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STATUTORY INSTRUMENTS

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**1995 No. 300**

**The National Health Service Pension Scheme Regulations 1995**

**PART E**

*Benefits for members*

**Normal retirement pension**

**E1.**—(1) A member who retires from pensionable employment on or after attaining age 60 shall be entitled to a pension under this regulation.

(2) The pension under this regulation shall be at a yearly rate of 1/80th of final year's pensionable pay for each complete year of pensionable service, plus the relevant daily proportion of that rate for each additional day of such service.

(3) A member who stays in pensionable employment until age 70 shall be entitled to receive a pension under this regulation at that age even if he does not retire from such employment.

**Early retirement pension (ill-health)**

**E2.**—(1) A member who retires from pensionable employment because of physical or mental infirmity that makes him permanently incapable of efficiently discharging the duties of that employment shall be entitled to a pension under this regulation if he has at least 2 years' qualifying service or qualifies for a pension under regulation E1 (normal retirement pension).

(2) Subject to paragraph (3), the pension under this regulation will be calculated as described in regulation E1.

(3) If the member retires from pensionable employment before reaching age 65 and satisfies the requirements of any of paragraphs (4) to (6), the pensionable service upon which the pension is based will, subject to regulation Q1(4) (cases in which additional service is not to count as pensionable service), be increased as described in whichever of those paragraphs is applicable or, if both of paragraphs (5) and (6) apply, as described in whichever of those paragraphs is more favourable to the member.

(4) If the member has at least 5 years' qualifying service but not more than 10 years' pensionable service, the pension will be based on the shorter of—

- (a) twice the member's pensionable service; and
- (b) the pensionable service the member could have completed if he had stayed in pensionable employment until age 65.

(5) If the member has more than 10 but not more than 20 years' pensionable service, the pension will be based on the shorter of—

- (a) the pensionable service the member could have completed if he had stayed in pensionable employment until age 65; and
- (b) 20 years' pensionable service.

(6) If the member has more than 10 years' pensionable service and has not reached age 60, the pension will be based on the shortest of—

- (a) the member's actual pensionable service increased by a period of 6 years and 243 days;
- (b) the pensionable service the member could have completed if he had stayed in pensionable employment until age 60; and
- (c) 40 years' pensionable service.

(7) Subject to paragraph (8), where a member becomes entitled to a pension under paragraph (1), the Secretary of State may discharge her liability for that pension by the payment of a lump sum.

(8) A lump sum payment under paragraph (7) may be made only if the Secretary of State is satisfied that it is appropriate in all the circumstances having regard to the life expectancy of the member.

(9) For the purpose of paragraph (8), the Secretary of State may require whatever medical evidence that she considers necessary.

(10) The amount of the lump sum payable under paragraph (7) will be equal to 5 times the difference between the yearly rate of the member's incapacity pension (calculated in accordance with this regulation) and the yearly rate of the member's guaranteed minimum pension or, if lower, twice the member's final year's pensionable pay (less the member's lump sum on retirement payable under regulation E6) and shall be payable in addition to the lump sum on retirement payable under regulation E6, which shall not be subject to any reduction under regulation E6(3).

(11) The employment of a member to whom a pension is payable under this regulation may be pensionable under the scheme providing that the member is under the age of 50 at the date on which he returns to pensionable employment.

#### **Early retirement pension (redundancy etc)**

**E3.**—(1) A member whose pensionable employment is terminated by his employing authority shall be entitled to a pension if—

- (a) he has at least 5 years' qualifying service and has reached age 50, and
- (b) the Secretary of State certifies that the member's employment is terminated by reason of redundancy or in the interests of the efficiency of the service in which he is employed.

(2) The pension under this regulation will be calculated as described in regulation E1 (normal retirement pension).

#### **Early retirement pension (employer's consent)**

**E4.**—(1) A member with at least 2 years' qualifying service, who retires from pensionable employment at any time after reaching age 50 shall, if the relevant employing authority agrees to meet the cost described in regulation D2(3)(b) (plus any supplement or increase in that cost under regulation D2(3)(c), (e) or (f)), be entitled to a pension under this regulation.

(2) The pension under this regulation will be calculated as described in regulation E1 (normal retirement pension).

#### **Early retirement pension (with actuarial reduction)**

**E5.**—(1) A member with at least 2 years' qualifying service, who retires from pensionable employment at any time after reaching age 50, but before reaching age 60, shall be entitled, subject to paragraph (4), to a pension under this regulation.

(2) The pension under this regulation will be calculated as described in regulation E1 (normal retirement pension) but it will then be reduced by such amount as the Secretary of State, after taking the advice of the Government Actuary, may determine.

(3) Where a pension is payable under paragraph (1), any other amount payable under these Regulations which is paid early shall be reduced in like manner as described in paragraph (2).

(4) A member shall not be entitled to a pension under this regulation if the Secretary of State determines, having taken advice from the Government Actuary, that the pension, as reduced under paragraph (2), would be insufficient to meet her liability to provide a guaranteed minimum pension.

### **Lump sum on retirement**

**E6.**—(1) Each member shall, on becoming entitled to a pension under any of regulations E1 to E5, also become entitled to a lump sum.

(2) Subject to paragraphs (3) and (7), the lump sum will be equal to 3 times the yearly rate of the pension.

(3) In the case of a man whose pensionable service started before 25th March 1972 and who is or has been married, the lump sum will be reduced in accordance with whichever of paragraphs (4) to (6) is applicable (except to the extent that the reduction has been offset under regulation Q2 (right to buy unreduced retirement lump sum)).

(4) If the man is married, the reduction will be equal to 2 times the yearly rate of the part of the man's pension that is based on pensionable service before 25th March 1972.

(5) If the man's wife died, or the man was divorced from his wife, on or after 25th March 1972, the reduction will be equal to 2 times the yearly rate of the part of the man's pension that is based on pensionable service before 25th March 1972.

(6) If the man's wife died, or the man was divorced from his wife, before 25th March 1972, the reduction will be equal to 2 times the yearly rate of the part of the man's pension that is based on pensionable service up to and including the date of the death or divorce.

(7) In any case where regulation E5 applies (early retirement pension with actuarial reduction)—

- (a) the pension referred to in paragraph (2) of this regulation means the pension before any reduction is made under regulation E5(2); and
- (b) the lump sum as calculated under paragraph (2) of this regulation will be reduced by such amount as the Secretary of State, after taking advice from the Government Actuary, shall determine.