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1972 No. 632

**TRANSPORT**

**PENSIONS AND COMPENSATION**

**The Transport Holding Company (Compensation to Employees)  
Regulations 1972**

<i>Made</i>	- - -	<i>21st April 1972</i>
<i>Laid before Parliament</i>		<i>25th April 1972</i>
<i>Coming into Operation</i>		<i>19th May 1972</i>

ARRANGEMENT OF REGULATIONS

PART I

PRELIMINARY

1. Citation and commencement.
2. Interpretation.

PART II

ENTITLEMENT TO COMPENSATION

3. Persons to whom the regulations apply.
4. Grounds of entitlement to compensation—Compensating authority.
5. National service.

PART III

RESETTLEMENT COMPENSATION

6. Resettlement compensation for loss of employment.
7. Conditions for payment of resettlement compensation.
8. Amount of resettlement compensation.
9. Period for payment of resettlement compensation.
10. Additional provisions relating to resettlement compensation.
11. Claimant for resettlement compensation to furnish particulars of employment.

**[DOE 6475]**

**PART IV****LONG-TERM COMPENSATION**

12. Long-term compensation for loss of employment or loss or diminution of emoluments or worsening of position.
13. Conditions for payment of long-term compensation.
14. Factors to be considered in determining payment of long-term compensation.
15. Amount of long-term compensation payable for loss of emoluments.
16. Long-term compensation for diminution of emoluments.
17. Compensation payable to non-pensionable officer on reaching normal retiring age.
18. Date from which long-term compensation is to be payable.

**PART V****RETIREMENT COMPENSATION AND PAYMENTS ON DEATH**

19. Entitlement to retirement compensation and other payments.
20. Factors governing payment of retirement compensation.
21. Retirement compensation for loss of a pension payable to pensionable officer on attainment of normal retiring age.
22. Retirement compensation payable to pensionable officer on his becoming incapacitated or reaching minimum pensionable age.
23. Option to take retirement compensation prematurely.
24. Retirement compensation for diminution of pension rights.
25. Pension contributions.
26. Retirement compensation of a person who obtains further pensionable employment.
27. Compensation payable to widow or dependants of a claimant.
28. Compensation where death grant would have been payable.
29. Balances payable to claimant's widow or personal representatives.
30. Intervals for payment of compensation under Part V.

**PART VI****ADJUSTMENT, REVIEW AND COMPOUNDING OF COMPENSATION**

31. Adjustment of compensation where pension is also payable.
32. Reduction of compensation in certain cases.
33. Notification of change of circumstances.
34. Review of awards of long-term or retirement compensation.
35. Compounding of awards.

**PART VII****PROCEDURE AND MISCELLANEOUS**

36. Procedure on making claims.
37. Claimants to furnish information.
38. Procedure on death of claimant.

39. Calculation of service.
40. Temporary variation of emoluments.
41. Compensation not assignable.
42. Right of appeal from decision of compensating authority.

## THE SCHEDULE

Tables mentioned in regulation 2(2).

The Secretary of State for the Environment, in exercise of his powers under section 2(4) of the Transport Holding Company Act 1972(a) and of all other enabling powers, hereby makes the following regulations:—

### PART I

#### PRELIMINARY

##### *Citation and commencement*

1. These regulations may be cited as the Transport Holding Company (Compensation to Employees) Regulations 1972, shall come into operation on 19th May 1972 and shall have effect from 23rd March 1972.

##### *Interpretation*

2.—(1) In these regulations, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:—

“accrued pension”, in relation to a pensionable officer who has suffered loss or diminution of pension rights, means—

(a) if his last relevant pension scheme provided benefits in which he had a right to participate, the pension to which he would have become entitled in respect of his pensionable service according to the method of calculation, modified where necessary for the purpose of giving effect to these regulations, prescribed by that scheme if, at the date on which he suffered the said loss or diminution, he had attained normal retiring age and complied with any requirement of that scheme as to a minimum period of qualifying service or contribution and completed any additional contributory payments or payments in respect of added years which he was in the course of making; and

(b) in any other case, such portion of the pension (if any) of which he had reasonable expectations as the compensating authority consider equitable, having regard to his age, the length of his employment at the date of loss or diminution and all the other circumstances of the case;

“accrued retiring allowance”, in relation to a pensionable officer who has suffered loss or diminution of pension rights, means—

(a) if his last relevant pension scheme provided benefits in which he had a right to participate, any lump sum payment to which he would have become entitled in respect of his pensionable service according

to the method of calculation, modified where necessary for the purpose of giving effect to these regulations, prescribed by that scheme if, at the date on which he suffered the said loss or diminution, he had attained normal retiring age and complied with any requirement of that scheme as to a minimum period of qualifying service or contribution and completed any additional contributory payments or payments in respect of added years which he was in the course of making; and

- (b) in any other case, such portion of the lump sum payment (if any) of which he had reasonable expectations as the compensating authority consider equitable, having regard to his age, the length of his employment at the date of loss or diminution and all the other circumstances of the case;

“accrued incapacity pension” and “accrued incapacity retiring allowance” have the same respective meanings as “accrued pension” and “accrued retiring allowance” except that the reference to a person’s attaining normal retiring age shall be construed as a reference to his becoming incapable of discharging efficiently the duties of his employment by reason of permanent ill-health or infirmity of mind or body;

“the Act” means the Transport Holding Company Act 1972;

“the Act of 1962” means the Transport Act 1962(a);

“the Act of 1968” means the Transport Act 1968(b);

“Act relating to National Insurance” includes any such Act of the Parliament of Northern Ireland;

“added years” means years purchased under the provisions of the last relevant pension scheme for the purpose of being reckoned as pensionable service and includes any additional years of service which, having been granted under any enactment or scheme, have subsequently become and are so reckonable under or by virtue of rules made under section 2 of the Superannuation (Miscellaneous Provisions) Act 1948(c) or any other enactment;

