compensation payment in rule 2A.4(d) shall be calculated as follows:

$$(RS + NERS) \times 1/80 \times FPE$$

where:

RS is the person's reckonable service

NERS is the notional enhancement of reckonable service calculated in accordance with rule 2A.5.10

FPE is the person's final pensionable earnings

2A.5.8 The annual compensation payment in rule 2A.4(e) shall be calculated as follows:

$$(NERS - PR) \times 1/80 \times FPE$$

where:

NERS is the notional enhancement of reckonable service calculated in accordance with rule 2A.5.10

PR is calculated as follows:

Where the person is re-employed in the Civil Service after compulsory early retirement and the period between the date of his compulsory early retirement and the date of his re-employment is less than the period represented by the notional enhancement of his reckonable service in accordance with rule 2A.5.10, PR is the aggregate of each re-employment period. For the purposes of this rule, "re-employment period" means the period beginning with the date of re-employment in the Civil Service after compulsory early retirement to the end of the period represented by the notional enhancement of reckonable service calculated in accordance with rule 2A.5.10 or, if it occurs earlier, the end of that period of re-employment.

FPE is the person's final pensionable earnings from the employment in respect of which he is taking compulsory early retirement

2A.5.9A member of the 2002 Section or 1972 member may opt to exchange all of the annual compensation payment in rule 2A.4(e) which he would otherwise receive for a lump sum which shall be determined by the Minister after consultation with the Scheme Actuary. The option must be exercised by notice in writing to the scheme administrator in such form as the Minister requires before this annual compensation payment comes into payment on reaching pension age. If the option is not exercised, the annual compensation payment will be paid from pension age for life.

In the case of 2002 optants out, 1972 optants out and persons who have a partnership pension account, the annual compensation payment in rule 2A.4(e) will be automatically exchanged for a lump sum which shall be determined by the Minister after consultation with the Scheme Actuary and shall be paid on reaching pension age.

2A.5.10 (a) Subject to paragraph (b) below and to rules 2A.5.11 to 2A.5.13, the notional enhancement of reckonable service for the purposes of rules 2A.5.6 to 2A.5.8 shall be $6\frac{2}{3}$ years subject to the limit that the resulting annual compensation payment in rule 2A.4(d) may not exceed the notional annual compensation payment as defined in rule 2A.5.11.

(b) For the purpose of determining the notional enhancement of reckonable service in paragraph (a) above, the resulting annual compensation payment in rule 2A.4(d) shall be calculated using final pensionable earnings as defined in rule A.4(2) of the 2002 Section (which rule, for the avoidance of doubt, shall apply subject to rule A.6 of the 2002 Section). This paragraph does not apply to a 1972 Section member or a 1972 optant out.

2A.5.11 The “notional annual compensation payment” shall be calculated as follows:

$$(RS + PRS) \times 1/80 \times PPE$$

where:

RS is the person’s reckonable service as at the date of compulsory early retirement

PRS means projected reckonable service and is the reckonable service which would have accrued from the day after the date of compulsory early retirement to the day before the person attained pension age if the person had remained in full-time employment instead of being retired early except that no account shall be taken of any added years or contributed pension which would have been bought in this period

PPE means projected pensionable earnings and is what the person’s final pensionable earnings would have been if he had remained in full-time employment to pension age instead of being retired early. For the purpose of calculating this amount:

- (a) no account shall be taken of any increase in the elements which make up final pensionable earnings other than:
 - (i) an increase which would have been due under assimilation arrangements provided that such arrangements have been promulgated at the date of the compulsory early retirement; and
 - (ii) an increase in the elements that make up final pensionable earnings which has been promulgated at the time of the compulsory early retirement, notwithstanding that it is not due to be brought into payment at that time;
- (b) earnings from a grade or pay band held on temporary promotion or from a grade or pay band in which the person was substituting or deputising for an absentee shall be taken into account if the department in which the person was so employed is of the opinion that, if the person had not been retired early, it would have expected such temporary promotion, substitution or deputising to have continued until the person reached pension age or until a date within the last two complete scheme years ending during or at the same time as the period from the day after compulsory early retirement to the day before the person reached pension age.

2A.5.12 The notional enhancement of reckonable service shall not exceed the length of reckonable service as at the date of compulsory early retirement.

2A.5.13 For persons who work part time, the notional enhancement of reckonable service of $6\frac{2}{3}$ years in rule 2A.5.10 shall be reduced in the same proportion that the person's actual reckonable service bears to what it would have been had the service been given in a full-time capacity. For the purpose of calculating the notional annual compensation payment, "PRS" will be assessed on the basis that the employment would have been in a full-time capacity and then reduced in the same proportion as the notional enhancement of $6\frac{2}{3}$ years was reduced.

Compulsory Early Severance – Eligibility for compulsory early severance benefit

2A.6 Subject to rule 2A.6.1, a person to whom this section applies shall be eligible for the compulsory early severance benefit specified in rule 2A.7 if:

- (a) he has at least one year's qualifying service; and
- (b) he is under the age of 50 or he has less than five years' qualifying service; and
- (c) he is compulsorily retired early on the grounds of structure or limited efficiency or retired early on the ground of redundancy.

2A.6.1 In the case of a new entrant, the reference to "qualifying service" in rule 2A.6 shall be deemed to be a reference to "current qualifying service" (as defined in rule 2A.2).

Calculation of compulsory early severance benefit

2A.7 For the purpose of rule 2A.6, and subject to rules 2A.7.1 to 2A.7.4, "compulsory early severance benefit" means a compensation payment calculated as follows:

- (a) one month's final pensionable earnings multiplied by the length of the person's reckonable service:
- (b) one month's final pensionable earnings multiplied by the length of the reckonable service given after the later of:
 - (i) the date on which five years' qualifying service is completed; and
 - (ii) the person's 30th birthday; plus
- (c) one month's final pensionable earnings multiplied by the length of the reckonable service given after the 35th birthday;

up to a maximum of three years' final pensionable earnings. The limit of three years' final pensionable earnings will not apply to a person who was serving in a mobile grade on 1 April 1987.

2A.7.1 For the purpose of calculating compulsory early severance benefit, all service in the Civil Service of a 2002 optant out and of a person who has a partnership pension account shall be treated as service as a member of the 2002 Section.

2A.7.2 The compulsory early severance benefit of a new entrant shall be calculated by reference to "current reckonable service" and "current qualifying service" (each as defined in rule 2A.2) in place of "reckonable service" and "qualifying service", respectively.

2A.7.3 For any person who is within three years of pension age, any compulsory severance benefit shall be reduced by $1/36$ for each month of service within that three year period, counting any part of a month as a full month.

2A.7.4 Where there is part-time service in the 12 months ending with the last day of the person's reckonable service or in the last two complete scheme years ending during or at the same time as his active membership period of the 2002 Section, in calculating the maximum compulsory early severance benefit, "final pensionable earnings" will be the higher of:

- (a) the person's final pensionable earnings calculated in accordance with rule A.4(2) of the 2002 Section without regard to rules A.4(3) and A.6 of the 2002 Section; or
- (b) the person's final pensionable earnings calculated in accordance with rule A.4(2) of the 2002 Section without regard to rule A.6 of the 2002 Section and then multiplied by A/B where
 - (i) A is his reckonable service and
 - (ii) B is what his reckonable service would have been if he had worked full-time throughout the period of his service which reckons.

Section 3 Flexible category (1972 Section members)

- 3.a1 A person shall not be regarded as retired early for the purposes of this section on ceasing to be in the Civil Service if the person is re-employed in the Civil Service after not more than 28 days.

Early retirement

- 3.1 This rule applies where a civil servant:
- (a) was in post on or before 31 March 1997;
 - (b) is retired early on or after 6 April 2006 under the Flexible category;
 - (c) is aged 50 or over;
 - (d) has five or more years' qualifying service;
 - (e) has not opted out of the 1972 Section; and
 - (f) has not opted in accordance with rule 3.5 to be treated under section 3A.

The civil servant will be eligible for a pension and lump sum payable under the PCSPS on the terms described in rule 2.2. If the civil servant's pension under rule 3.11 of the 1972 Section would have been higher if rule 1.6b of the 1972 Section were disregarded, he will also be eligible for an additional lump sum compensation payment under rule 2.3a.

- 3.2 A civil servant to whom rule 3.24a(ii) of the 1972 Section applies who is retired early under the Flexible category will be treated as set out in rules 2.5 and 2.6.

Early retirement for new entrants

- 3.2a This rule applies where a new entrant:
- (a) is retired early on or after 6 April 2006 under the Flexible category;
 - (b) is aged 50 or over or, in the case of a civil servant to whom rule 3.10aa of the 1972 Section applies, is aged 55 or over;
 - (c) has five or more years' current qualifying service;
 - (d) has not opted out of the 1972 Section; and

- (e) has not opted in accordance with rule 3.5 to be treated under section 3A.

The new entrant will be eligible for the benefits described in rule 3.1 except:

- (i) the pension and lump sum payable under the PCSPS on the terms described in rule 2.2, shall be calculated by reference to current reckonable service in place of reckonable service; and
- (ii) if his reckonable service is greater than his current reckonable service, he will be eligible for an additional pension and lump sum payable under the PCSPS from pension age and calculated in accordance with rule 3.11 of the 1972 Section, except those benefits shall not be calculated by reference to all his reckonable service but by reference to the amount his reckonable service is in excess of his current reckonable service.

Early severance (or leaving with less than 5 years' service)

3.3 Subject to rule 3.4, where a civil servant who is retired early under the Flexible category has less than five years' qualifying service, or is under the age of 50, he or she is eligible for benefits under rule 2.7. In addition, and provided the civil servant has at least one year's qualifying service, a compensation payment may be paid, subject to rule 5.1, calculated as follows:

- (a) two weeks' pensionable earnings for each of the first five years of reckonable service; plus
- (b) three weeks' pensionable earnings for each of the next five years of reckonable service; plus
- (c) four weeks' pensionable earnings for each year of reckonable service after the first ten years; plus
- (d) two weeks' pensionable earnings for each year of reckonable service after the fortieth birthday;

up to a maximum of two years' pensionable earnings. In the case of a prison officer to whom rule 2.27 of the 1972 Section applies, reckonable service for the purposes of calculating compensation under this rule shall be reckonable service determined in accordance with that rule.

3.3a Where early severance takes place on or after 1 April 1998, the calculation in rule 3.3 shall be on the basis that:

- (a) in (a), in place of the words 'for each of the first five years of reckonable service' use: 'for each year of reckonable service during the first five years of qualifying service';
- (b) in (b), in place of the words 'for each of the next five years of reckonable service' use: 'for each year of reckonable service during the next five years of qualifying service';
- (c) in (c), in place of the words 'the first ten years' use: 'the first ten years of qualifying service';
- (d) for the purpose of (a), (b) and (c) above, qualifying service does not include service which would only qualify by virtue of rule 2.10a of the 1972 Section;
- (e) at the end of the rule, for the reference to a maximum of two years' pensionable earnings use the calculation of pensionable earnings in rule 5.5.

Early severance for optants out

3.4 This rule applies where a person:

- (a) has at any time opted out of the 1972 Section;
- (b) is retired early under the Flexible category; and
- (c) has less than five years' service that would have been qualifying service if he had not opted out of the 1972 Section or is under age 50.

The person to whom this rule applies will receive a lump sum compensation payment calculated under rule 3.3 with all service treated as service as a civil servant.

Early severance for new entrants

3.4a In the case of new entrants any award made under rules 3.3 (other than an award of pension benefits) or 3.4(b)(i) shall be calculated by reference to current reckonable service and to current qualifying service, and references in those rules to reckonable service and to qualifying service respectively shall be construed accordingly.

3.5 A civil servant who meets criteria (a) to (e) of rule 3.1 or criteria (a) to (d) of rule 3.2a may opt to be treated under section 3A. The option may only be exercised by notice in writing in such form as the Minister requires.

Section 3A Flexible category

Application

- 3A.1 (a) Subject to paragraph (b), this section applies to:
- (i) members of the 2002 Section;
 - (ii) persons who have opted out of the 2002 Section and who do not have a partnership pension account (“2002 optants out”);
 - (iii) persons who have a partnership pension account;
 - (iv) persons who have opted out of the 1972 Section (“1972 optants out”); and
 - (v) members of the 1972 Section who have opted in accordance with rule 3.5 to be treated under this section or who would have been treated under rule 3.2a but for them being aged 50 or over and under age 55 (“1972 members”).
- (b) This section does not apply to:
- (i) persons who hold an appointment in the Civil Service for a fixed term; or
 - (ii) persons serving in the Civil Service whose terms of employment exclude them from the provisions of this scheme.
- (c) A person shall not be regarded as retired early for the purposes of this section on ceasing to be in the Civil Service if the person is re-employed in the Civil Service after not more than 28 days.

