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STATUTORY INSTRUMENTS

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**1969 No. 1825**

**The British Transport (Pensions  
of Employees) (No. 2) Order 1969**

*Funded schemes*

**Insurance schemes**

6.—(1) Subject to the provisions of this Order, this Article shall apply to every discharged officer who at the date of his discharge has accrued pension rights under an insurance scheme.

(2) In respect of a discharged officer to whom this Article applies, the responsible body shall, not later than 3 months after the date of his discharge, make such arrangements with the persons administering the scheme and the life assurance company concerned as shall secure to or in respect of that discharged officer on his reaching normal retiring age, or on the happening of any other contingency carrying entitlement to pension under the scheme, the payment or payments comprised in his accrued pension rights.

(3) Any arrangements made under paragraph (2) of this Article shall, in any case where the payments to be secured thereunder to or in respect of a discharged officer on his reaching normal retiring age do not exceed £13 per annum and where the officer concerned has not at any time before his discharge been in non-participating employment or, if he has so been, a payment in lieu of graduated contributions has been made in respect of his non-participating employment in accordance with section 58 of the National Insurance Act 1965, provide that the life assurance company may, at any time within 3 months of the making of the arrangements, discharge its liability thereunder by paying to or in respect of the discharged officer concerned a lump sum equal in amount to the estimated capital value of his accrued pension rights as at the date on which the arrangements are made, determined in such manner as may be provided by the arrangements so made, and adjusted, in such manner as may be provided by the arrangements, in respect of the aggregate of:—

- (a) any sum which the persons administering the scheme may become liable to pay by way of income tax in consequence of the payment of the said lump sum, and
- (b) in a case where a payment in lieu of graduated contributions has been made under section 58 of the National Insurance Act 1965 on the discharge of the officer concerned and the period taken into account in fixing the amount of that payment includes any period of his pensionable service under that scheme, the smaller of the following two sums—
  - (i) one-half of so much of that payment in lieu of graduated contributions as is referable to that period of pensionable service, and
  - (ii) the estimated capital value (determined as aforesaid) of the pension rights which have accrued to him under that scheme in respect of that period of pensionable service.

(4) Notwithstanding anything to the contrary in such scheme as aforesaid or any statutory provisions relating thereto or trust deeds, rules or other instruments made for the purposes thereof, the persons administering the scheme and the life assurance company concerned shall be authorised to make such arrangements (including the disposal of any funds held for the purposes of the scheme) as are referred to in paragraph (2) of this Article and the said scheme, statutory provisions, trust

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deeds, rules and other instruments shall be construed accordingly and as though provision was duly made in the scheme for any arrangements so made.

(5) Except as provided in paragraph (3) of this Article, the arrangements aforesaid shall ensure that the payment or payments comprised in the accrued pension rights of the officer concerned shall not be capable of surrender, commutation or assignment otherwise than in accordance with the rules of his pension scheme.