“additional contributory payments” means—

- (a) any additional contributory payments made under a pension scheme as a condition of reckoning any period of employment as service or as a period of contribution for the purposes of the scheme, or, where the scheme provides for the reckoning of non-contributing service, as contributing service for the purposes of the scheme; or
- (b) any payments made for the purpose of increasing the length at which any period of service or of contribution would be reckonable for the purpose of calculating a benefit under a pension scheme; or
- (c) any payments similar to any of those mentioned in the foregoing sub-paragraphs made in pursuance of rules under section 2 of the Superannuation (Miscellaneous Provisions) Act 1948;

“attributable loss”, in relation to a person who suffers loss of employment, or loss or diminution of emoluments or pension rights, or worsening of his position, means any such loss, diminution or worsening as aforesaid which is properly attributable to the happening of the relevant event;

“the Commission” means the British Transport Commission dissolved under the Act of 1962;

(a) 1962 c. 46.  
(c) 1948 c. 33.

(b) 1968 c. 73.

“the compensating authority” has the meaning assigned to that expression in regulation 4;

“compensation question” means a question arising in relation to these regulations—

- (a) as to a person’s entitlement to compensation for loss of employment, or for loss or diminution of emoluments or pension rights, or worsening of his position; or
- (b) as to the manner of a person’s employment or the comparability of his duties;

“emoluments” means any of the following payments or other benefits made to or enjoyed by an officer in respect of services rendered by him as such:—

- (a) all salary, wages, fees and other payments of a similar nature for his own use,
- (b) all bonuses, allowances, commission, gratuities and special duty and over-time pay, which are of a recurring nature, whether seasonal or otherwise and whether obtaining by law or customary practice,
- (c) the money value of all travel privileges, free accommodation, and other allowances in kind, privileges or benefits, whether obtaining by law or customary practice,

but does not include payments for travelling, subsistence, accommodation, engagement of assistance or other expenses in the course of employment or over-time or other payments of a temporary nature; and “net emoluments”, in relation to any employment, means the annual rate (modified where necessary in accordance with regulation 40) of the emoluments of that employment less such part of those emoluments as the officer was liable to contribute under a pension scheme, and in relation to any employment which has been lost, the emoluments of which have been diminished or in which the officer has suffered loss or diminution of pension rights or a worsening of his position, the expression means the annual rate of emoluments aforesaid immediately before the loss, diminution or worsening, as the case may be:

Provided that where fees or other variable payments were paid to an officer as part of his emoluments during any period immediately preceding the loss, diminution or worsening the amount in respect of fees or other variable payments to be included in the annual rate of emoluments shall be the annual average of the fees or other payments paid to him during the period of 5 years immediately preceding the loss, diminution or worsening or such other period as the compensating authority may think reasonable in the circumstances;

“enactment” means any Act or instrument made under an Act;

“full-time basis”, in relation to the employment of a person on such a basis, means a basis on which that person is required to devote on the average not less than 30 hours per week to that employment during which he is not at liberty to undertake other work in consideration of a fee or remuneration;

“the Holding Company” means the Transport Holding Company;

“the London Board” means the London Transport Board dissolved under the Transport (London) Act 1969(a);

“long-term compensation” means compensation payable in accordance with the provisions of Part IV of these regulations for loss of employment or loss or diminution of emoluments or worsening of a person’s position;

“the material date”, in relation to any person who suffers attributable loss, means the date on which he suffers that loss or on which the relevant event happens, whichever date is the earlier;

“minimum pensionable age” means, in relation to a pensionable officer, the earliest age at which, under his last relevant pension scheme, he could have become entitled to a pension, other than a pension payable in consequence of his redundancy or his incapacity to discharge efficiently the duties of his employment by reason of permanent ill-health or infirmity of mind or body;

“national transport authority” means any one of the following:—

- (a) the British Railways Board,
- (b) the British Transport Docks Board,
- (c) the British Waterways Board,
- (d) the National Freight Corporation,
- (e) the National Bus Company,
- (f) the Scottish Transport Group,
- (g) the Holding Company;

“national service” means service which is relevant service within the meaning of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951(a) and includes service immediately following such service as aforesaid, being service in any of Her Majesty’s naval, military or air forces pursuant to a voluntary engagement entered into with the consent of the person or body under whom an officer held his last relevant employment;

“normal retiring age” means, in the case of a pensionable officer to whom an age of compulsory retirement applied by virtue of his last relevant pension scheme or of the conditions of the employment in which he suffered the attributable loss, that age, and in any other case, the age of 65 years if the officer is a male, or 60 years if the officer is a female;

“officer” includes the holder of any employment whether by virtue of an agreement for the rendering by him of personal services, by appointment, or otherwise but, in relation to the Commission, a national transport authority or the London Transport Executive, does not include a member or director of such body; and “office” shall be construed accordingly;

“pensionable emoluments”, in relation to a person who has or had pension rights, means those emoluments which are required in accordance with the provisions of the pension scheme relating to those rights to be taken into account for the purpose of calculating the pension payable to or in respect of him under that scheme;

“pensionable officer”, in relation to a person who has suffered attributable loss, means an officer who immediately before such loss had pension rights under a pension scheme;

“pension scheme”, in relation to a pensionable officer, means any form of arrangement associated with his employment for the payment of pensions, whether subsisting by virtue of Act of Parliament, trust, contract or otherwise; and “last relevant pension scheme”, in relation to a pensionable

officer means a pension scheme under which that officer had or has pension rights which were the subject of a loss or diminution properly attributable to the happening of the relevant event;