Interpretation

3A.2 Rule 2A.2 applies to this section.

Flexible Early Retirement – Eligibility for flexible early retirement benefits

- 3A.3 Subject to rule 3A.3.1, a person to whom this section applies shall be eligible for the flexible early retirement benefits specified in rule 3A.4 if:
- (a) he is aged 50 or over;
 - (b) he has five or more years’ qualifying service; and

- (c) he is retired early under the flexible category (“flexible early retirement”).

3A.3.1 In the case of a new entrant, the reference to “qualifying service” in rule 3A.3 shall be deemed to be a reference to “current qualifying service” (as defined in rule 2A.2).

Flexible early retirement benefits

3A.4 For the purpose of rule 3A.3 and subject to rule 3A.4.1, “flexible early retirement benefits” are those set out in rules 2A.4(b) to 2A.4(e). For the purpose of calculating flexible early retirement benefits, references in section 2A to compulsory early retirement benefits and compulsory early retirement shall be read as references to flexible early retirement benefits and flexible early retirement, respectively.

3A.4.1 2002 optants out and 1972 optants out shall not be eligible for the lump sum compensation payment in rule 2A.4(b).

Calculation of flexible early retirement benefits

3A.5 For the purpose of calculating flexible early retirement benefits, all service in the Civil Service of a 2002 optant out and of a person who has a partnership pension account shall be treated as service as a member of the 2002 Section and all service in the Civil Service of a 1972 optant out shall be treated as service as a member of the 1972 Section.

3A.5.1 The flexible early retirement benefits of a new entrant shall be calculated by reference to “current reckonable service” (as defined in rule 2A.2) in place of “reckonable service”.

Flexible Early Severance – Eligibility for flexible early severance benefit

3A.6 Subject to rule 3A.6.1, a person to whom this section applies shall be eligible for the flexible early severance benefit specified in rule 3A.7 if:

- (a) he has at least one year’s qualifying service; and
- (b) he is under the age of 50 or he has less than five years’ qualifying service; and
- (c) he is retired early under the flexible category.

3A.6.1 In the case of a new entrant, the reference to “qualifying service” in rule 3A.6 shall be deemed to be a reference to “current qualifying service” (as defined in rule 2A.2).

Calculation of flexible early severance benefit

3A.7 For the purpose of rule 3A.6 and subject to rules 3A.7.1 to 3A.7.4, “flexible early severance benefit” means a compensation payment calculated as follows:

- (a) two weeks’ final pensionable earnings for each year of reckonable service during the first five years of qualifying service; plus
- (b) three weeks’ final pensionable earnings for each year of reckonable service during the next five years of qualifying service; plus
- (c) four weeks’ final pensionable earnings for each year of reckonable service after the first ten years of qualifying service; plus
- (d) two weeks’ final pensionable earnings for each year of reckonable service after the fortieth birthday,

up to a maximum of two years’ final pensionable earnings.

3A.7.1 For the purpose of calculating flexible early severance benefit, all service in the Civil Service of a 2002 optant out and of a person who has a partnership pension account shall be treated as service as a member of the 2002 Section.

3A.7.2 The flexible early severance benefit of a new entrant shall be calculated by reference to “current reckonable service” and “current qualifying service” (each as defined in rule 2A.2) in place of “reckonable service” and “qualifying service”, respectively.

3A.7.3 For any person who is within three years of pension age, any flexible early severance benefit shall be reduced by 1/36 for each month of service within that three year period, counting any part of a month as a full month.

3A.7.4 Where there is part-time service in the 12 months ending with the last day of the person’s reckonable service or in the last two complete scheme years ending during or at the same time as his active membership period of the 2002 Section, in calculating the maximum flexible early severance benefit, “final pensionable earnings” will be the higher of:

- (a) the person’s final pensionable earnings calculated in accordance with rule A.4(2) of the 2002 Section without regard to rules A.4(3) and A.6 of the 2002 Section; or

- (b) the person's final pensionable earnings calculated in accordance with rule A.4(2) of the 2002 Section without regard to rule A.6 of the 2002 Section and then multiplied by A/B where
- (i) A is his reckonable service and
 - (ii) B is what his reckonable service would have been if he had worked full-time throughout the period of his service which reckons.

Section 4 **Approved category**

- 4.1 A civil servant aged 50 or over with five or more years' qualifying service who is retired under the Approved category, will receive a preserved pension and lump sum under rule 3.11 of the 1972 Section which may, notwithstanding that rule, be brought into payment immediately under the PCSPS rather than at the pension age. The civil servant may elect, before the benefits come into payment, to make an election under the provisions of rule 3.1a of the 1972 Section.
- 4.1.1 Where the civil servant is aged 55 or over and has earlier service which ended with a preserved pension and lump sum under rule 3.11 of the 1972 Section which is taken into account for the purposes of meeting the 25 years' qualifying service criterion for certain retirements under the Approved category, the earlier award will be cancelled and the service counted with current service for a single pension award based on pensionable earnings at final retirement.
- 4.2.1 Where a person who has been awarded a pension under rule 3.24a(ii) of the 1972 Section opts out of the scheme and is then retired under the Approved category, he or she will receive a pension under rule 3.24a(ii) of the 1972 Section (subject to rule 3.24c of the 1972 Section) and, where applicable, a pension under rule 3.11 of the 1972 Section (subject to rule 3.24a(iii) of the 1972 Section), with all service since the move to the lower grade treated as service as a civil servant.
- 4.2.2 The pensions in rules 4.2 and 4.2.1 may, notwithstanding rule 3.11 of the 1972 Section, be brought into payment immediately, but will cease at pension age without prejudice to any preserved pension under rules 3.11 and 3.24a(ii) of the 1972 Section based on actual service as a civil servant. In addition the person may, notwithstanding rules 3.11 and 3.24a(ii) of the 1972 Section, receive immediate payment of any preserved lump sum awarded under those rules which is based on actual service as a civil servant.

Section 5 Further provisions

Civil servants within 3 years of the pension age

- 5.1 For a civil servant, or a person who at any time has opted out of the 1972 Section who is within three years of the pension age, the lump sum compensation payment under rule 2.3, 2.6a, 2.8, 3.2a, 3.3, 11.1 or 11.3 will be reduced by one thirty sixth for each month of service within that three year period, counting any part of a month as a full month. This rule shall not apply to a prison officer whose pension age is 55 under rule 2.27 of the 1972 Section if the lump sum compensation payment is made under rule 2.8, 2.9, 3.3, 3.4, 11.1 or 11.3.

Civil servants with service overseas

- 5.2 A civil servant, or a person who at any time has opted out of the 1972 Section, who is retired early with benefits under the relevant rule (as defined in rule 5.2A) and who has service overseas to which rule 2.29 of the 1972 Section applies, may opt for that rule not to apply. If he or she so opts, an additional compensation payment may be paid of 3% of pensionable earnings for each year of such service, with fractions of a year reckoning pro rata.

- 5.2A For the purposes of rule 5.2 the relevant rule means:

- (a) 2.2, 2.7, 3.1 or 3.3,
- (b) in the case of a person who is a 1972 optant out or 1972 member for the purposes of section 2A, rule 2A.3, or
- (c) in the case of a person who is a 1972 optant out or 1972 member for the purposes of section 3A, rule 3A.3.

Resettlement leave

- 5.3 For the purposes of rules 2.1 to 2.9 and 3.1 to 3.4 where resettlement leave is granted, the period of leave will not count as reckonable service, and any annual compensation payment under these rules (or the lump sum resulting from the annual compensation payment being commuted under these rules or repackaged under rule 5.8) will not come into payment until the end of it.

Part-time service

- 5.4 Other than as described in this rule and rule 5.5, benefits for part-time staff who are retired early will be determined in the same way as for full-time staff. In determining enhancement to reckonable service under rule 2.2, the enhancement of $6\frac{2}{3}$ years will be reduced in the proportion that the officer's actual reckonable service bears to what it would have been had the service been given in a full-time capacity.

For the purposes of limiting benefits to those which would have been earned had service continued to the pension age, the element of projected reckonable service will be assessed on the basis that the employment would have been in a full-time capacity and then reduced in the same proportion as the enhancement of $6\frac{2}{3}$ years was reduced.

5.5 Where there is part-time service in the last three years of reckonable service, then:

- (a) subject to (b) below, in calculating the lump sum compensation payment under rule 2.3 and the maximum additional compensation payment under rules 2.8a or 3.3a, 'pensionable earnings' 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;
- (b) on or after 1st April 1998, in calculating the maximum additional compensation payment under rules 2.8a or 3.3a, 'pensionable earnings' will be the greater of the civil servant's pensionable earnings calculated under (a) above and his pensionable earnings calculated under (c) below;
- (c) under this sub-rule 'pensionable earnings' will be the civil servant's pensionable earnings calculated apart from this rule 5.5 and then multiplied by A/B where:

A is his reckonable service, and

B is what his reckonable service would have been if he had worked full-time throughout the period of his service which reckons.

Widows' and dependants' benefits

5.6 In rules 4.18, 4.23c and 4.50 of the 1972 Section, which define the length of reckonable service for which contributions are due for a widow's or invalidity pension, the amounts 'A' and 'B' will be taken to include any enhancement of reckonable service under rule 2.2, except in the case of enhancement under the provisions of rules 2.9 and 3.4.

Allocation

5.7 Rule 5.1 of the 1972 Section which allows a person to allocate part of his or her pension in favour of a spouse or dependant, will apply to an annual compensation payment under rule 2.3 or 3.1 in the same way as to a pension under section 3 of the 1972 Section except where this is paid under rules 2.9 or 3.4. Where part of an annual compensation payment is allocated, the allocation will also apply to the preserved

pension under section 3 of the 1972 Section which replaces the annual compensation payment at the pension age.

Section 6 Re-employment

6.1 Where a civil service pensioner to whom the former rules^(a) or the former section 10 rules^(b) or this scheme applied is re-employed in the Civil Service after the pension age, rules 3.26 to 3.33 of the 1972 Section will apply in the same way as to other civil service pensioners re-employed in these circumstances.

6.1a Where on or before 31 March 1997 a person has received benefits under:

- i) rule 2.8
- ii) rule 2.9(b)
- iii) rule 3.3
- iv) rule 3.4(b)

or under any equivalent provision of the former rules^(a) or the former section 10 rules^(b) and is re employed in the Civil Service on or before that date then

- a) for the purpose of calculating any further award of benefits under rules 2.8 or 2.9(b) or 3.3, other than an award of pension benefits, or 3.4(b), 11.1 or 11.3 made on or after 1 April 1997 no account shall be taken of any period of reckonable service employed in calculating the previous award other than that reckonable service attributable to the notional period represented by any part of a compensation payment repaid pursuant to rule 6.3; and
- b) for the purpose of calculating, on or after 1 April 1997, the limit contained in rule 2.2 the benefits that are deemed to have been earned under that rule shall be calculated as if service had begun on the date of re employment.

6.2 Where a person in receipt of an annual compensation payment under rule 10.6 or 10.10 of the former section 10 rules^(b) or rule 2.3, or 2.6a, or 3.1, or 3.2a of this scheme is re-employed in the Civil Service, the annual payment will be abated under rule 3.26 of the 1972 Section in the same way as a pension under section 3 of the 1972 Section would be abated. If part or all of the annual payment was commuted into a lump sum, or an increase in the preserved pension under the provisions of rules 5.8(a)(ii), 5.8(a)(iii) or 5.8.2(ii), the maximum annual payment which may be paid under rule 3.26 of the 1972 Section will be reduced by the amount of annual payment commuted; and if the

^a The former rules are set out in Appendix 1.

^b The former Section 10 rules are set out in Appendix 2.

former amount is less than the latter amount, the difference will be deducted from the person's pay, with this deduction being ignored in the calculation of any revised pension award. Where an election has been made under rule 5.8(b), any increased element of the annual payment or preserved pension attributable to that election shall be ignored for the purposes of abatement under rule 3.26 of the 1972 Section.

6.3 Where a person who received a lump sum compensation payment under rules 10.6, 10.9 or 10.11 of the former section 10 rules^(c) or rule 2.3, 2.6a, 2.8, 3.2a, 3.3, 11.1 or 11.3 of this scheme is re-employed in the Civil Service, part of that payment will be repayable if:

- (a) the period between the date of early retirement and the date of re employment, is less than
- (b) the notional period in terms of months or weeks of pensionable earnings represented by the compensation payment received.

This rule does not apply where re employment is made on or after 1 April 1997 on merit on the basis of fair and open competition.

