
STATUTORY INSTRUMENTS

1996 No. 1476

PENSIONS

**The Overseas Service (Pensions Supplement)
(Amendment) Regulations 1996**

<i>Made</i>	- - - -	<i>4th June 1996</i>
<i>Laid before Parliament</i>		<i>10th June 1996</i>
<i>Coming into force</i>	- -	<i>1st July 1996</i>

The Secretary of State, in exercise of the powers conferred on him by sections 11, 11A, 12 and 13(2) and (4) of the Pensions (Increase) Act 1971(1) and of all other powers enabling him in that behalf, and with the approval of the Treasury(2), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Overseas Service (Pensions Supplement) (Amendment) Regulations 1996 and shall come into force on 1st July 1996.

(2) In these Regulations, “the principal regulations” means the Overseas Service (Pensions Supplement) Regulations 1995(3).

Amendment of the principal Regulations

2. In regulation 6 of the principal Regulations, after paragraph (2) there shall be inserted the following paragraph:—

“(2A) Where part of a principal pension is allocated under the Overseas Service (Allocation of Pension) (Amendment) Scheme 1991(4) to provide a pension for a spouse or dependant of the officer entitled to the principal pension, the increasable rate of the principal pension shall for the purpose of calculating supplement in respect of any period beginning on or after the date when the allocation takes effect be that part of the increasable rate determined under paragraph (1) which has not been so allocated.”.

(1) 1971 c. 56. Section 11 was amended by the Overseas Pensions Act 1973 (c. 21), section 4(2) and Schedule 2; section 11A was inserted by section 4(1) of that Act; section 13(2) was amended by the Superannuation Act 1972 (c. 11), Schedule 6, paragraph 88.

(2) See the Transfer of Functions (Minister for the Civil Service and Treasury) Order 1981 (S.I.1981/1670).

(3) S.I. 1995/238.

(4) Made by the Minister for Overseas Development on 16th October 1991. Copies are available from the Overseas Pensions Department, Overseas Development Administration, Abercrombie House, Eaglesham Road, East Kilbride, Glasgow.

3. In regulation 18 of the principal Regulations, at the end the full stop shall be deleted and there shall be added—

“, less the exchange rate loss determined under regulation 19A, so far as not exceeding that sum.”.

4. After regulation 19 of the principal Regulations there shall be inserted the following regulation:—

“Exchange rate loss

19A.—(1) In the case of a pension payable in a currency other than sterling, where the current sterling value of the increasable rate of the pension calculated using the rate of exchange provided in regulation 20 is less than its sterling value calculated using the rate of exchange provided in regulation 22, the amount of the difference shall be the exchange rate loss for the purpose of regulation 18.

(2) Paragraph (1) shall also apply to a pension which is treated as payable in a currency other than sterling by virtue of regulation 5, but not if it is converted into sterling for the purpose of payment at the rate of exchange specified in a Public Officers' Agreement concluded between Her Majesty's Government in the United Kingdom and the government of an overseas territory.”.

5. In regulation 20 of the principal Regulations, for the words “regulation 19(b)” there shall be substituted the words “regulations 19(1)(b) and 19A”.

6. In Schedule 2 to the principal Regulations, for paragraph 11 there shall be substituted the following paragraph:—

“Determination of total overseas increase on notional pension

11. The total overseas increase on the notional pension shall be determined as follows:—

- (a) all the overseas increases on all the pensions comprised in the notional pension shall be added together;
- (b) where the notional pension includes any pensions to which regulation 19A applies, any exchange rate losses determined under regulation 19A in respect of those pensions shall be added together; and
- (c) the total overseas increase shall be the amount determined under sub-paragraph (a) less the amount determined under sub-paragraph (b), so far as not exceeding the amount determined under sub-paragraph (a).”.

29th May 1996

Malcolm Rifkind
One of Her Majesty's Principal Secretaries of
State

We approve,

4th June 1996

Derek Conway
Bowan Wells
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Overseas Service (Pensions Supplement) Regulations 1995 (“the principal Regulations”), which provide for payment by the Secretary of State of inflation-proofing supplements on pensions paid to or in respect of certain officers who have served in overseas territories.

Under the principal Regulations the supplement is an amount (“the addition”) corresponding to the inflation-proofing increases which United Kingdom civil service pensioners receive under Part I of the Pensions (Increase) Act 1971, less an amount (“the total overseas increase”) being the sum of overseas increases, that is additions to the amount of the pension apart from supplement under the principal Regulations. Supplement is calculated on the basis of the “increasable rate” of the pension, usually the amount of pension first awarded.

Regulation 2 amends the principal Regulations to make clear that when an officer allocates part of his pension to provide a pension for a spouse or dependant after his death, so that the rate of his pension is reduced, supplement in respect of the officer’s pension will only be paid on the reduced rate.

Regulations 3, 4 and 5 amend the principal Regulations to provide that in calculating the total overseas increase there should, in the case of a pension payable in a currency other than sterling, be deducted any loss in the value of the increasable rate of the pension in sterling resulting from changes in exchange rates. This applies also to pensions payable in sterling but converted from another currency at a fluctuating exchange rate. The measure of loss is the difference between the sterling value of the increasable rate of the pension at current exchange rates and its sterling value at a fixed past exchange rate determined under regulation 22 of the principal Regulations.

Regulation 6 makes consequential provision for the circumstances when a person receives several pensions and the total amount of supplement on them is limited to the amount of supplement on a notional pension equal to the aggregate of those pensions. It provides that in calculating the total overseas increase on the notional pension the aggregate exchange rate losses on pensions comprised in the notional pension shall be deducted from the aggregate overseas increases on pensions so comprised.