“reckonable service”, in relation to a person, means any period of employment on a full-time basis in any relevant employment and includes any period of war service or national service undertaken on his ceasing to hold any such employment but does not include employment of which account has been taken, or is required to be taken, in calculating the amount of any pension to which he has become entitled;

“relevant employment”, in relation to a person who suffers attributable loss, means:—

- (a) employment under the Crown, or
- (b) employment in the service of the Commission, a national transport authority, the London Board, the London Transport Executive or a subsidiary of any of the foregoing bodies, or
- (c) employment in the service of a body which became a subsidiary of the Commission, during any period before the body in question became such a subsidiary, or
- (d) employment in the service of a body which has ceased to be a subsidiary of the Holding Company in the circumstances mentioned in section 2(4) of the Act, during any period after such cesser, or
- (e) employment by a person whose undertaking or part of whose undertaking was at the date of the passing of the Act carried on by a subsidiary of the Holding Company, being employment in connection with the undertaking or part of the undertaking (as the case may be) which was carried on at that date by such subsidiary, or
- (f) employment such as is mentioned in regulation 3(4) (b) or (c) of the British Transport Reorganisation (Compensation to Employees) Regulations 1962(a), or
- (g) employment preceding any of the foregoing employments, being employment which is reckonable for the purposes of his last relevant pension scheme,

but except as provided in regulations 7(1)(c), 13(1)(c) and 19(2)(c), does not include service in the armed forces of the Crown;

“relevant event”, in relation to a person who suffers attributable loss, means the cesser of a body as a subsidiary of the Holding Company in consequence of the sale or other disposal of securities by the Holding Company after the passing of the Act, being the cesser to which the loss is properly attributable;

“resettlement compensation” means compensation payable in accordance with Part III of these regulations for loss of employment;

“retirement compensation” means compensation payable in accordance with the provisions of regulation 21, 22, 23 or 24;

“subsidiary”, in relation to the Commission, a national transport authority or the London Transport Executive has the same meaning as in the Act of 1962, and in this connection no account shall be taken of the provisions of section 51(5) of the Act of 1968;

“tribunal” means a tribunal established under section 12 of the Industrial Training Act 1964(b) or section 13 of the Industrial Training Act (Northern Ireland) 1964(c);

(a) S.I. 1962/2834 (1962 III, p. 4051).

(b) 1964 c. 16.

(c) 1964 c. 18 (N.I.).

“United Kingdom based”, in relation to an officer, means that the functions of his office are exercisable wholly or mainly within the United Kingdom, or that the terms of his office give him a right to be re-employed in the United Kingdom on his return thereto;

“war service” means war service within the meaning of the Local Government Staffs (War Service) Act 1939(a), the Teachers Superannuation (War Service) Act 1939(b) (or in Scotland, the Education (Scotland) (War Service Superannuation) Act 1939(c)), the Police and Firemen (War Service) Act 1939(d) or employment for war purposes within the meaning of the Superannuation Schemes (War Service) Act 1940(e) and includes any period of service in the First World War in the armed forces of the Crown or in the forces of the Allied or Associated Powers if such service immediately followed a period of relevant employment and was undertaken either compulsorily or with permission of the employer in that employment.

(2) (a) Where under any provision of these regulations an annual value is to be assigned to a capital sum or a capital value to an annual amount, the annual or capital value shall be ascertained in accordance with the tables set out in the Schedule to these regulations in so far as they provide for the particular case.

(b) For the purpose of determining the application of the said tables the headings and the note to each table shall be treated as a part of the table.

(c) Where the said tables do not provide for a case in which an annual value is to be assigned to a capital sum or a capital value to an annual amount, the annual or capital value shall be such as may be agreed between the compensating authority and the person to whom the capital sum or annual amount is payable.

(3) Unless the context otherwise requires, references in these regulations to the provisions of any enactment shall be construed as references to those provisions as amended, re-enacted or modified by or under any subsequent enactment.

(4) References in these regulations to a numbered regulation shall, unless the reference is to a regulation of specified regulations, be construed as references to the regulation bearing that number in these regulations.

(5) References in any of these regulations to a numbered paragraph shall, unless the reference is to a paragraph of a specified regulation, be construed as references to the paragraph bearing that number in the first mentioned regulation.

(6) The Interpretation Act 1889(f) shall apply for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

## PART II

### ENTITLEMENT TO COMPENSATION

#### *Persons to whom the regulations apply*

3. These regulations shall apply to any person who suffers attributable loss and who—

(a) was employed immediately before the passing of the Act on a full-time basis as a United Kingdom based officer of—

(a) 1939 c. 94.  
(c) 1939 c. 96.  
(e) 1940 c. 26.

(b) 1939 c. 95.  
(d) 1939 c. 103.  
(f) 1889 c. 63.



- (i) a national transport authority,
  - (ii) the London Transport Executive,
  - (iii) a subsidiary of any of the foregoing bodies, or
- (b) would have been so employed at that time but for any national service on which he was then engaged.

*Grounds of entitlement to compensation—Compensating authority*

4.—(1) Subject to the provisions of these regulations, any person to whom these regulations apply shall be entitled to have his case considered for the payment of compensation under these regulations, and such compensation shall be determined in accordance with these regulations.

(2) Compensation for attributable loss suffered by a person to whom these regulations apply shall be payable by the Holding Company or, as respects any period after the dissolution of the Holding Company, by such person as may be designated by the Secretary of State by order under section 2(6) of the Act as being the person to whom the liabilities of the Holding Company under section 2(4) of the Act have been transferred in pursuance of section 53 of the Act of 1968, and whichever of them the Holding Company or person aforesaid is required by this regulation to pay such compensation is referred to in these regulations as “the compensating authority”.