6.3.1 Repayment will be required only after the person has been re-employed for a period or periods totalling 15 days in any 91 day period. The amount to be repaid will be such part of the lump sum compensation payment as represents the excess of the notional period in paragraph (b) over the period in paragraph (a), except that the amount repayable will not exceed the aggregate of the amount earned by the person and any annual compensation payment or pension (including any increase under the Pensions (Increase) Act 1971 as amended) payable to the person between the commencement of such re-employment and the end of the notional period in paragraph (b), assuming this notional period begins on the day following the date of early retirement.

6.4 Subject to rule 6.5 where a person to whom the former section 10 rules† or this scheme applies is re-employed as a civil servant before the pension age and rejoins the 1972 Section, the civil servant may opt, at the time specified in rule 6.4a, to be treated in one of two ways:

- (a) the previous reckonable service (excluding any enhancement under rule 10.5 of the former section 10 rules^(c) or rule 2.2 of this scheme) is counted with the service during re-employment for a single award based on pensionable earnings at final retirement, with this service enhanced by the smaller of:

^c The former Section 10 rules are set out in Appendix 2.

- (i) the original enhancement (if any) under rule 10.5 of the former section 10 rules^(d) or rule 2.2 of this scheme;
- (ii) the actual period between the earlier retirement and the date of re-employment.

The lump sum or short service payment paid at the earlier retirement will be deducted from the lump sum payable at final retirement.

- (b) The person's earlier annual payment (if any) is retained, subject to abatement under rule 3.26 of the 1972 Section or rule 10.24 of the former section 10 rules^(d) or rule 6.2 of this scheme as appropriate, and the service during re-employment reckons towards a second pension. If, however, the enhancement of reckonable service under rule 10.5 of the former section 10 rules^(d) or rule 2.2 of this scheme exceeds the period between the date of early retirement and the date of re-employment, the reckonable (but not the qualifying) service in the second period of employment will be reduced by the amount of excess. The previous qualifying service will be counted with the service during re-employment as qualifying service for the purposes of an award based on re-employed service;

except that if the pension has already come into payment option (a) is not available. If death occurs during the period of re-employment, the civil servant will be treated in whichever of these two ways produces (or would produce) the larger widow's pension under section 4 of the 1972 Section.

6.4a The time when a person may exercise an option under rule 6.4 is:

- (a) if the person is re-employed before 1 January 2007, at the time of final retirement, or (if earlier) at the time when the pension is due to come into payment;
- (b) if the person is re-employed after 31 December 2006, during the first year of his re-employment

6.5 Where a person to whom this scheme applies is re-employed as a civil servant before pension age, having been a person who had been opted out of the 1972 Section at the end of the previous period of employment, the option in paragraph (a) of rule 6.4 is not available. The person must be treated in accordance with rule 6.4 (b) of this scheme.

6.6 (a) This paragraph has been deleted.

^d The former Section 10 rules are set out in Appendix 2.

- (b) Where a civil servant, whose benefits under this scheme or former section 10 rules^(Error! Bookmark not defined.) have been calculated under rule 3.1b of the 1972 Section is re-employed as a civil servant before the pension age and he or she opts to be treated under rule 6.4(a) of this scheme, he or she will be treated in the following way:
- (i) he or she may exercise that option only in relation to service rendered other than in a designated appointment; and
 - (ii) the pension in respect of any designated appointment will fall to be paid at the same time as the re-calculated pension.
- (c) Where under paragraph (b) above the pensionable earnings relating to re-employed service (not being a designated appointment) exceeds the pensionable earnings on the last day of the last designated appointment in respect of which a preserved pension under the 1972 Section 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 6.4(a) in relation to the whole of the pension benefits.
- (d) This paragraph has been deleted.
- (e) Where a civil servant to whom this rule applies is re-employed after a break not exceeding 6 months, the civil servant's employment will not be treated as having ceased to be contracted out employment and the benefits will be calculated under rule 3.1b of the 1972 Section.
- 6.7 The application of rules 6.1 to 6.6 will extend to a person re-employed as a civil servant on a period appointment and the application of rules 6.1 to 6.3 will extend to a person whose re-employment in the Civil Service falls within one of the categories specified in rule 1.4(i) to (vi) of the 1972 Section or who opts out of the 1972 Section.

Section 6A Re-employment after receiving benefits under section 2A, section 3A or rule 11.5 of this scheme

6A.1 Subject to section 7, this section applies to persons re-employed in the Civil Service after receiving benefits under section 2A, section 3A or rule 11.5 of this scheme.

Part A – Abatement of annual compensation payment

6A.2 This Part applies where a person in receipt of an annual compensation payment as described in rule 2A.4(d) of this scheme (and payable under rule 2A.3 or rule 3A.3) is re-employed in the Civil Service before pension age (whether or not he is a member of the PCS in that employment).

6A.2.1 In this Part–

- (a) a person to whom this Part applies is referred to as a “re-employed person”,
- (b) the service in the employment that has terminated and in respect of which the annual compensation payment is payable and the service that he enters on re-employment are referred to respectively as the “old service” and the “new service”,
- (c) “permanent pensionable earnings” has the meaning given in rule A.2(2) of the 2002 Section.

6A.2.1A In the case of a re-employed person whose old service ends before 1st April 2007 and who has not exercised an option in accordance with rule 6A.2.1B(b), in this section –

- (a) “the old rate” means the amount of the annual rate of basic pay payable to the re-employed person as at the last day of his old service; and
- (b) “the new rate” means the amount of the annual rate of the basic pay payable to him at the time he enters the new service.

6A.2.1B Rule 6A.2.1C applies to a re-employed person –

- (a) whose old service ends after 31st March 2007; or
- (b) (i) whose old service ends before 1st April 2007 and (ii) who has opted by notice in writing in such form and at such time as the Minister requires for rule 6A.2.1C to apply to him.

6A.2.1C In the case of a re-employed person to whom this rule applies, in this section –

- (a) “the old rate” has the meaning –
 - (i) in the case of a person receiving an annual compensation payment under section 2A or 3A as a 1972 member or a 1972 optant out, that the term “pensionable earnings” has for the purposes of determining lump sum death in service benefits under rule 3.8 of the 1972 Section, but with the amount calculated as at the last day of the person’s old service and without applying rule 1.6b (permitted maximum) of the 1972 Section,
 - (ii) in all other cases, that the term “final pensionable earnings” has for the purposes of calculating lump sum death in service benefits under rule E.15 of the 2002 Section, but with the amount calculated as at the last day of the person’s old service and without applying rule A.6 (permitted maximum) of the 2002 Section; and
- (b) “the new rate” means the amount of the annual rate of his permanent pensionable earnings payable to him at the time he enters the new service.

6A.2.2 This Part does not apply if the new service is–

- (a) for a period of less than 15 days in any 91 day period, or
- (b) for periods totalling in aggregate less than 15 days in any 91 day period.

Abatement of annual compensation payment on re employment: general rules

6A.3 If–

- (a) in respect of a re-employed person, the old rate exceeds the new rate, and
- (b) the annual rate of the annual compensation payment to which he is entitled at the time of re-employment is greater than the amount of that excess,

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

In the case of a person who is re-employed on a fee-paid basis, references in this Part to the annual rate of the basic pay or permanent

pensionable earnings payable to him at the time he enters the new service include references to the fees payable to him, expressed as an annual rate.

6A.3.1 If the new rate equals or exceeds the old rate, the re-employed person is not entitled to payment of the annual compensation payment during the new service.

6A.3.2 Where rule 6A.3 applies, the annual rate of the annual compensation payment continues to be reduced by the reduction amount, regardless of any subsequent increase in the annual rate of the annual compensation payment under the Pensions (Increase) Act 1971 after the time when the member is re-employed.

Abatement of annual compensation payment: effect of changes after re-employment

6A.4 This rule applies where after the re-employed person enters the new service any of the following changes occurs—

- (a) the number of hours the re-employed person is required to work in his new service alters,
- (b) the re-employed person is re-employed in another post or his post is regraded,
- (c) the re-employed person's basic pay, or, in the case of a person to whom rule 6A.2.1C applies, permanent pensionable earnings, changes as a result of being on, or returning from, sick leave, or
- (d) in the case of a re-employed person to whom rule 6A.2.1C applies, the person starts, or ceases, to receive a permanent allowance that is treated as permanent pensionable earnings under rule A.2(2)(b) of the 2002 Section.

6A.4.1 Rules 6A.3 to 6A.3.2 apply from the time of the change as if the re-employed person were being re-employed at the time of the change, and the service before the change is disregarded.

Special rules in cases of entitlement to two or more annual compensation payments

6A.5 This rule applies where the re-employed person is entitled, or apart from this Part would be entitled, to the payment of more than one annual compensation payment in respect of old service. For the purposes of rules 6A.3 to 6A.3.2 and rules 6A.4 and 6A.4.1, the old rate is taken to be whichever of the old rates is the greater or greatest.

Minister's power to modify Part A of Section 6A

6A.6 This rule applies if the Minister considers that in any case or class of cases there are special circumstances which call for exceptional treatment under this Part.

6A.6.1 The Minister may direct that in the case or class of cases in question rule 6A.3 or 6A.3.1 or 6A.4.1 is not to apply or is only to apply to the extent that the Minister directs.

Adjustment of old rate

6A.7 If the re-employed person's new service does not begin immediately after the old service ceases, the old rate is taken to be the adjusted old rate.

6A.7.1 In rule 6A.7 "the adjusted old rate" means the old rate, increased by the same amount, if any, as a pension would have been increased under the Pensions (Increase) Act 1971 by the day on which the new service began if—

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

Part B – Repayment of lump sum compensation payments

6A.8 Where a person who received a lump sum compensation payment under rules 2A.7, 3A.7 or 11.5 of this scheme or as described in rule 2A.4(a) of this scheme is re-employed in the Civil Service, part of that payment will be repayable if the period between the date of early retirement and the date of re-employment is less than the notional period (as defined in rule 6A.10).

This rule and rules 6A.9 and 6A.10 do not apply where re-employment is made on merit on the basis of fair and open competition.

6A.9 Repayment will be required only after the person has been re-employed for a period or periods totalling 15 days in any 91 day period. The amount to be repaid will be such part of the lump sum compensation payment as represents the excess of the notional period over the period between the date of early retirement and the date of re-employment, except that the amount repayable will not exceed the aggregate of the amount earned by the person and any annual compensation payment and any pension (including any increase made under the Pensions (Increase) Act 1971, as amended) payable to the person between the commencement of such re-employment and the

end of the notional period, assuming this notional period begins on the day following the date of early retirement.

6A.10 In rule 6A.8 and rule 6A.9, “notional period” means the notional period in terms of months or weeks of final pensionable earnings represented by the lump sum compensation payment received.

Section 7 Interim arrangements

- 7.1 Section 7 of this scheme applies to persons serving in the Civil Service who are covered by rule 1.3(b) and to those who received benefits under the former rules^(a) and are subsequently re-employed.
- 7.1.1 When calculating benefits payable to prison officers under this section, for the purpose of calculating limits in accordance with former rule 10.4(i) or former section 10 rule 10.5, the following provisions shall apply:
- (a) Where a prison officer who was in post on 30 September 1987 retires early on or after 1 January 1996 and on or before 31 December 2000, or leaves after 31 December 2000 under a scheme of early retirement announced on or before 31 December 2000, reckonable service shall be eligible for doubling in accordance with rule 2.27 of the 1972 Section, up to a maximum of $6\frac{2}{3}$ years.
 - (b) Where a prison officer who was in post on 30 September 1987 retires early on or after 1 January 2001 or on or before 31 December 1995 no account shall be taken of any doubling of reckonable service under rule 2.27 of the 1972 Section.
 - (c) The former rules and the former section 10 rules shall be construed in accordance with sub-paragraphs (a) and (b) above and as if this rule 7.1.1 had applied since 1 June 1972 or 1 April 1987 as the case may be.
- 7.1a A person shall not be regarded as having left a post under any category for which compensation is payable under this section if the person is re-employed in the Civil Service after not more than 28 days.

Under age 40 on 1 April 1987

- 7.2 Subject to rules 7.3 and 7.3a, a civil servant under age 40 and serving in a mobile grade on 1 April 1987 who leaves a post in a mobile grade at age 40 or over but under age 50 under the Compulsory and Redundancy Early Severance category will receive the following benefits:
- (a) a preserved pension and lump sum under rule 3.11 of the 1972 Section if he or she has two or more years' qualifying service; plus
 - (b) a compensation payment calculated under rule 2.8; plus, for those with five or more years' qualifying service -

^a The former rules are set out in Appendix 1.

- (c) an additional compensation payment which, when added to the benefits payable under (a) and (b) above, would provide for benefits as a whole equivalent in value to those which would have been paid under the former rules^(b) had they been operative at the date of severance.

7.2.1 For the purposes of (c) above the value of the benefits under rule 7.2(a) and (b) and under the former rules 10.3 and 10.6 shall be assessed using factors provided by the Scheme Actuary.

