

1968 No. 1163

PENSIONS

The Pensions Commutation Regulations 1968

Made

22nd July 1968

Coming into Operation

1st August 1968

The Treasury, in exercise of the powers conferred on them by sections 4 and 7 of the Pensions Commutation Act 1871(a) and section 3 of the Pensions Commutation Act 1882(b) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

Interpretation

1.—(1) In these Regulations, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them:—

“the appropriate Department” means:—

(a) in the case of a person whose pension was awarded by the Admiralty, the War Office, the Air Ministry or the Ministry of Defence: the Ministry of Defence;

(b) in the case of a person whose pension was awarded by the Ministry of Pensions and National Insurance or the Ministry of Social Security: the Ministry of Social Security;

(c) in the case of any other person: the Department to which that person belonged;

“the Board” means the Pensions Commutation Board;

“the commutation rate” means the amount by which a pension, or a portion of a pension, to be commuted is to be multiplied in order to determine the capital sum to be paid;

“pension” has the meaning assigned to it by section 2 of the Pensions Commutation Act 1871.

(2) The Interpretation Act 1889(c) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

Application for commutation

2. A person desiring to commute a pension, or a portion of a pension, shall address an application in writing to the appropriate Department, and such application shall be deemed to be made on the date on which it is received by the Department during the hours of public business.

(a) 1871 c. 36.

(b) 1882 c. 44.

(c) 1889 c. 63.

Action by appropriate Department

3.—(1) On receipt of an application, the appropriate Department may, if it thinks fit, forward it, accompanied as provided in paragraph (2) of this Regulation, to the Board, who shall thereupon inquire into the application with a view to reporting on it to the Treasury.

(2) The application shall be accompanied, in a case in which the Ministry of Defence is the appropriate Department, by the recommendation of the Defence Council, and, in any other case, by the recommendation of the appropriate Department.

Requirements as to medical examination etc.

4. The Board shall require the applicant to undergo a medical examination, and the applicant shall, if the Board so require, furnish proof of the date of his birth and such further information with regard to his application as the Board may think necessary.

Withdrawal before medical examination

5. The applicant may withdraw his application at any time before undergoing a medical examination on payment of any expense (not exceeding £2.10s.0d.) which may have been incurred by the Board.

Lapse on failure to attend for medical examination, etc.

6.—(1) If at the expiration of the relevant period, or such longer period as the Treasury may allow in the exceptional circumstances of any particular case, the applicant has failed to furnish information required by the Board or to attend for medical examination, the application shall be deemed to have been withdrawn, and no further action shall be taken with regard to it.

(2) In this Regulation, the expression "the relevant period" means:—

(a) in the case of an applicant resident in the United Kingdom or the Irish Republic, the period of four months beginning on the day on which the application was made; or

(b) in any other case, the period of six months beginning on such day.

Procedure where application approved by Treasury

7.—(1) If an application for commutation is approved by the Treasury, the Board shall, by means of a notice in writing addressed to the applicant at the address given by him, notify him of the amount of money which would be payable in respect of his application.

(2) The applicant may, upon receipt of such notice, notify the Board in writing that he wishes the commutation of his pension, or portion of his pension, to take place; and in that event the applicant shall within the prescribed period either:—

(a) give notice that he is desirous of having the cheque for the net amount sent through the post in accordance with Regulation 3(1) of the Pensions Commutation Payment Regulations 1958(a); or

(b) collect the said cheque in accordance with Regulation 3(2) of those Regulations.

(3) Within the prescribed period, the applicant may withdraw his application on payment of a fee of £2.10s.0d.

(4) If the applicant does not either comply with the provisions of paragraph 2(a) or (b) of this Regulation, or withdraw his application, the commutation of his pension, or portion of a pension, shall take place on the day following the expiration of the prescribed period, and from that day the net amount shall be available for payment in accordance with the provisions of the Pensions Commutation Payment Regulations 1958.

(5) In this Regulation, the following expressions have the meanings hereby respectively assigned to them:—

“the prescribed period” means:—

(a) in the case of an applicant resident in the United Kingdom or Irish Republic, the period of thirty days beginning with the day of the despatch by the Board of a notice under paragraph (1) of this Regulation; or

(b) in the case of an applicant not resident as aforesaid, the period of forty two days beginning with such day; or

(c) such longer period as the Treasury may allow in the exceptional circumstances of any particular case;

“the net amount” means the amount of money referred to in paragraph (1) of this Regulation subject to the deduction mentioned in Regulation 9(2) of these Regulations.