*National service*

5.—(1) Any person to whom these regulations apply by virtue of regulation 3(b) and who before the expiry of two months after ceasing to be engaged on national service, or if prevented by sickness or other reasonable cause, as soon as practicable thereafter, gives notice to the compensating authority that he is available for employment, shall be entitled—

- (a) in a case where, in consequence of such cesser as is mentioned in section 2(4) of the Act, he is not given or offered re-employment in his former office or in any reasonably comparable office (whether in the same or in a different service), to have his case considered for payment of compensation for loss of employment, and (if appropriate) for loss or diminution of pension rights, and
- (b) in a case where, in consequence of any such cesser, he is so re-employed with diminished emoluments, or with loss or diminution of pension rights or worsening of his position as compared with the emoluments, pension rights or position which he would have enjoyed had he continued in his former employment, to have his case considered for payment of compensation for diminution of emoluments, or for loss or diminution of pension rights, or for worsening of his position (as the case may warrant).

(2) The loss of employment which is the cause of a claim for compensation under paragraph (1)(a) shall be treated as having occurred on the earlier of the two following dates, that is to say, the date of the refusal of re-employment or a date one month after the date on which the person gave notice that he was available for employment, and the person shall be deemed to have been entitled to the emoluments which he would have enjoyed at such earlier date had he continued in his former employment.

## PART III

## RESETTLEMENT COMPENSATION

*Resettlement compensation for loss of employment*

6. The compensating authority shall, subject to the provisions of these regulations, pay resettlement compensation to any person to whom these regulations apply and who satisfies the conditions set out in regulation 7.

*Conditions for payment of resettlement compensation*

7.—(1) Without prejudice to any other requirement of these regulations, the conditions for the payment of resettlement compensation to any person are that—

- (a) he has, before, on, or not later than 10 years after the date of the relevant event, suffered loss of employment which is properly attributable to the happening of the relevant event;
- (b) he has not at the date of the loss attained normal retiring age;
- (c) he has, for a period beginning 3 years immediately before the material date and ending on the date of the loss, been continuously engaged (disregarding breaks not exceeding in the aggregate 6 months) on a full-time basis in relevant employment; and for this purpose the expression “relevant employment” includes any period of national service immediately following such employment;
- (d) he has made a claim for such compensation in accordance with the provisions of Part VII of these regulations not later than—
  - (i) the end of the period in respect of which resettlement compensation can be payable in his case under the provisions of regulation 9, or
  - (ii) 13 weeks after the coming into operation of these regulations, whichever is the later;
- (e) the loss of employment which is the cause of his claim has occurred for some reason other than misconduct or incapacity to perform such duties as, immediately before the loss, he was performing or might reasonably have been required to perform; and
- (f) he has not, subject to paragraph (3), been offered any reasonably comparable employment under the Crown or in the service of a national transport authority, the London Transport Executive or a subsidiary of any of the foregoing bodies.

(2) In ascertaining for the purpose of this regulation whether a person has been offered employment which is reasonably comparable with the employment which he has lost, the following facts shall be disregarded—

- (a) the fact that the employment so offered is employment by a body such as is mentioned in paragraph (1)(f) other than the person or body in whose employment he suffered the attributable loss;
- (b) the fact that the duties of the employment so offered are duties in connection with activities which did not form part of the activities of that section of the undertaking of the person or body in whose employment he suffered the attributable loss;

- (c) the fact that the duties of the employment so offered involve a transfer of his employment from one place to another in the United Kingdom.
- (3) No account shall be taken for the purposes of this regulation of an offer of employment where the compensating authority are satisfied—
- (a) that acceptance would have involved undue hardship to the person, or
  - (b) that he was prevented from accepting the offer by reason of ill-health or other circumstances beyond his control.

*Amount of resettlement compensation*

**8.**—(1) The amount of resettlement compensation which may be paid to a person shall, for each week for which such compensation is payable, be a sum ascertained by taking two thirds of the weekly rate of the net emoluments which that person has lost and deducting therefrom, in addition to the items mentioned in regulation 32(3) and (4), such of the following items as may be applicable—

- (a) unemployment, sickness or injury benefit under any Act relating to National Insurance claimable by him in respect of such week (excluding any amount claimable by him in respect of a dependant); and
  - (b) two thirds of the net emoluments received by him in respect of such week from work or employment undertaken as a result of the loss of employment.
- (2) For the purposes of this regulation the weekly rate of a person's net emoluments shall be deemed to be seven three hundred and sixty-fifths of those emoluments.

*Period for payment of resettlement compensation*

**9.** Subject to the provisions of these regulations, resettlement compensation shall be payable to a person only in respect of the period of 13 weeks next succeeding the week in which he lost the employment in connection with which his claim has been made or, in the case of a person who has then attained the age of 45 years, the said 13 weeks and one additional week for every year of his age between the date of his attaining the age of 45 years and the date of the loss of employment, subject to a maximum addition of 13 such weeks.

*Additional provisions relating to resettlement compensation*

**10.**—(1) Resettlement compensation shall be payable to a person at intervals equivalent to those at which the emoluments of his employment were previously paid or at such other intervals as may be agreed between the person and the compensating authority.

- (2) Resettlement compensation shall be terminated by the compensating authority—
- (a) if without reasonable cause the recipient fails to comply with any of the provisions of regulation 11, or
  - (b) if on being requested to do so, he fails to satisfy the compensating authority that, so far as he is able, he is seeking suitable employment.

*Claimant for resettlement compensation to furnish particulars of employment*

**11.** Every person claiming or in receipt of resettlement compensation shall (after as well as before the compensation begins to be paid)—

- (a) forthwith supply the compensating authority in writing with particulars of any employment which he obtains or of any change in his earnings from any such employment, and
- (b) if the compensating authority so require, so long as he is out of employment and is not receiving sickness or injury benefit, register with the Department of Employment.