7.2.2 Rule 7.2.2 has been deleted.

7.2.3 Former rules^(b) 10.14, 10.16 and 10.20 may apply as appropriate.

7.2a Subject to rules 7.3a, a person serving in the Civil Service who is a member of the 2002 Section and who was under age 40 and serving in a mobile grade on 1 April 1987 and who leaves a post in a mobile grade at age 40 or over but under 50 under the Compulsory and Redundancy category will receive the following benefits:

- (a) a compensation payment calculated under rule 2A.7; plus for those with five or more years' qualifying service (as defined in rule 2A.2) –
- (b) an additional compensation payment which, when added to the benefits payable under (a) above and the notional preserved pension and lump sum, would provide for benefits as a whole equivalent in value to those which would have been paid under the former rules^(b) had they been operative at the date of severance.

“Notional preserved pension and lump sum” means the preserved pension and lump sum which he or she would have been eligible for under rule 3.11 of the 1972 Section if he or she was a member of the 1972 Section and all his or her service in the Civil Service was in the 1972 Section. For the purpose of calculating the notional preserved pension and lump sum, “final pensionable earnings” (as defined in rule 2A.2) shall be used in place of “pensionable earnings”.

7.2a.1 For the purposes of (b) above the value of the notional preserved pension and lump sum and the value of the benefits under rule 7.2a(a) and under the former rules 10.3 and 10.6 shall be assessed using factors provided by the Scheme Actuary.

7.2a.2 Former rules^(c) 10.14, 10.16 and 10.20 may apply as appropriate.

^b The former rules are set out in Appendix 1.

^c The former rules are set out in Appendix 1.

- 7.3 A person who was under age 40 and serving in a mobile grade on 1 April 1987 but has since at any time opted out of the 1972 Section and who leaves a post in a mobile grade at age 40 or over but under age 50 under the Compulsory and Redundancy Early Severance category will receive the following compensation:
- (a) a compensation payment calculated under rule 2.9; plus
 - (b) if he or she has 5 or more years' qualifying service (including service in the Civil Service while opted out of the 1972 Section), an additional compensation payment which when added to the compensation payable under (a) above would provide compensation as a whole equivalent in value to that which would have been paid under the former rules^(c) had they been operative at the date of severance.
- 7.3.1 For the purposes of (b) above the value of benefits under rule 7.3(a) and under the former rules 10.3 and 10.6 shall be assessed:
- (a) using factors provided by the Scheme Actuary, and
 - (b) with all service being treated as service as a civil servant.
- 7.3.2 Rule 7.3.2 has been deleted.
- 7.3.3 Former rules^(c) 10.14, 10.16 and 10.20 may apply as appropriate.
- 7.3a A person who was under age 40 and serving in a mobile grade on 1 April 1987 and who has at any time since 1 October 2002 opted out of the 2002 Section and who leaves a post in a mobile grade at age 40 or over but under age 50 under the Compulsory and Redundancy category will receive the following compensation:
- (a) a compensation payment calculated under rule 2A.7; plus
 - (b) if he or she has 5 or more years' service that would qualify for membership of the PCSPS whether or not he or she was a member of the PCSPS, an additional compensation payment which when added to the compensation payable under (a) above would provide compensation as a whole equivalent in value to that which would have been paid under the former rules^(d) had they been operative at the date of severance.
- 7.3a.1 For the purposes of (b) above the value of the benefits under rule 7.3a(a) and under the former rules 10.3 and 10.6 shall be assessed:
- (a) using factors provided by the Scheme Actuary, and

^d The former rules are set out in Appendix 1.

- (b) with all service in the Civil Service being treated as service as a member of the 2002 Section.

7.3a.2 Former rules^(e) 10.14, 10.16 and 10.20 may apply as appropriate.

Age 40 or over on 1 April 1987

7.4 This rule has been deleted.

7.5 This rule has been deleted.

Re-employment

7.6a Rules 7.6, 7.7 and 7.9 to 7.11 do not apply to persons re-employed in the Civil Service on or after 1 October 2002.

7.6 Where a civil servant left before 1 April 1987 with benefits determined under the former rules^(e) and is re-employed, the former rules^(e) 10.21 to 10.24a will apply as appropriate irrespective of the date of re-employment. Subject to rule 7.10 of this scheme, former rules^(e) 10.21 to 10.24a will also apply as appropriate to a person who leaves under rule 10.4 of the former section 10 rules^(f) with benefits determined in accordance with the former rules^(e) or who leaves on or after 1 April 1987 under rule 10.31 of the former section 10 rules^(f) or under rule 7.4 of this scheme.

7.7 Where a person left with benefits calculated under rule 10.30 or 10.30a of the former section 10 rules^(f) or rule 7.2 or 7.3 of this scheme and is re-employed after the pension age, rules 3.26 to 3.33 of the 1972 Section will apply in the same way as to other civil service pensioners re-employed in these circumstances.

7.8 Where a person with five or more years' qualifying service left with benefits calculated under rule 10.30 or 10.30a of the former section 10 rules^(f) or rule 7.2, 7.2a, 7.3 or 7.3a and is re-employed before the pension age, the notional annual compensation payment determined in the calculation at paragraph (a) of rule 10.30 or 10.30a of the former section 10 rules^(f) or rule 7.2(c) or 7.3(b) or rule 7.2a(b) or 7.3a(b) of this scheme will be deemed to be in payment and former rule^(e) 10.22 applied accordingly but with any reduction which would have applied to the notional annual compensation payment applied instead to the salary on re-employment. This deduction will be ignored in the calculation of any revised pension award. The value of the lump sum compensation payment assessed at paragraph (c) of rule 10.30 or 10.30a of the former section 10 rules^(f) or rule 7.2(c) or 7.3(b) or rule 7.2a(b) or 7.3a(b) of this scheme will be subject to the recovery provisions of former rule^(e) 10.23 except where re employment is made

^e The former rules are set out in Appendix 1.

^f The former Section 10 rules are set out in Appendix 2.

on or after 1 April 1997 on merit on the basis of fair and open competition. Where, in a case where rule 7.2 or 7.3 applies, no payment falls to be made under rule 7.2(c) or 7.3(b), any person re-employed on or after 1 April 1997 will be treated under rule 6.3 and not under this rule. Where, in a case where rule 7.2a or 7.3a applies, no payment falls to be made under rule 7.2a(b) or 7.3a(b), any person re-employed on or after 1 October 2002 will be treated under rule 6A.8 and not under this rule. This rule does not apply if rule H.7 of the 2007 Section (Re-employment after ill-health pension awards and awards under the Civil Service Compensation Scheme) applies to the person.

- 7.8a In the case of any person re-employed on or after 1 April 1997, the effect of the application of rule 7.8 may be modified so that the notional annual compensation payment is deemed to be reduced by such amount as is considered appropriate having regard to guidelines at any time agreed by the Minister with representatives of persons who are likely to be affected; and former rule 10.22 shall be applied in accordance with any such modification.
- 7.9 Subject to rule 7.10 of this scheme, a civil servant to whom rule 10.30 of the former section 10 rules^(g) or rule 7.2 of this scheme applies may opt, at the end of the period of re-employment, to be treated in one of the following ways:
- (a) the previous reckonable service (excluding any enhancement under former rule^(h) 10.4 taken into account in the determination of benefits under the previous arrangements) is counted with the service during re-employment for a single award based on pensionable earnings at the end of the period of re-employment, with this service enhanced by the smaller of:
- (i) the enhancement under former rule^(h) 10.4; and
- (ii) the actual period between the earlier retirement under rule 10.30 of the former section 10 rules^(g) or rule 7.2 of this scheme and the date of re-employment.

For those with five or more years' qualifying service at the time of earlier retirement under rule 10.30 of the former section 10 rules^(g) or rule 7.2 of this scheme the lump sum payable at final retirement will be reduced by the superannuation lump sum calculated at (b) of rule 10.30 of the former section 10 rules† or rule 7.2(c) of this scheme. It will then be increased by the value of the superannuation lump sum preserved for payment at the pension age as calculated at (e) of rule 10.30 of the former section 10 rules^(g) or rule 7.2(c) of this scheme and reduced by the commuted value of the pension derived from the

^g The former Section 10 rules are set out in Appendix 2.

^h The former rules are set out in Appendix 1.

enhancement to reckonable service as calculated at (d) of rule 10.30 of the former section 10 rules^(g) or rule 7.2(c) of this scheme. For those with between two and five years' qualifying service at the time of retirement under rule 10.30 of the former section 10 rules^(g), the lump sum payable at final retirement will be reduced by the short service payment paid at the earlier retirement.

- (b) The earlier benefits are retained and the service during re-employment reckons towards a second pension. If, however, the enhancement of reckonable service under former rule⁽ⁱ⁾ 10.4 used to determine the value of benefits under the previous arrangements exceeds the period between the date of early retirement and the date of re-employment, the reckonable (but not the qualifying) service in the second period of employment will be reduced by the amount of the excess.

7.9.1 The option in 7.9(b) is not available if the person is re-employed as a civil servant after a break not exceeding 6 months and he or she must be treated in accordance with 7.9(a). If death occurs during the period of re-employment, the civil servant will be treated in whichever of these two ways produces (or would produce) the larger widow's or widower's pension under section 4 of the 1972 Section.

7.10 Where a person to whom rule 10.30a or 10.31a of the former section 10 rules^(j) applies is re-employed as a civil servant before the pension age, having been a person who had been opted out of the 1972 Section at the end of the previous period of employment, the option in paragraph 1 of former rule⁽ⁱ⁾ 10.24 or paragraph 1 of rule 10.35 of the former section 10 rules† will not be available. He or she must be treated in accordance with paragraph (ii) of these rules.

7.10.1 Where a person to whom rules 7.3 or 7.5 of this scheme applies is re-employed as a civil servant before the pension age, having been a person who had been opted out of the 1972 Section at the end of the previous period of employment, the option in rule 7.9(a) of this scheme will not be available. He or she must be treated in accordance with rule 7.9(b).

7.11 On or after 1 January 1995 a person receiving an award under rule 7.2 above may opt for an award under whichever is applicable of either rule 7.9(b) above or former rule⁽ⁱ⁾ 10.24(ii), irrespective of the length of break. If he or she so opts, the previous qualifying service will be counted with the service during re-employment as qualifying service for the purpose of an award based on the re-employed service.

ⁱ The former rules are set out in Appendix 1.

^j The former Section 10 rules are set out in Appendix 2.

Section 8 Fixed term appointments

- 8.1 For the purposes of this section 'civil servant' shall mean any person serving in full-time or part-time employment in the Civil Service.
- 8.2 An employing department may if in its opinion it is necessary for management reasons to do so and if it would be appropriate to do so make at its discretion a payment to a civil servant on a fixed term appointment whose appointment is terminated early by mutual consent.
- 8.3 The payment referred to in rule 8.2 above is by way of compensation for the unexpired period of the fixed term appointment and will be calculated as follows:

$$A - B - C + D = E$$

where:

A is the amount calculated for the loss of remuneration for the unexpired period of the contract;

B is an amount representing the alternative remuneration the person concerned might reasonably be expected to earn during the unexpired period of the contract in other suitable employment;

C is the deduction in respect of (a) early payment of remuneration for the unexpired period of the contract based on a discounting rate specified from time to time by the Scheme Actuary; and (b) an actuarial assumption of the probability of death or retirement on health grounds taking place during the unexpired period of the contract;

In the case of a civil servant who does not have a partnership pension account,

D is the amount, adjusted to take account of the availability of tax relief to the civil servant, representing the capitalised value of (a) contributions or premium required to be paid in order to purchase superannuation benefits equivalent in value to those which would otherwise have been obtained in respect of the fixed term appointment; less (b) the contributions towards the cost of superannuation benefits which would have been paid by the member during the unexpired portion of the contract. A deduction is made for superannuation benefits expected to be obtained, allowing for member's contributions expected to be paid in the employment referred to in B.

In the case of a civil servant who has a partnership pension account, D is the amount of contributions that his employer would have paid in respect of his partnership pension account during the unexpired period of the contract. A deduction shall be made for superannuation benefits expected to be obtained, allowing for member's contributions expected

to be paid during the unexpired period of the contract in the employment referred to in B above.

The amount payable is E, increased to allow for any tax which may be payable on amounts of compensation under sections 148 and 188 of the Income and Corporation Taxes Act 1988 after taking into account any relief available under section 188 of that Act.