Commutation rate

8.—(1) The Table set out in the Schedule to these Regulations shall be used to determine the commutation rate.

(2) In determining the commutation rate by the use of the Table, the age of the applicant shall be reckoned as the aggregate of his age on his birthday next succeeding the date of his application and any years to be added to his age on account of his life being impaired.

Commutation fee

9.—(1) There shall be charged in respect of the commutation of any pension or any portion of a pension a fee of 1 per cent. on the amount awarded; provided that such fee shall not be less than £2.10s.0d. nor more than £20 in any case.

(2) The amount of the fee shall be deducted from the amount awarded.

Cessation of pension

10. A person whose application for commutation has been approved shall continue to draw the pension, or the portion of a pension, which he has applied to commute up to:—

- (a) the day on which a cheque is posted to him under Regulation 7(2)(a) of these Regulations; or
- (b) the day on which he collects a cheque under Regulation 7(2)(b) of these Regulations; or
- (c) the day on which commutation takes place under Regulation 7(4) of these Regulations,

as the case may be.

Revocation

11. The Pensions Commutation Regulations 1955(a) and the Pensions Commutation (Amendment) Regulations 1962(b) are hereby revoked.

Citation and Commencement

12. These Regulations may be cited as the Pensions Commutation Regulations 1968, and shall come into operation on 1st August 1968.

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J. McCann,*

Two of the Lords Commissioners
of Her Majesty's Treasury.

22nd July, 1968.

(a) S.I. 1955/1047 (1955 II, p. 1755).

(b) S.I. 1962/667 (1962 I, p. 699).

SCHEDULE

TABLE FOR DETERMINING THE COMMUTATION RATE

Age next Birthday	Com-mutation Rate	Capital Sum for each £100 of pension			Age next Birthday	Com-mutation Rate	Capital Sum for each £100 of pension		
		£	s.	d.			£	s.	d.
30	14.897	1,489	14	0	60	10.063	1,006	6	0
31	14.811	1,481	2	0	61	9.823	982	6	0
32	14.721	1,472	2	0	62	9.581	958	2	0
33	14.624	1,462	8	0	63	9.339	933	18	0
34	14.522	1,452	4	0	64	9.092	909	4	0
35	14.415	1,441	10	0	65	8.845	884	10	0
36	14.304	1,430	8	0	66	8.593	859	6	0
37	14.188	1,418	16	0	67	8.339	833	18	0
38	14.072	1,407	4	0	68	8.086	808	12	0
39	13.948	1,394	16	0	69	7.833	783	6	0
40	13.819	1,381	18	0	70	7.579	757	18	0
41	13.683	1,368	6	0	71	7.331	733	2	0
42	13.542	1,354	4	0	72	7.084	708	8	0
43	13.401	1,340	2	0	73	6.839	683	18	0
44	13.252	1,325	4	0	74	6.602	660	4	0
45	13.104	1,310	8	0	75	6.367	636	14	0
46	12.946	1,294	12	0	76	6.139	613	18	0
47	12.781	1,278	2	0	77	5.916	591	12	0
48	12.613	1,261	6	0	78	5.698	569	16	0
49	12.436	1,243	12	0	79	5.485	548	10	0
50	12.250	1,225	0	0	80	5.283	528	6	0
51	12.060	1,206	0	0	81	5.073	507	6	0
52	11.860	1,186	0	0	82	4.843	484	6	0
53	11.656	1,165	12	0	83	4.593	459	6	0
54	11.442	1,144	4	0	84	4.333	433	6	0
55	11.225	1,122	10	0	85	4.081	408	2	0
56	11.003	1,100	6	0	86	3.851	385	2	0
57	10.774	1,077	8	0	87	3.631	363	2	0
58	10.541	1,054	2	0	88	3.421	342	2	0
59	10.305	1,030	10	0	89	3.211	321	2	0
					90	3.000	300	0	0

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations supersede the Pensions Commutation Regulations 1955 (as amended). They set out the procedure to be adopted where retired officers of the Armed Forces, or certain former holders of civil offices, desire to commute their pensions, and the conditions under which commutation may be effected. The principal changes are as follows. Regulation 6 lays down new time limits within which applicants must furnish information required by the Pensions Commutation Board and attend for medical examination and Regulation 7 lays down a new time limit within which applicants resident outside the United Kingdom and Irish Republic may withdraw their applications. New fees are prescribed in Regulations 5 and 7(3), in respect of the withdrawal of an application, and in Regulation 9(1), in respect of the completion of an application. Regulation 10 provides a new definition of the date on which an applicant's pension is to cease to be payable.