**PART IV****LONG-TERM COMPENSATION***Long-term compensation for loss of employment or loss or diminution of emoluments or worsening of position*

**12.** The compensating authority shall, subject to the provisions of these regulations, pay long-term compensation to any person to whom these regulations apply and who satisfies the conditions set out in regulation 13, and this Part of these regulations shall apply to that person.

*Conditions for payment of long-term compensation*

**13.—(1)** Without prejudice to any other requirement of these regulations, the conditions for the payment of long-term compensation to any person are that—

- (a) he has, before, on, or not later than 10 years after the date of the relevant event, suffered loss of employment or loss or diminution of emoluments or worsening of his position, being loss, diminution or worsening (as the case may be) which is properly attributable to the happening of the relevant event;
- (b) he has not, save as is provided in regulation 17, at the date of such loss, diminution or worsening attained normal retiring age;
- (c) he has, for a period beginning 8 years immediately before the material date and ending on the date of the attributable loss, been continuously engaged (without a break of more than 12 months at any one time) on a full-time basis in relevant employment; and for this purpose the expression “relevant employment” includes any period of national service immediately following such employment;
- (d) he has made a claim for such compensation in accordance with the provisions of Part VII of these regulations not later than—
  - (i) 2 years after the date on which the loss, diminution or worsening which is the cause of his claim was suffered, or
  - (ii) 2 years after the coming into operation of these regulations, or
  - (iii) in a case where the claimant could not reasonably have known of the existence of the cause of his claim for compensation at the time when it in fact occurred, 2 years after the first date on which he could reasonably have known of its existence,
 whichever is the latest; and

- (e) if the cause of the claim for compensation is loss of employment—
- (i) the loss has occurred for some reason other than misconduct or incapacity to perform such duties as, immediately before the loss, he was performing or might reasonably have been required to perform; and
  - (ii) he has not been offered any reasonably comparable employment under the Crown or in the service of a national transport authority, the London Transport Executive or a subsidiary of any of those bodies.

(2) If the cause of the claim for compensation is loss of employment paragraphs (2) and (3) of regulation 7 (which relate to offers of employment) shall apply for the purposes of this regulation as they apply for the purposes of regulation 7.

(3) Claims for long-term compensation for loss of employment shall in all respects be treated as claims for such compensation for the loss of emoluments occasioned thereby and the provisions of these regulations shall apply to all such claims accordingly.

(4) Any person to whom this Part of these regulations applies and who, by reason of his position as an officer being worsened, has suffered any loss or injury attributable to the happening of the relevant event, not being a pecuniary loss in respect of which he is entitled to any other compensation or payments under Part IV or V of these regulations, shall, subject to the provisions of these regulations, be entitled to receive in respect of that loss or injury, long-term compensation for the worsening of his position calculated in the following manner, that is to say—

- (a) the pecuniary value of the loss or injury shall be expressed in terms of his net emoluments immediately before his position was worsened,
- (b) such person shall be treated for the purposes of these regulations as a person who has suffered a diminution of emoluments the amount of which is equal to the pecuniary value so expressed, and
- (c) where that person has been awarded any other long-term compensation, as well as compensation for the worsening of his position, the sums payable in respect of that other compensation shall, for the purposes of adjusting, suspending or withholding any long-term compensation under regulation 31 or 32 or both, be aggregated with any sums payable in respect of the compensation for worsening of his position and the payments of the sums so aggregated shall be regarded for those purposes as combined payments under the award of that other long-term compensation and not as separate payments under each of the awards of long-term compensation.

*Factors to be considered in determining payment of long-term compensation*

**14.**—(1) For the purpose of determining the amount (subject to the limits set out in these regulations) of long-term compensation (if any) payable under these regulations to any person for loss or diminution of emoluments, the compensating authority shall have regard to such of the following factors as may be relevant, that is to say—

- (a) the conditions upon which the person held the employment which he has lost, or the emoluments of which have been lost or diminished, including in particular its security of tenure, whether by law or practice;

- (b) the emoluments and other conditions, including security of tenure, whether by law or practice, of any work or employment undertaken by the person as a result of the loss of employment;
- (c) the extent to which he has sought suitable employment and the emoluments which he might have acquired by accepting other suitable employment offered to him;
- (d) all the other circumstances of his case:

Provided that if the claimant entered the employment which he has lost or the emoluments of which have been diminished after the passing of the Act, no account shall be taken of that fact for the purpose of this regulation.

(2) In ascertaining for the purposes of paragraph (1)(c) whether a person has been offered suitable employment in a case where the cause of the claim for compensation is loss of employment, regulation 7(3) shall apply as it applies for the purpose of ascertaining whether employment is reasonably comparable with employment which has been lost.

*Amount of long-term compensation payable for loss of emoluments*

**15.**—(1) Long-term compensation for loss of emoluments shall, subject to the provisions of these regulations, be payable until the normal retiring age or death of a person to whom it is payable, whichever first occurs, and shall not exceed a maximum annual sum calculated in accordance with the provisions of paragraphs (2) to (4).

(2) The said maximum annual sum shall, subject as hereinafter provided, be the aggregate of the following sums, namely—

- (a) for every year of the person's reckonable service, one sixtieth of the net emoluments which he has lost; and
- (b) in the case of a person who has attained the age of 40 years at the date of the loss, a sum calculated in accordance with the provisions of paragraph (3) appropriate to his age at that date;

but the said maximum annual sum shall in no case exceed two thirds of the net emoluments which the person has lost.