- 8.3.1 For the purposes of A and B in this rule, 'remuneration' shall include pay, any contractual entitlement to increases of pay and to the value of any additional benefits (including allowances) arising under the contract, but shall not include tax, employee's National Insurance contributions or occupational pension benefits.
- 8.4 A civil servant on a fixed term appointment, who is retired early on the grounds of redundancy, may receive an amount calculated in accordance with rule 8.3, which amount shall be reduced by any payment made by way of compensation in lieu of notice in respect of the same early retirement.
- 8.5 A civil servant on a fixed term appointment which does not expressly provide that in practice notice will be given if his or her employment is terminated prior to the maximum period of the employment, and who is constructively dismissed or whose employment is compulsorily terminated before the end of the maximum period, may receive an amount calculated in accordance with rule 8.3. This rule does not apply to such civil servants
- (a) who are summarily dismissed as the result of disciplinary or inefficiency proceedings or otherwise justifiably at common law;
 - (b) who are retired on medical grounds;
 - (c) to whom a payment is made under rule 8.4; or
 - (d) to whom compensation is paid following dismissal for inefficiency.
- 8.6 No payment shall be made under this section to any civil servant who is entitled under any other occupational pension or compensation scheme to compensation in respect of the same termination of employment except that, if that compensation is less than a payment calculated in accordance with rule 8.3, any difference may be paid.
- 8.7 Where a person who receives a lump sum compensation payment under this section is re employed full or part-time in the Civil Service, part of that payment will be repayable if:

- (a) the period between the date of leaving employment and the date of re employment is less than
- (b) the notional period represented by the compensation payment in terms of months or weeks of remuneration.

8.7.1 Repayment will be required only after the person has been re-employed for a period or periods totalling 15 days in any 91 day period. The amount to be repaid will be such part of the lump sum compensation payment as represents the excess of the notional period in paragraph 8.7(b) over the period in paragraph 8.7(a), except that the amount repayable will not exceed the amount earned by the person between the commencement of re-employment and the end of the notional period in paragraph 8.7(b), assuming this notional period begins on the day following the date of leaving employed service.

Section 9 Payment on termination of employment without notice

- 9.1 For the purposes of this section 'civil servant' shall mean any person serving in full-time or part-time employment in the Civil Service.
- 9.2 Where a civil servant who is a servant of the Crown is dismissed without notice in circumstances where, in accordance with the notice provisions of the Civil Service Management Code, notice would normally in practice be given, he will receive a payment equivalent to the remuneration to which he would have been entitled, if he had been given the notice that would normally in practice be given by his department (referred to as 'the notice period'), calculated as below.
- 9.2.1 In the case of a civil servant whose last day of service falls in the period 1 April 1996 to 30 June 1996, the payment shall be an amount equal to his pay for the notice period, payable at the rate on the last day of service. An increase in the rate will be taken into account only if it is promulgated after the last day of service but takes effect before it.
- 9.2.2 In the case of a civil servant whose last day of service falls on or after 1 July 1996, the payment shall be an amount equal to the aggregate of the following:
- (a) any salary, allowances and/or bonus to which the civil servant would have been contractually entitled, if he had remained in service during the notice period; and
 - (b)
 - (i) in the case of a civil servant who is a member of the 1972 Section, an amount to compensate for loss of pension benefits calculated by reference to a specified percentage of pensionable earnings for the notice period. The specified percentages will be those provided from time to time by the Scheme Actuary and in force on the last day of service. For the purpose of this rule, "pensionable earnings" shall have the meaning in rule 1.6a of the 1972 Section;
 - (ii) in the case of a civil servant who is a member of the 2002 Section, an amount to compensate for loss of pension under the 2002 Section calculated by reference to a specified percentage of final pensionable earnings for the notice period. The specified percentages will be those provided from time to time by the Scheme Actuary and in force on the last day of service. For the purpose of this rule, "final pensionable earnings" shall have the meaning in rule A.4(2) of the 2002 Section. Where the civil servant is leaving under the Compulsory and Redundancy category of the Flexible category and is eligible for the annual compensation payment described in rule 2A.4(e),

for the purpose of calculating loss of pension under this rule, that payment shall be calculated as at the date of early retirement and shall be taken into account as pension under the 2002 Section;

- (iii) in the case of a civil servant who has a partnership pension account, an amount to compensate for the loss of employer's contributions in respect of his partnership pension account during the notice period.

9.3 Where a civil servant who is not a servant of the Crown is dismissed without the notice to which, having regard to the reason for dismissal, he is entitled under his contract of employment, he will receive a payment calculated in accordance with rule 9.2.2, and for this purpose 'the notice period' in that rule will be construed to refer to the period of notice to which he is entitled.

9.4 Where notice is given in respect of only a part of the notice period, the payment will be calculated by reference to the balance of the notice period.

9.4.1 Where a civil servant is given notice but leaves voluntarily before the end of the notice period, no payment will be made.

Section 10 Personal injury compensation

10.1 In this section “qualifying injury” means an injury sustained by accident which results in:

- (a) death;
- (b) total and permanent loss of sight in one or both eyes or total and permanent loss of use of one or both hands or feet; or
- (c) total and permanent disablement from engaging in paid employments or paid occupations of any kind.

Application of section

10.2 This section applies to:

- (a) 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 person);
- (b) 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
- (c) persons holding office in Her Majesty's Government in the United Kingdom.

Qualifying conditions

10.3 Benefits in accordance with the provisions of this section may be paid to any person to whom this section applies and who suffers a qualifying injury sustained:

- (a) on or after 1 April 1997;
- (b) while working away from his normal place of employment on business for which he would be authorised by his employer to make an overnight stay (whether or not he makes an overnight stay); and
- (c) other than in the course of official duty.

For the purposes of (b) above, where a person is on a long-term tour of duty in the United Kingdom or abroad, he shall be regarded as working away from his normal place of employment.

Benefits

10.4 The benefits referred to in 10.3 are:

death	£25,000
total and permanent loss of sight in one or both eyes or total and permanent loss of use of one or both hands or feet	£15,000
total and permanent disablement from engaging in paid employments or paid occupations of any kind.	£35,000

Where benefits under this section are taxable in the hands of the recipient, benefits may instead be paid in such amount as, after deduction of tax, equals the relevant figure in the above table.

Exceptions

10.5 Benefits under this section will not be payable in the case of death or injury:

- (a) which qualifies for the payment of benefits under the Civil Service Injury Benefits Scheme;
- (b) caused by or resulting from or attributable to pre-existing mental illness or instability or pre-existing disease, physical defect or infirmity;
- (c) caused by or resulting from or attributable to suicide or attempted suicide or intentional self-injury including use of alcohol or drugs or other toxic substances;
- (d) caused by or resulting from or attributable to wilful exposure to danger (except in an attempt to save human life) or engaging in hazardous pursuits, whether sporting or otherwise; or
- (e) where notification of death or injury is not made within two years of the occurrence of the death or injury.

Section 11 Dismissal for inefficiency

11.a1 A person shall not be regarded as dismissed for the purposes of this section on ceasing to be in the Civil Service if the person is re-employed in the Civil Service after not more than 28 days.

11.1 If a civil servant is dismissed for inefficiency and:

- (a) the employing department decides that payment of compensation would be appropriate; and
- (b) the civil servant has served for at least one year,

then

- (i) if the dismissal occurs on or after 1 August 1988 and on or before 31 December 1994 the civil servant may be paid compensation calculated in accordance with former rule 10.11 of the 1972 Section as set out in Appendix 2 (subject to former rule 10.15 as set out in Appendix 2); or
- (ii) if the dismissal occurs on or after 1 January 1995 and before 1 April 1998 the civil servant may be paid compensation calculated in accordance with rule 3.3 of this scheme, subject to rule 5.1; or
- (iii) if the dismissal occurs on or after 1 April 1998 the maximum compensation which may be paid is that calculated in accordance with rule 3.3 of this scheme, subject to rule 5.1.

In any case where rule 3.24a of the 1972 Section applies, the reckonable service used for the purposes of calculating compensation is to be the total reckonable service before and after the move to the lower grade excluding any enhancement under rule 3.24a(ii).

11.2 If the person dismissed:

- (a) is aged 55 or over, and
- (b) is a civil servant for the purposes of the 1972 Section, and
- (c) is entitled to a preserved award under rules 3.18a or 3.24a(ii) of that scheme,

then if his department or agency has determined that he should be paid the maximum compensation payable under rule 11.1 he may elect to forego that compensation and receive, instead, immediate payment of any preserved pension and lump sum under rules 3.18a and 3.24a(ii) as the case may be.

11.3 A person who has at any time opted out of the 1972 Section and who is dismissed for inefficiency may be paid compensation in accordance with rule 11.1 with all service treated as service as a civil servant.

11.4 In the case of new entrants and staff employed on a fixed term appointment any award made under rule 11.1 or rule 11.3 shall be calculated by reference to current reckonable service and to current qualifying service, and references in those rules to reckonable service and to qualifying service shall be construed accordingly.

11.5 If

- (a) a member of the 2002 Section;
- (b) a person who has opted out of the 2002 Section; or
- (c) a person who has a partnership pension account,

is dismissed for inefficiency and the conditions in paragraphs (a) and (b) of rule 11.1 are met, then the maximum compensation which may be paid is that calculated in accordance with rule 3A.7 subject to rules 3A.7.1 to 3A.7.4. In the case of new entrants and staff employed on a fixed term appointment, any award made under this rule shall be calculated by reference to current reckonable service and to current qualifying service (each as defined in rule 2A.2) and references to reckonable service and qualifying service shall be construed accordingly.

11.6 If the person dismissed is:

- (a) aged 55 or over;
- (b) a member of the 2002 Section; and
- (c) entitled to an award under rule D.1(3) of the 2002 Section,

then if his department or agency has determined that he should be paid the maximum compensation payment under rule 11.5, he may elect to forego that compensation and instead be treated as an approved early leaver under rule D.7 of the 2002 Section.

Appendix 1 Rules applying before 1 April 1987

This Appendix contains the 'former rules' referred to in rule 1.1(f).

1. Rule 10.1 Subject to rule 10.24a this section does not apply to civil servants on period appointments (or, in accordance with rule 1.4, to civil servants specified in paragraphs (i) to (vi) of that rule).
2. Rule 10.2 In this section:
 - (i) 'mobile civil servants' and 'non mobile civil servants' mean civil servants in mobile and non mobile grades respectively;
 - (ii) 'retirement in the public interest' means retirement before the pension age on grounds of redundancy, on structural grounds, or on grounds of limited efficiency.

Mobile civil servants retired in the public interest

3. Rule 10.3 Subject to rule 10.4, a mobile civil servant retired in the public interest will receive the same superannuation benefits under section 3 as if he had resigned voluntarily. That is, he will be eligible for a preserved pension and lump sum under rule 3.11 if he has five or more years' qualifying service; if he has at least two but less than five years' qualifying service he may be paid a short service payment under rule 3.17.
4. Rule 10.4 Where the civil servant is aged 40 or over when he is retired in the public interest, for the purposes of calculating both the preserved pension and lump sum under rule 3.11 the following increase may be made in his reckonable service:
 - (i) if he is aged 45 or over it may be increased by $6\frac{2}{3}$ years, subject to the limit that the increased benefits may not exceed the benefits that he would have earned (assuming no increase in the elements that make up pensionable earnings apart from incremental increases due in his current grade) if he had stayed in service in a full time capacity until the pension age;
 - (ii) if he is aged 44 it may be increased by $5\frac{2}{3}$ years;
 - (iii) if he is aged 43 it may be increased by 4 years;

- (iv) if he is aged 42 it may be increased by $2\frac{2}{3}$ years;
- (v) if he is aged 41 it may be increased by $1\frac{1}{3}$ years;

except that in all cases reckonable service may not be increased to more than double its length.

For the purpose of calculating (i) above:

- (a) no account shall be taken of any added years, which would have been bought in the relevant period;
- (b) no account shall be taken of any increase in the elements that make up pensionable earnings promulgated but not due to be brought into payment at the date of the civil servant's retirement in the public interest including any increases which would have been due under assimilation arrangements.

Where the civil servant last entered the Civil Service before 6 April 1978 and is aged 40 or over when he is retired in the public interest or where the civil servant last entered the Civil Service on or after 6 April 1978 and is aged 50 or over when he is retired in the public interest the lump sum (increased to the extent specified above) may, notwithstanding rule 3.11, be paid immediately rather than when he reaches the pension age. Where the civil servant last entered the Civil Service on or after 6 April 1978 and is aged 40 or over but under 50 when he is retired in the public interest a proportion of the lump sum may be paid immediately, which proportion shall be calculated by multiplying the lump sum (increased to the extent specified above) by A/B, where

- (a) A is the increase in his reckonable service granted under paragraphs (i) to (v) above;
- (b) B is his total reckonable service including that increase.

The remainder of the lump sum will be preserved for payment when the civil servant attains the age of 55, unless he makes a request not later than 3 months after his 50th birthday that it should be paid to him at that time.