(3) The sum referred to in paragraph (2)(b) shall be—

- (a) in the case of a person who has attained the age of 40 years but has not attained the age of 50 years at the date of the loss, the following fraction of the net emoluments which he has lost—
  - (i) where his reckonable service is less than 10 years, one sixtieth for each year of such service after attaining the age of 40 years; or
  - (ii) where his reckonable service amounts to 10 years but is less than 15 years, one sixtieth for each year of such service after attaining the age of 40 years and one additional sixtieth; or
  - (iii) where his reckonable service amounts to 15 years but is less than 20 years, one sixtieth for each year of such service after attaining the age of 40 years and two additional sixtieths; or
  - (iv) where his reckonable service amounts to 20 years or more, one sixtieth for each year of such service after attaining the age of 40 years and three additional sixtieths;

but the sum so calculated shall not in any case exceed one sixth of the said net emoluments;

- (b) in the case of a person who has attained the age of 50 years but has not attained the age of 60 years at the date of the loss, one sixtieth of the said net emoluments for each year of his reckonable service after attaining the age of 40 years, up to a maximum of 15 years; and
- (c) in the case of a person who has attained the age of 60 years at the date of the loss, one sixtieth of the said net emoluments for each year of his reckonable service after attaining the age of 45 years.
- (4) Where a person has become entitled (whether immediately or prospectively on attaining some greater age) to a pension by way of annual amounts under his last relevant pension scheme, the maximum annual sum referred to in paragraph (1) shall be the maximum sum calculated under paragraphs (2) and (3) as if he had not become so entitled.
- (5) Where long-term compensation is payable in respect of any period and resettlement compensation has also been paid in respect of that period, the long-term compensation for that period shall be limited to the amount (if any) by which it exceeds the resettlement compensation paid as aforesaid.
- (6) Long-term compensation shall be payable to a person at intervals equivalent to those at which the emoluments of his employment were previously paid or at such other intervals as may be agreed between the person and the compensating authority.

*Long-term compensation for diminution of emoluments*

**16.** Long-term compensation for diminution of emoluments in respect of any employment shall, subject to the provisions of these regulations, be awarded and paid in accordance with the following provisions:—

- (a) the compensation shall consist of an annual sum which shall be payable to a person at intervals equivalent to those at which the emoluments of his employment are or were previously paid or at such other intervals as may be agreed between the person and the compensating authority, and shall, subject to the provisions of these regulations, be payable until normal retiring age or death, whichever first occurs; and
- (b) the said annual sum shall not exceed the maximum annual sum which could have been awarded under regulation 15 if the person had suffered loss of employment and the loss of emoluments occasioned thereby had been equivalent to the amount of the diminution:

Provided that no compensation shall be payable if the emoluments have been diminished by less than  $2\frac{1}{2}$  per cent.

*Compensation payable to non-pensionable officer on reaching normal retiring age*

**17.—**(1) Where a person to whom this Part of these regulations applies and who is not a pensionable officer is receiving long-term compensation for loss or diminution of emoluments or worsening of his position and attains normal retiring age, the compensating authority may, if satisfied that the person would have continued to work as an officer for a substantial period beyond normal retiring age, continue to pay compensation to him for the remainder of his life at half its former rate.

(2) Where a person to whom this Part of these regulations applies and who is not a pensionable officer suffers loss or diminution of emoluments, or

worsening of his position, on or after attaining normal retiring age, the compensating authority may, if satisfied that the person, had he not so suffered, would have continued in the normal course of events to work for a substantial period as an officer, pay compensation to him for the remainder of his life at a rate not exceeding one half of that to which he would have been entitled under regulation 15 had he not attained normal retiring age at the date on which he suffered the loss, diminution or worsening, as the case may be.

*Date from which long-term compensation is to be payable*

**18.**—(1) Long-term compensation shall be payable with effect from the date of the claim or from any earlier date permitted by the succeeding provisions of this regulation.

(2) Where a claim for long-term compensation is duly made within 13 weeks of the occurrence of the loss or diminution which is the cause of the claim, or within 13 weeks of the coming into operation of these regulations whichever is the later, the award shall be made retrospective to the date on which the loss or diminution occurred.

(3) Where a claim for long-term compensation is made after the expiry of the period mentioned in paragraph (2), the award may, at the discretion of the compensating authority, be made retrospective to a date not earlier than 13 weeks prior to the date on which the claim was made:

Provided that if the compensating authority are satisfied that the failure to make the claim within the period mentioned in paragraph (2) was due to ill-health or other circumstances beyond the claimant's control, the award may be made retrospective to a date not earlier than that on which the loss or diminution occurred.

## PART V

### RETIREMENT COMPENSATION AND PAYMENTS ON DEATH

*Entitlement to retirement compensation and other payments*

**19.**—(1) The compensating authority shall, subject to the provisions of these regulations, pay retirement compensation to any person to whom this Part of these regulations applies, and shall make the other payments for which provision is made in regulations 27 to 29.

(2) This Part of these regulations applies to a pensionable officer who, before, on, or not later than 10 years after the date of the relevant event, has suffered loss or diminution of pension rights which is properly attributable to the happening of the relevant event and who—

- (a) is a person to whom these regulations apply;
- (b) has not at the date on which the loss or diminution was suffered reached normal retiring age;
- (c) has been continuously engaged (without a break of more than 12 months at any one time) on a full-time basis in relevant employment during the period beginning 8 years immediately before the material date and ending on the date of the loss or diminution; and for this purpose the expression "relevant employment" includes any period of national service immediately following such employment.



(3)(a) Any claim for retirement compensation or other compensation under this Part of these regulations shall be made in accordance with the provisions of Part VII of these regulations not later than—

- (i) 2 years after the date on which the loss or diminution of pension rights which is the cause of the claim was suffered, or
- (ii) 2 years after the coming into operation of these regulations, or
- (iii) in a case where the claimant could not reasonably have known of the existence of the cause of his claim for compensation at the time when it in fact occurred, 2 years after the first date on which he could reasonably have known of its existence,

whichever is the latest, and

(b) no such compensation as aforesaid shall be payable to or in respect of any claimant before he has reached normal retiring age unless either he had elected to take retirement compensation earlier in accordance with the following provisions of this Part of these regulations or the compensation is compensation payable under regulation 27 or 28.