For the purposes of this rule 'current grade' includes a grade held on temporary promotion or a grade in which a civil servant was substituting for an absentee if the

department in which the civil servant was so employed is of the opinion that if the civil servant had not been prematurely retired it would have expected such temporary promotion or substitution to have continued until he reached pension age or until a date within the last three years of reckonable service before the pension age.

5. Rule 10.5 In addition to the superannuation benefits described in rules 10.3 and 10.4, a mobile civil servant retired in the public interest may be paid the compensation payments described in rules 10.6 and 10.8.
6. Rule 10.6 If he has 5 or more years' qualifying service and is aged 40 or over, he may be paid an annual compensation payment equal to the preserved pension under rule 10.3. This will come into payment immediately and will continue until he reaches the pension age, when the preserved pension comes into payment. He may also (subject to rule 10.13) be paid a lump sum compensation payment of 6 months' pensionable earnings. He may opt to commute into a lump sum as much of the annual compensation payment as will give a total lump sum payment including the payment of 6 months' pensionable earnings and the lump sum under rule 10.4 and any lump sum compensation payment under rule 10.14 of 2 years' pensionable earnings; for the purposes of the commutation the appropriate table drawn up by the Government Actuary's Department will be used. If after commutation the annual compensation payment amounts to less than £52, this also must be commuted.
7. Rule 10.7 Where resettlement leave is granted to a mobile civil servant retired in the public interest, the period of the leave will not count as reckonable service, and an annual compensation payment under rule 10.6 will not come into payment until the end of it.
8. Rule 10.8 If he has at least one but less than five years' qualifying service, or has five or more years' qualifying service and is under age 40, he may (subject to rule 10.13) be paid a compensation payment calculated as follows:
 - (i) one month's pensionable earnings multiplied by the length of his reckonable service; plus
 - (ii) one month's pensionable earnings multiplied by the length of his reckonable service given after the later of:

- (a) the date on which he completes 5 years' reckonable service, and
- (b) his 30th birthday; plus
- (iii) one month's pensionable earnings multiplied by the length of his reckonable service given after his 35th birthday.

Where reckonable service includes earlier service which has been aggregated with the final period of service, the total reckonable service shall be treated as if it were a period of continuous service which ended on the last day of the final period of service.

Non mobile civil servants retired on redundancy or for inefficiency

9. Rule 10.9 A non mobile civil servant retired on redundancy or for inefficiency will receive the same superannuation benefits under section 3 as if he had retired voluntarily. That is, he will be eligible for a preserved pension and lump sum under rule 3.11 if he has five or more years' qualifying service; if he has at least two but less than five years' qualifying service he may be paid a short service payment under rule 3.17.

10. Rule 10.10 In addition to these superannuation benefits, a non mobile civil servant retired on redundancy or for inefficiency with at least one year's qualifying service may (subject to rules 10.11 and 10.13) be paid a compensation payment calculated as follows:

- (i) two weeks' pensionable earnings for each of the first five years of reckonable service; plus
- (ii) three weeks' pensionable earnings for each of the next five years of reckonable service; plus
- (iii) four weeks' pensionable earnings for each year of reckonable service after the first ten years; plus
- (iv) two weeks' pensionable earnings for each year of reckonable service after the fortieth birthday;

up to a maximum of two years' pensionable earnings. For the purposes of this rule unestablished service before 14 July 1949 which would otherwise reckon at half its actual length will be treated as reckoning at its full length.

11. Rule 10.11 If he is aged 55 or over, and has five or more years' qualifying service, he may choose to forgo the compensation payment under rule 10.10, and instead receive immediate payment of the preserved pension and lump sum under rule 3.11.

Mobile civil servants retired for inefficiency

12. Rule 10.12 A mobile civil servant retired for inefficiency will be eligible for the same superannuation benefits and compensation payments as a non mobile civil servant retired on redundancy or for inefficiency.

Civil servants within three years of the pension age

13. Rule 10.13 For a civil servant who is within three years of the pension age when he is prematurely retired the lump sum compensation payment under rule 10.6, 10.8, or 10.10 (excluding any lump sum resulting from commutation of an annual payment) will be reduced:
- (i) if he is prematurely retired before 14 March 1983, by one sixth for each half year of service within three years of the pension age, counting any part of a half year as a full half year; or
 - (ii) if he is prematurely retired on or after 14 March 1983, by one thirty sixth for each month of service within three years of the pension age, counting any part of a month as a full month.

Civil servants with service overseas

14. Rule 10.14 A mobile or non mobile civil servant who is retired in the public interest, and who has service overseas to which rule 2.29 applies, may opt for that rule not to apply. If he so opts, he may be paid an additional compensation payment of 3% of his pensionable earnings for each year of such service, with fractions of a year reckoning pro rata.

Rule 10.15 has been deleted.

Part time civil servants

15. Rule 10.16 Where there is part time service in the last three years of reckonable service, then in calculating the lump sum compensation payment under rule 10.6 and the total lump sum allowable after commutation, 'pensionable earnings', in that rule 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.

Widows' and dependants' benefits

16. Rule 10.17 In rules 4.7a, 4.8(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 rule 10.6.
17. Rule 10.18 In rules 4.18, 4.23c and 4.50, which define the length of reckonable service for which contributions are due for a widow's or invalidity pension, the amounts 'A' and 'B' will be taken to include any enhancement of reckonable service under rule 10.4. (Where the increased pension is based, under rule 10.4(i), on pensionable earnings projected to the pension age, 'pensionable earnings', in rules 4.18, 4.23c and 4.50 will be taken to be pensionable earnings similarly projected.)

Allocation

18. Rule 10.19 Rule 5.1, which allows a civil servant to allocate part of his pension in favour of a spouse or dependant, will apply to an annual compensation payment under rule 10.6 in the same way as to a pension under section 3. Where part of an annual compensation payment is allocated, the allocation will also apply to the preserved pension under section 3 which replaces the annual compensation payment at the pension age.

Transfers

19. Rule 10.20 A transfer value under section 6 may not be paid for a civil servant who receives an immediate annual pension or annual compensation payment under this section. Transfer values may be paid for other civil servants to whom this section applies; where such a payment is made, no preserved pension or lump sum under rule 3.11 or short service payment under rule 3.17 will be payable.

Re employment

20. Rule 10.21 Where a civil service pensioner to whom this section applied is re employed in the Civil Service after the pension age, rules 3.26 to 3.33 will apply in the same way as to other civil service pensioners re employed in these circumstances.

21. Rule 10.22 Where a person receiving an annual compensation payment under rule 10.6 is re employed in the Civil Service, the annual payment will be abated under rule 3.26 in the same way as a pension under section 3 would be abated. If part or all of the annual payment was commuted into a lump sum, the maximum annual payment which may be paid under rule 3.26 will be reduced by the amount of annual payment commuted; and if the former amount is less than the latter amount, the difference will be deducted from the civil servant's pay, with this deduction being ignored in the calculation of any revised pension award.
22. Rule 10.23 Where a person who received a lump sum compensation payment under rule 10.6, 10.8 or 10.10 is re employed in the Civil Service, part of that payment will be repayable if
- (i) the period between the date of premature retirement and the date of re employment is less than
 - (ii) the notional period represented by the compensation payment in terms of months or weeks of pensionable earnings.

Repayment will be required

- (a) upon the date of commencement of such re employment where the re employment commences before 1 December 1980; or
- (b) only after the person has been re employed for a period or periods totalling 15 days in any 91 day period, where such re employment commences on or after 1 December 1980.

The amount to be repaid will be such part of the lump sum compensation payment as represents the excess of the notional period in paragraph (ii) over the period in paragraph (i), except that where payment is made under paragraph (b) the amount repayable will not exceed the aggregate of the amount earned by the person and any annual compensation payment or pension (including any increase under the Pensions (Increase) Act 1971 as amended) payable to him between the commencement of such re employment and the end of the notional period in paragraph (ii), assuming this notional period begins on the day following the date of premature retirement.

23. Rule 10.24 Where a person to whom this section applied is re employed as a civil servant before the pension age, he may opt, at the time of his final retirement, or (if earlier) at the time when the pension is due to come into payment, to be treated in one of the following ways:

- (i) his previous reckonable service (excluding any enhancement under rule 10.4) is counted with his service during re employment for a single award based on pensionable earnings at final retirement, with this service enhanced by the smaller of:
 - (a) the original enhancement (if any) under rule 10.4;
 - (b) the actual period between the earlier retirement and the date of re employment.

The lump sum or short service payment paid at his earlier retirement will be deducted from the lump sum payable at final retirement.

- (ii) His earlier annual payment (if any) is retained, subject to abatement under rule 3.26 or 10.22 as appropriate, and his service during re employment reckons towards a second pension or short service payment. If, however, the enhancement of reckonable service under rule 10.4 exceeds the period between the date of premature retirement 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;

except that where the civil servant is retired

- (a) on or after 6 April 1975 and is re employed as a civil servant after a break not exceeding 31 days,
- (b) on or after 6 April 1978 and is re employed as a civil servant after a break not exceeding 6 months,

the option in paragraph (ii) is not available and he must be treated in accordance with paragraph (i). If he dies during the period of re employment, he will be treated in whichever of these two ways produces (or would produce) the larger widow's pension under section 4.

24. Rule 10.24a The application of rules 10.21 to 10.24 will extend to a person re employed as a civil servant on a period

appointment and the application of rules 10.21 to 10.23 will extend to a person whose re employment in the Civil Service falls within one of the categories specified in rule 1.4 (i) to (vi).

Redundancy Payments Act

25. Rule 10.25 In all cases of civil servants retired on redundancy, the amount of superannuation benefit under section 3 and compensation under this section (after any recovery under rule 10.23) shall, if it is less in value than the redundancy payment which would, but for section 16(4) of the Redundancy Payments Act 1965, have been payable under that Act, be made up to that value.

Voluntary early retirement in the public interest

26. Rule 10.26 Where a civil servant who has five or more years' qualifying service and who is aged 55 or over retires voluntarily under a scheme of voluntary early retirement in the public interest approved by the Treasury, the preserved pension and lump sum under rule 3.11 may (notwithstanding that rule) be brought into payment immediately rather than when he reaches the pension age.

Appendix 2 Rules applying on and between 1 April 1987 and 31 December 1994

This Appendix contains the 'former section 10 rules' referred to in rule 1.1(g). The provisions were previously set out in section 10 of the 1972 Section.

Part 1

Compulsory and Redundancy category

Flexible category

Approved category

Inefficiency

Civil servants within three years of the pension age

Civil servants with service overseas

Part-time service

Widows' and dependants' benefits

Allocation

Transfers

Re-employment

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Section 10: Early retirement

Part 1

10.1 This part of section 10 applies to all persons serving full-time or part-time in the Civil Service with the exception of:

- (i) those serving on period appointments or as specified in paragraphs (i) to (vi) of rule 1.4 other than as provided by rule 10.27;
- (ii) those serving in a mobile grade on 1 April 1987 who are subsequently retired early from a full-time mobile post on compulsory or redundancy grounds at age 40 or over but under age 50 with at least two years' qualifying service and for whom rule 10.30 or 10.31 will apply.

10.2 In this section:

- (i) 'mobile civil servants' and 'non-mobile civil servants' mean civil servants in mobile and non-mobile grades respectively;
- (ii) 'early retirement' means retirement before the pension age under one of the categories of early retirement or early severance referred to below;
- (iii) reference to a transitional redundancy scheme is to a scheme declared a transitional redundancy scheme on or after 2 December 1986 and before 1 April 1987;
- (iv) 'former rules' mean the rules applicable prior to 1 April 1987 as set out in Appendix 14.

Compulsory and Redundancy category

10.3 Subject to rule 10.4, a civil servant who is compulsorily retired early on grounds of structure or limited efficiency, or retired early on grounds of redundancy, will receive the benefits as described in rules 10.5 to 10.9.

10.4 Where a redundancy scheme is declared a transitional redundancy scheme, benefits for a non-mobile civil servant will be determined in accordance with the rules in Part 1 of this section and benefits for a mobile civil servant in accordance with the former rules. Where a mobile or non-mobile civil servant was notified before 2 December 1986 of compulsory retirement on grounds of structure or limited efficiency or had received confirmation of his departure under a voluntary scheme of early retirement, benefits will be determined in accordance with the former rules irrespective of when reckonable service ceases.

10.5 Subject to rules 3.24d and 10.9a, where the civil servant is aged 50 or over with five or more years' qualifying service, he will be eligible for a preserved pension and lump sum under rule 3.11 but with his reckonable service increased by $6\frac{2}{3}$ years, subject to the limit that the increased benefits may not exceed the benefits that he would have earned (assuming no increase in the elements that make up pensionable earnings apart from incremental increases due in his current grade) if he had stayed in service in a full-time capacity until the pension age.