(4) Retirement compensation and any other such payments as are mentioned in paragraph (1) shall not, however, be paid or made—

- (a) to or in respect of a person who has suffered loss or diminution of pension rights which has been occasioned by loss of employment in consequence of the relevant event, if his employment could have been terminated by reason of misconduct or incapacity to perform such duties as, immediately before that loss of employment, he was performing or might reasonably have been required to perform; or
- (b) to or in respect of a person who has been offered reasonably comparable employment under the Crown or in the service of a national transport authority, the London Transport Executive or a subsidiary of any of those bodies and who would not have suffered a loss or diminution of pension rights had he accepted that employment; or
- (c) to or in respect of a person who has suffered a diminution of pension rights which has been occasioned by a diminution in his pensionable emoluments of less than  $2\frac{1}{2}$  per cent.

(5) If the claim results from loss of employment, paragraphs (2) and (3) of regulation 7 (which relate to offers of employment) shall apply for the purposes of this regulation as they apply for the purposes of regulation 7.

(6) References in this Part of these regulations to the date of loss or diminution of pension rights or to the date on which a loss or diminution of pension rights was suffered shall, subject to regulation 5, be interpreted as references to the date on which the loss of employment or emoluments took place or the diminution of emoluments began or the change in the terms of service occurred which occasioned the loss or diminution of pension rights.

#### *Factors governing payment of retirement compensation*

**20.**—(1) Where retirement compensation is payable under any one of regulations 21, 22, 23 and 24, such compensation shall not be payable under any other of those regulations.

(2) For the purpose of determining the amount of any retirement compensation which may, subject to the limits set out in these regulations, be payable thereunder, regard shall be had to the extent of the loss or the diminution of pension rights suffered and also to such of the factors set out in

regulation 14(1) as may be relevant, and in addition the following further factors shall be taken into consideration—

- (a) the terms of any pension scheme associated with any new employment undertaken; and
- (b) the extent to which the person in question has sought pensionable employment, and the terms of any pension scheme which would have applied if he had accepted other suitable employment offered to him.

(3) If a person has attained the age of 40 years at the date on which he suffered loss or diminution of pension rights, the compensating authority, in calculating the amount of the retirement compensation payable to him, shall credit him with additional years of service or an additional period of contribution on the following basis, namely—

- (a) 2 years, whether or not he has completed any years of service after attaining the age of 40 years, and
- (b) 2 years for each of the first 4 completed years of his reckonable service between the date when he attained the age of 40 years and the date of the loss or diminution, and
- (c) one year for each such year of service after the fourth;

but the additional years of service or period of contribution so credited shall not exceed the shortest of the following periods, namely—

- (i) such number of years as, when added to his pensionable service, would amount to the maximum period of such service which would have been reckonable by him had he continued in his employment until attaining normal retiring age, or
- (ii) the number of years of his reckonable service, or
- (iii) 15 years;

and in calculating the amount of any retirement compensation payable to him any period so added shall be aggregated with any years of service or period of contribution entailing reduction of the relevant pension or retiring allowance because of a retirement pension payable under section 30 of the National Insurance Act 1965(a) or section 29 of the National Insurance Act (Northern Ireland) 1966(b).

(4) When retirement compensation is awarded, or when an award is reviewed under regulation 34, the additional compensation payable in consequence of any years of service or period of contribution credited to a person under paragraph (3) may be reduced or withheld to such extent as the compensating authority may think reasonable having regard to the pension scheme (if any) associated with any further employment obtained by him.

(5) If under his last relevant pension scheme the amount of any benefit to which a person might have become entitled could have been increased at the discretion of the body, trustees or other persons administering the pension scheme or of any other body or person, the compensating authority may increase, to an extent not exceeding that to which his accrued pension, accrued retiring allowance, accrued incapacity pension or accrued incapacity retiring allowance might have been increased or supplemented, the corresponding component of any retirement compensation payable to him; and in this connection the compensating authority shall have regard to the terms of any relevant resolutions of such body, trustees or other persons with regard to the increase of benefits and to the provisions of any enactment protecting the interests of that person.

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(a) 1965 c. 51.

(b) 1966 c. 6 (N.I.).

(6) If under his last relevant pension scheme a person would have been entitled to surrender a proportion of any pension which might have become payable to him in favour of his spouse or any dependant, then, if he so desires and informs the compensating authority by notice in writing accordingly within one month after becoming entitled to retirement compensation under these regulations, he may surrender a proportion of so much of the said compensation as is payable by way of an annual sum on the like terms and conditions and in consideration of the like payments by the compensating authority as if the said annual sum were a pension to which he had become entitled under the said pension scheme.

(7) In calculating for the purposes of regulation 21, 22, 23 or 24 the amount of the annual sum which is equal to a person's accrued pension, no account shall be taken of any reduction falling to be made in that pension by reason of the provisions of any Act relating to National Insurance until the person reaches the age at which under his last relevant pension scheme the pension would have been so reduced.

(8) In paragraph (3) the expression "reckonable service" includes any period of employment of which account has been taken or is required to be taken in calculating the amount of any pension to which a person has become entitled under the last relevant pension scheme.

*Retirement compensation for loss of a pension payable to pensionable officer on attainment of normal retiring age*

21. Subject to the provisions of these regulations, when a person to whom this Part of these regulations applies reaches normal retiring age, the retirement compensation payable to him for loss of pension rights shall be—

- (a) an annual sum equal to the amount of his accrued pension, and
- (b) a lump sum equal to the amount of his accrued retiring allowance (if any).