For the purpose of calculating this limit:

- (a) no account shall be taken of any added years, which would have been bought in the relevant period;
- (b) no account shall be taken of any increase in the elements that make up pensionable earnings promulgated but not due to be brought into payment at the date of the early retirement, including any increase which would have been due under assimilation arrangements;
- (c) in the case of a civil servant, who is retired early on or after 1 December 1989, no account shall be taken of any increase in the elements that make up pensionable earnings except:
 - (i) any incremental increase due under his current grade within the scale maximum;
 - (ii) any increase in excess of the scale maximum (or where appropriate, the single pay point for the grade) in the pay range for his current grade which is already in payment at the time of his early retirement;
 - (iii) any increase which would have been due under assimilation arrangements, provided that such arrangements have been promulgated at the date of his early retirement; and
 - (iv) any increase in the elements that make up pensionable earnings, which has been promulgated at the time of his early retirement, notwithstanding that it is not due to be brought into payment at that time.
- (d) where a civil servant is employed in a pay band in the service of Her Majesty's Stationery Office
 - (i) reference to 'current grade' shall read 'current pay band';
 - (ii) rule (c)(i) above shall read 'any service increment due under his current pay band';

- (iii) rule (c)(ii) above shall read 'any performance pay which is already in payment at the time of his early retirement.'

In all cases, however, reckonable service may not be increased to more than double its length and benefits cannot be less than those which would have been paid under rule 3.11 without enhancement of reckonable service. The lump sum calculated under rule 3.11 (increased to the extent specified above) may, notwithstanding that rule, be paid immediately rather than when the civil servant reaches the pension age.

For the purpose of this rule 'current grade' includes a grade held on temporary promotion or a grade in which a civil servant was substituting for an absentee if the department in which the civil servant was so employed is of the opinion that if the civil servant had not been retired early it would have expected such temporary promotion or substitution to have continued until he reached pension age or until a date within the last three years of reckonable service before the pension age.

Where a civil servant is employed in the service of Her Majesty's Stationery Office

- (i) references to 'temporary promotion' shall read 'temporary appointment';
- (ii) 'substituting' shall read 'deputising' and 'substitution' shall be construed accordingly.

- 10.6 In addition, he may be paid an annual compensation payment equal to the preserved pension under rule 10.5. This will come into payment immediately and will continue until the pension age, when the preserved pension comes into payment. Subject to rule 10.15, he may also be paid a lump sum compensation payment of 6 months' pensionable earnings. The lump sum compensation payment will not, however, be payable to non-mobile civil servants aged 50 or over but under age 55 where the last day of service is before 1 April 1995.
- 10.7 He may opt to commute into a lump sum as much of the annual compensation payment as will give a total lump sum payment - including the payment of 6 months' pensionable earnings under rule 10.6 and the lump sum under 10.5 and any lump sum compensation payment under rule 10.16 - of 2 years' pensionable earnings; for the purposes of the commutation the appropriate table drawn up by the Government Actuary's Department will be used. If after commutation the annual compensation payment amounts to less than £52, this must also be commuted.

- 10.8 Where the civil servant has less than five years' qualifying service or is under age 50, he is entitled to the same benefits (if any) as if he had resigned voluntarily.
- 10.9 In addition, provided he has at least one year's qualifying service, a civil servant to whom rule 10.8 applies, may be paid, subject to rule 10.15, a compensation payment calculated as follows:
- (i) one month's pensionable earnings multiplied by the length of his reckonable service; plus
 - (ii) one month's pensionable earnings multiplied by the length of his reckonable service given after the later of:
 - (a) the date on which he completes five years' reckonable service, and
 - (b) his 30th birthday; plus
 - (iii) one month's pensionable earnings multiplied by the length of his reckonable service given after his 35th birthday;

up to a maximum of three years' pensionable earnings. The limit of three years' pensionable earnings will not, however, apply to a civil servant who was serving in a mobile grade on 1 April 1987.

Where reckonable service includes earlier service which has been aggregated with the final period of service, the total reckonable service shall be treated as if it were a period of continuous service which ended on the last day of the final period of service.

- 10.9a Where a person, who has at any time opted out of the scheme, is compulsorily retired early on grounds of structure or limited efficiency or is retired early on grounds of redundancy, he will receive the compensation calculated under rules 10.5 to 10.9 with all service treated as service as a civil servant. That is, he will receive:
- (i) aged 50 or over with five or more years' qualifying service:
 - (a) an annual compensation payment (rule 10.6); plus
 - (b) immediate payment of that part of the lump sum derived from the enhancement of reckonable service (rule 10.5); plus
 - (c) a lump sum compensation payment (rule 10.6); plus
 - (d) any preserved lump sum calculated under rule 3.11 and, if appropriate, rule 3.24a(ii) which may, notwithstanding

those rules, be paid immediately should the person so wish.

At pension age that part of the annual compensation payment derived from the enhancement of reckonable service will be paid as a pension together with the payment of any preserved pension awarded under rule 3.11 and, if appropriate, rule 3.24a(ii) based on actual service as a civil servant.

- (ii) less than five years' qualifying service or under age 50:
a lump sum compensation payment (rule 10.9).

Flexible category

10.10 A civil servant who is retired early under the Flexible category and aged 50 or over with five or more years' qualifying service will receive a preserved pension and lump sum calculated under rule 10.5. The lump sum (as increased under rule 10.5) will be payable immediately and in addition he may be paid an annual compensation payment under rule 10.6. He may opt to commute the annual compensation payment into a lump sum as provided for by rule 10.7.

10.11 Subject to rule 10.11a, where a civil servant has less than five years' qualifying service, or is under the age of 50, he is eligible for benefits under rule 10.8. In addition, and provided he has at least one year's qualifying service, he may be paid, subject to rule 10.15, a compensation payment calculated as follows:

- (i) two weeks' pensionable earnings for each of the first five years of reckonable service; plus
- (ii) three weeks' pensionable earnings for each of the next five years of reckonable service; plus
- (iii) four weeks' pensionable earnings for each year of reckonable service after the first ten years; plus
- (iv) two weeks' pensionable earnings for each year of reckonable service after the fortieth birthday;

up to a maximum of two years' pensionable earnings. For the purpose of this rule unestablished service before 14 July 1949 which would otherwise reckon at half its actual length will be treated as reckoning at its full length.

10.11a Where a person, who has at any time opted out of the scheme, is retired under the Flexible category, he will receive the compensation calculated under rules 10.10 or 10.11 with all service treated as service as a civil servant. That is, he will receive:

- (i) aged 50 or over with five or more years' qualifying service:
 - (a) an annual compensation payment (rule 10.6); plus
 - (b) immediate payment of that part of the lump sum derived from the enhancement of reckonable service (rule 10.5); plus
 - (c) any preserved lump sum calculated under rule 3.11 and, if appropriate, rule 3.24a(ii) which may, notwithstanding those rules, be paid immediately should the person so wish.

At pension age that part of the annual compensation payment derived from the enhancement of reckonable service will be paid as a pension together with the payment of any preserved pension awarded under rule 3.11 and, if appropriate, rule 3.24a(ii), based on actual service as a civil servant.

- (ii) less than five years' qualifying service or under age 50:
 - a lump sum compensation payment (rule 10.11).

10.12 For the purposes of rules 10.3 to 10.11a, where resettlement leave is granted, the period of the leave will not count as reckonable service, and an annual compensation payment under rule 10.6 will not come into payment until the end of it.

Approved category

10.13 Subject to rule 10.13a, a civil servant aged 50 or over with five or more years' qualifying service who is retired under the Approved category will receive a preserved pension and lump sum under rule 3.11 which may, notwithstanding that rule, be brought into payment immediately rather than at the pension age. Where the civil servant is aged 55 or over and has earlier service which ended with a preserved pension and lump sum under rule 3.11 which is taken into account for the purposes of meeting the 25 years' qualifying service criterion for certain retirements under the Approved category, the earlier award will be cancelled and the service counted with current service for a single pension award based on pensionable earnings at final retirement.

10.13a A person who has at any time opted out of the scheme, and who is retired under the Approved category, at age 50 or over with 5 or more years' qualifying service, will receive a pension under rule 3.11 with all service treated as service as a civil servant. Where a person who has been awarded a pension under rule 3.24a(ii) opts out of the scheme, and is then retired under the Approved category, he will receive a pension under rule 3.24a(ii) (subject to rule 3.24c) and, where applicable, a pension under rule 3.11 (subject to rule 3.24a(iii)),

with all service since the move to the lower grade treated as service as a civil servant. The pensions may, notwithstanding those rules, be brought into payment immediately, but cease at pension age without prejudice to any preserved pension under rules 3.11 and 3.24a(ii) based on actual service as a civil servant. In addition he may, notwithstanding rules 3.11 and 3.24a(ii), receive immediate payment of any preserved lump sum awarded under those rules which is based on actual service as a civil servant.

Inefficiency

10.14 Subject to rules 10.14a and 10.14b, a civil servant who leaves on grounds of inefficiency will be entitled to the same benefits (if any) as if he had retired voluntarily. In addition, provided he has at least one year's qualifying service he may be paid, subject to rule 10.15, a compensation payment calculated under rule 10.11. If he is aged 55 or over, and is entitled to a preserved award under rule 3.11, he may choose to forgo the compensation payment under rule 10.11 and instead receive an immediate payment of the preserved pension and lump sum under rule 3.11.

10.14a Subject to rule 10.14b, a person, who has at any time opted out of the scheme, and who leaves on the grounds of inefficiency may, provided that he has at least one year's qualifying service and subject to rule 10.15, receive a compensation payment calculated under rule 10.11 with all service treated as service as a civil servant.

10.14b Rules 10.14 and 10.14a apply only to those leaving on grounds of inefficiency before 1 August 1988. A person dismissed on those grounds on or after that date is treated under rules 3.18a, 3.18b and 3.18c.

Civil servants within three years of the pension age

10.15 For a civil servant, or a person who at any time has opted out of the scheme, who, at early retirement, is within three years of the pension age the lump sum compensation payment under rule 10.6, 10.9 or 10.11 (excluding any lump sum resulting from commutation of an annual payment) will be reduced by one thirty-sixth for each month of service within three years of the pension age, counting any part of a month as a full month.

Civil servants with service overseas

10.16 A civil servant, or a person who at any time has opted out of the scheme, who is retired early with benefits under rule 10.5, 10.8, 10.10 or 10.11 and who has service overseas to which rule 2.29 applies, may opt for that rule not to apply. If he so opts, he may be paid an additional compensation payment of 3% of his pensionable earnings

for each year of such service, with fractions of a year reckoning pro rata.

Part-time service

10.17 Other than as described in this rule and rule 10.18, benefits for part-time staff who are retired early will be determined in the same way as for full-time staff. In determining enhancement to reckonable service under rule 10.5, the enhancement of $6\frac{2}{3}$ years will be reduced in the proportion that the officer's actual reckonable service bears to what it would have been had the service been given in a full-time capacity. For the purposes of limiting benefits to those which would have been earned had service continued to the pension age, the element of projected reckonable service will be assessed on the basis that employment would have been in a full-time capacity and then reduced in the same proportion as the enhancement of $6\frac{2}{3}$ years was reduced.

10.18 Where there is part-time service in the last three years of reckonable service, then in calculating the lump sum compensation payment under rule 10.6 and the total lump sum allowable after commutation, 'pensionable earnings' in that rule 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.

Widows' and dependants' benefits

10.19 In rule 4.7a, 4.8(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 rule 10.6 or 10.10, except when the annual compensation payment is paid under rules 10.9a and 10.11a.

10.20 In rules 4.18, 4.23c and 4.50, which define the length of reckonable service for which contributions are due for a widow's or invalidity pension, the amounts 'A' and 'B' will be taken to include any enhancement of reckonable service under rule 10.5, except in the case of enhancement under the provisions of rules 10.9a and 10.11a. (Where the increased pension is based, under rule 10.5, on pensionable earnings projected to the pension age, 'pensionable earnings' in rules 4.18, 4.23c and 4.50 will be taken to be pensionable earnings similarly projected).

Allocation

10.21 Rule 5.1, which allows a person to allocate part of his pension in favour of a spouse or dependant, will apply to an annual compensation payment under rule 10.6 or 10.10 in the same way as to a pension under section 3 except where this is paid under rules 10.9a or 10.11a. Where part of an annual compensation payment is allocated, the

allocation will also apply to the preserved pension under section 3 which replaces the annual compensation payment at the pension age.

Transfers

10.22 A transfer value under section 6 may not be paid for a civil servant, or a person who at any time has opted out of the scheme, who receives an immediate annual pension or benefit in lieu of a pension or any part of it under this section. Transfer values may be paid for other civil servants to whom this section applies; where such a payment is made, no preserved pension or lump sum under rules 3.11 or 3.24a(ii), or short service payment under rule 3.17 will be payable.

Re-employment

10.23 Where a civil service pensioner to whom this section applied is re-employed in the Civil Service after the pension age, rules 3.26 to 3.33 will apply in the same way as to other civil service pensioners re-employed in these circumstances.

10.24 Where a person in receipt of an annual compensation payment under rule 10.6 or 10.10 is re-employed in the Civil Service, the annual payment will be abated under rule 3.26 in the same way as a pension under section 3 would be abated. If part or all of the annual payment was commuted into a lump sum, the maximum annual payment which may be paid under rule 3.26 will be reduced by the amount of annual payment commuted; and if the former amount is less than the latter amount, the difference will be deducted from the person's pay, with this deduction being ignored in the calculation of any revised pension award.

10.25 Where a person who received a lump sum compensation payment under rule 10.6, 10.9 or 10.11 is re-employed in the Civil Service, part of that payment will be repayable if:

- (i) the period between the date of early retirement and the date of re-employment is less than
- (ii) the notional period represented by the compensation payment in terms of months or weeks of pensionable earnings.

Repayment will be required only after the person has been re-employed for a period or periods totalling 15 days in any 91 day period. The amount to be repaid will be such part of the lump sum compensation payment as represents the excess of the notional period in paragraph (ii) over the period in paragraph (i), except that the amount repayable will not exceed the aggregate of the amount earned by the person and any annual compensation payment or pension (including any increase under the Pensions (Increase) Act 1971 as amended) payable to him between the commencement of such re-

employment and the end of the notional period in paragraph (ii), assuming this notional period begins on the day following the date of early retirement.

10.26 Subject to rule 10.26a, where a person to whom this section applies is re-employed as a civil servant before the pension age, he may opt, at the time of his final retirement, or (if earlier) at the time when the pension is due to come into payment, to be treated in one of two ways:

- (i) his previous reckonable service (excluding any enhancement under rule 10.5) is counted with his service during re-employment for a single award based on pensionable earnings at final retirement, with this service enhanced by the smaller of:
 - (a) the original enhancement (if any) under rule 10.5;
 - (b) the actual period between the earlier retirement and the date of re-employment.

The lump sum or short service payment paid at his earlier retirement will be deducted from the lump sum payable at final retirement.

- (ii) His earlier annual payment (if any) is retained, subject to abatement under rule 3.26 or 10.24 as appropriate, and his service during re-employment reckons towards a second pension or short service payment. If, however, the enhancement of reckonable service under rule 10.5 exceeds the period between the date of early retirement 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 excess;

except that if he is re-employed as a civil servant after a break not exceeding 6 months, the option in paragraph (ii) is not available and he must be treated in accordance with paragraph (i). If he dies during the period of re-employment, he will be treated in whichever of these two ways produces (or would produce) the larger widow's pension under section 4.

10.26a Where a person to whom this section applies is re-employed as a civil servant before pension age, having been a person who had been opted out of the scheme at the end of the previous period of employment, the option in paragraph (i) of rule 10.26 is not available. He must be treated in accordance with paragraph (ii) of that rule.

10.26b (i) Where a civil servant to whom this section or Appendix 14 applies is re-employed as a civil servant before the pension age on a designated appointment, he will not have the option in rule 10.26 but will be treated under paragraph 10.26(ii). If,

however, the enhancement of reckonable service under rule 10.5 exceeds the period between the date of early retirement and the date of re-employment, his enhancement will at the end of the period of re-employment be reduced by the amount of the excess, and his earlier award will be revised. Any part of the lump sum paid which is attributable to the excess will be deducted from the lump sum in respect of the second period of service.

- (ii) Where a civil servant whose section 10 benefits have been calculated under rule 3.1(ii) is re-employed as a civil servant before the pension age and he opts to be treated under rule 10.26(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 pension in respect of any designated appointment will fall to be paid at the same time as his re-calculated pension.
- (iii) Where under (ii) above the pensionable earnings relating to re-employed service (not being a designated appointment) 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 10.26(i) in relation to the whole of his pension benefits.
- (iv) Where a civil servant has opted at the time when the pension is due to come into payment to be treated under rule 10.26(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) Where a civil servant to whom this rule applies is re-employed after a break not exceeding 6 months, his employment will not be treated as having ceased to be contracted out employment and his benefits will be calculated under rule 3.1b.

10.27 The application of rules 10.23 to 10.26 will extend to a person re-employed as a civil servant on a period appointment and the application of rules 10.23 to 10.25 will extend to a person whose re-employment in the Civil Service falls within one of the categories specified in rule 1.4(i) to (vi), or who opts out of the scheme.

Employment Protection (Consolidation) Act 1978

10.28 In all cases of civil servants, or persons who at any time have opted out of the scheme, retired on redundancy, the amount of superannuation benefit under section 3 and compensation under this section (after any recovery under rule 10.25) shall, if it is less in value than the redundancy payment which would, but for Part VI section 99(1) of the Employment Protection (Consolidation) Act 1978, have been payable under that Act, be made up to that value.

Part 2: Interim arrangements

10.29 This part of section 10 applies to civil servants, or persons who at any time have opted out of the scheme, covered by rule 10.1(ii) and those who received benefits under the former rules (as set out in Appendix 14) and are subsequently re-employed.

10.30 Subject to rule 10.30a, a civil servant under age 40 and serving in a mobile grade on 1 April 1987 who leaves a full-time mobile post at age 40 or over but under age 50 under the Compulsory or Redundancy Early Severance category will receive the following benefits:

- (i) if he leaves before 6 April 1988, a preserved pension and lump sum under rule 3.11 if he has five or more years' qualifying service, or a short service payment under rule 3.17 if he has at least two but less than five years' qualifying service; or
- (ii) if he leaves on or after 6 April 1988, a preserved pension and lump sum under rule 3.11 if he has two or more years' qualifying service; plus
- (iii) a compensation payment calculated under rule 10.9 in Part 1; plus, for those with five or more years' qualifying service
- (iv) an additional compensation payment which, when added to the benefits payable under (i) or (ii) and (iii) above, would provide for benefits as a whole equivalent in value to those which would have been paid under the former rules (as set out in Appendix 14) had they been operative at the date of severance.

For the purposes of (iv) above, the value of the benefits under the former rules (as set out in Appendix 14) 10.3 to 10.6 will be assessed as:

- (a) commuted value of the annual compensation payment; plus
- (b) superannuation lump sum; plus
- (c) lump sum compensation payment; plus
- (d) commuted value of the pension from the pension age as derived from the enhancement to reckonable service; less
- (e) value of superannuation lump sum preserved for payment at the pension age under 10.30(i) of this rule after application of factors provided by the Government Actuary's Department.

For the purposes of the commutation calculations at (a) and (d), the appropriate tables drawn up by the Government Actuary's Department will be used.

Former rules 10.14, 10.16 and 10.20 may apply as appropriate.

10.30a A person who was under age 40 and serving in a mobile grade on 1 April 1987 but has since at any time opted out of the scheme and who leaves a full-time mobile post at age 40 or over but under age 50 and under the Compulsory or Redundancy Early Severance category will receive the following compensation:

- (i) a compensation payment calculated under rule 10.9a in Part 1; plus
- (ii) if he has 5 or more years' qualifying service (including service in the Civil Service while opted out of the scheme), an additional compensation payment which when added to the compensation payable under (i) above would provide compensation as a whole equivalent in value to that which would have been paid under the former rules (as set out in Appendix 14) had they been operative at the date of severance.

For the purposes of (ii) above, the value of the compensation under the former rules 10.3 to 10.6 will be assessed as:

- (a) commuted value of the annual compensation payment; plus
- (b) value of the lump sum derived from the enhancement of reckonable service; plus
- (c) lump sum compensation payment; plus
- (d) commuted value of the pension from pension age as derived from the enhancement to reckonable service

with all service being treated as service as a civil servant for the purposes of these calculations.

For the purposes of the commutation calculations at (a) and (d) the appropriate tables drawn up by the Government Actuary's Department will be used.

Former rules 10.14, 10.16 and 10.20 may apply as appropriate.

10.31 Subject to rule 10.31a, a civil servant aged 40 or over and serving in a mobile grade on 1 April 1987 who leaves a full-time mobile post under the Compulsory or Redundancy Early Severance category before age 50 with five or more years' qualifying service will receive benefits determined in accordance with the former rules (as set out in Appendix 14).

10.31a This rule applies to a person who -

- (a) was aged 40 or over and serving in a mobile grade on 1 April 1987, and
- (b) has at any time on or after 6 April 1988 opted out of the scheme, and
- (c) leaves a full-time mobile post under the Compulsory or Redundancy category.

Such a person will receive compensation determined in accordance with the former rules as set out in Appendix 14 with all service treated as service as a civil servant. That is he will receive:

- (i) 5 or more years' qualifying service:
 - (a) an annual compensation payment (Appendix 14.6)
 - (b) immediate payment of that part of the lump sum derived from the enhancement of reckonable service (Appendix 14.4)
 - (c) a lump sum compensation payment (Appendix 14.6)
 - (d) any preserved lump sum calculated under rule 3.11 which may, notwithstanding that rule, be paid immediately.

At pension age that part of the annual compensation payment derived from the enhancement of reckonable service will be paid as a pension together with the payment of any preserved pension awarded under rule 3.11 based on actual service as a civil servant.

- (ii) At least one but less than 5 years' qualifying service:
 - a lump sum compensation payment (Appendix 14.8).

Re-employment

10.32 Where a civil servant left before 1 April 1987 with benefits determined under the former rules and is re-employed, the former rules 10.21 to 10.24a will apply as appropriate irrespective of the date of re-employment. Subject to rule 10.36 former rules 10.21 to 10.24a will also apply as appropriate to a person who leaves under rule 10.4 in Part 1 of this section with benefits determined in accordance with the former rules or who leaves on or after 1 April 1987 under rule 10.31 in Part 2 of this section.

10.33 Where a person left with benefits calculated under rule 10.30 or 10.30a in Part 2 of this section and is re-employed after the pension age, rules

3.26 to 3.33 will apply in the same way as to other civil service pensioners re-employed in these circumstances.

10.34 Where a person with five or more years' qualifying service left with benefits calculated under rule 10.30 or 10.30a in Part 2 of this section and is re-employed before the pension age, the notional annual compensation payment determined in the calculation at (a) of rule 10.30 or 10.30a will be deemed to be in payment and former rule 10.22 applied accordingly but with any reduction which would have applied to the notional annual compensation payment applied instead to the salary on re-employment. This deduction will be ignored in the calculation of any revised pension award. The value of the lump sum compensation payment assessed at (c) of rule 10.30 or 10.30a will be subject to the recovery provisions of former rule 10.23.

10.35 Subject to rule 10.36, a civil servant to whom rule 10.30 applies may opt, at the end of the period of re-employment, to be treated in one of the following ways:

- (i) his previous reckonable service (excluding any enhancement under former rule 10.4 taken into account in the determination of benefits under the previous arrangements) is counted with his service during re-employment for a single award based on pensionable earnings at the end of the period of re-employment, with this service enhanced by the smaller of:
 - (a) the enhancement under former rule 10.4; and
 - (b) the actual period between the earlier retirement under rule 10.30 and the date of re-employment.

For those with five or more years' qualifying service at the time of earlier retirement under rule 10.30 the lump sum payable at final retirement will be reduced by the superannuation lump sum calculated at (b) of rule 10.30. It will then be increased by the value of the superannuation lump sum preserved for payment at the pension age as calculated at (e) of rule 10.30 and reduced by the commuted value of the pension derived from the enhancement to reckonable service as calculated at (d) of rule 10.30. For those with between two and five years' qualifying service at the time of retirement under rule 10.30, the lump sum payable at final retirement will be reduced by the short service payment paid at the earlier retirement.

- (ii) His earlier benefits are retained and his service during re-employment reckons towards a second pension or short service payment. If, however, the enhancement of reckonable service under former rule 10.4 used to determine the value of benefits under the previous arrangements exceeds the period between the date of early retirement 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.

The option in paragraph (ii) is not available if he is re-employed as a civil servant after a break not exceeding 6 months and he must be treated in accordance with paragraph (i).

- 10.36 Where a person to whom rule 10.30a or 10.31a applies is re-employed as a civil servant before pension age, having been a person who had been opted out of the scheme at the end of the previous period of employment, the option in paragraph (i) of rule 10.35 or former rule 10.24 will not be available. He must be treated in accordance with paragraph (ii) of these rules.
- 10.37 On or after 1 January 1995, a person receiving an award under rule 10.30 or 10.31 above may opt for an award under whichever is applicable of either rule 10.35(ii) above or rule 10.24(ii) of Appendix 14, irrespective of the length of the break. If he so opts, his previous qualifying service will be counted with his service during re employment as qualifying service for the purpose of an award based on his re employed service.