*Retirement compensation payable to pensionable officer on his becoming incapacitated or reaching minimum pensionable age*

22.—(1) Where a person to whom this Part of these regulations applies and who has suffered loss of his pension rights before attaining what would have been his normal retiring age—

- (a) becomes incapacitated in circumstances in which, if he had not suffered such loss as aforesaid, he would have become entitled to a pension under his last relevant pension scheme, or
- (b) attains the age which, if he had not suffered the said loss, would have been his minimum pensionable age,

he shall be entitled on the happening of either of those events to claim, in lieu of any compensation to which he would otherwise be entitled under these regulations—

- (i) in a case where sub-paragraph (a) of this paragraph applies, an annual sum equal to the amount of his accrued incapacity pension and a lump sum equal to the amount of his accrued incapacity retiring allowance (if any), and

- (ii) in a case where sub-paragraph (b) of this paragraph applies, an annual sum equal to the amount of his accrued pension and a lump sum equal to the amount of his accrued retiring allowance (if any),

subject however to the conditions specified in paragraph (5).

(2) On receipt of a claim under paragraph (1) the compensating authority shall consider whether the claimant is a person to whom that paragraph applies, and within 13 weeks after the date of the receipt of the claim—

- (a) if they are satisfied that he is not such a person, they shall notify him in writing accordingly; or
- (b) if they are satisfied that he is such a person, they shall assess the amount of compensation payable to him and notify him in writing accordingly;

and any such notification shall, for the purposes of these regulations, be deemed to be a notification by the authority of a decision on a claim for compensation.

(3) The compensating authority may require any person who makes a claim under paragraph (1)(a) to submit himself to a medical examination by a registered medical practitioner selected by that authority, and if they do so, they shall also afford the person an opportunity of submitting a report from his own medical adviser as a result of an examination by him, and the authority shall take that report into consideration together with the report of the medical practitioner selected by them.

(4) If a person wishes to receive compensation under this regulation, he shall so inform the compensating authority in writing within one month from the receipt of a notification under paragraph (2) or, where the claim has been the subject of an appeal, from the decision of the tribunal thereon; and the compensation shall be payable as from the date on which the compensating authority received the claim.

(5) The calculation of compensation under this regulation shall be subject to the following conditions—

- (a) where the compensating authority, by virtue of regulation 20, have credited the person with additional years of service or an additional period of contribution, no account shall be taken of any additional years or period beyond the number of years which he could have served, had he not lost his employment (in a case where the loss of pension rights was the result of a loss of employment), before the date on which the claim was received by the compensating authority; and
- (b) if, by reason of any provision of the last relevant pension scheme for a minimum pension or benefit, the amount of any such pension or retiring allowance is in excess of that attributable to the person's actual service, no account shall be taken of any such additional years or period except to the extent (if any) by which they exceed the number of years represented by the difference between his actual service and the period by reference to which the minimum pension or benefit has been calculated; and
- (c) if the number of years by reference to which an accrued incapacity pension or accrued incapacity retiring allowance is to be calculated is less than any minimum number of years of qualifying service prescribed by the relevant pension scheme, the amount of such pension or

retiring allowance shall, notwithstanding any minimum pension or benefit prescribed by the pension scheme, not exceed such proportion of such minimum pension or benefit as the number of years of pensionable service bears to the minimum number of years of qualifying service.

*Option to take retirement compensation prematurely*

23.—(1) If a person to whom this Part of these regulations applies has suffered a loss of pension rights and loss of employment after attaining the age of 50 years, both losses being attributable to the happening of the relevant event, and so requests the compensating authority by notice in writing, he shall be entitled, as from the date on which the compensating authority receives such notice, to an annual sum equal to the amount of his accrued pension and a lump sum equal to the amount of his accrued retiring allowance (if any), and in that event he shall not be entitled to receive any further payment of long-term compensation after the date on which compensation under this regulation becomes payable:

Provided that—

- (i) in calculating the amount of the compensation payable to a person who has given such notice as aforesaid no account shall be taken of any additional years of service or period of contribution credited to him under regulation 20; and
- (ii) where the person has claimed long-term compensation, the said notice shall be given not later than 2 years after a decision on the claim has been notified or, where the decision has been reviewed under regulation 34(4), not later than 2 years after the review, or if there has been more than one such review, after the latest.

(2) Regulation 22(2) and (4) shall apply in relation to a notice given under the last foregoing paragraph as it applies to a claim made under paragraph (1) of that regulation.

(3) Where an annual sum is payable under this regulation in respect of any period and resettlement compensation is also payable in respect of that period, the said annual sum shall be limited to the amount (if any) by which it exceeds the resettlement compensation payable as aforesaid.

(4) If a person to whom this Part of these regulations applies has suffered a diminution of pension rights otherwise than by reason of a diminution of his pensionable emoluments and has also suffered a loss of employment after attaining the age of 50 years, such diminution and loss being both attributable to the happening of the relevant event, the provisions of this regulation shall apply and have effect in relation to him in like manner as if he were such a person as is mentioned in paragraph (1) except that the lump sum (if any) referred to in that paragraph shall be reduced by the amount of any pension paid or payable by way of a lump sum under his last relevant pension scheme and except that the annual sum so referred to shall be such annual sum as is therein provided but reduced, on and after the date on which he is first entitled under the said scheme to be paid any instalment of his pension by way of annual amounts, by the amount of each such instalment and paragraph (2) of regulation 24 shall have the like effect in the application of this paragraph as it does in the application of paragraph (1)(b) of that regulation.

*Retirement compensation for diminution of pension rights*

**24.**—(1) Regulations 21 and 22 shall apply and have effect in relation to a person to whom this Part of these regulations applies and who has suffered a diminution of pension rights as if—

(a) where that person has suffered such diminution by reason of a diminution of his pensionable emoluments, the annual sum and the lump sum (if any) payable to him as retirement compensation under those regulations were equal to such an annual sum and such a lump sum (if any) as respectively bear the same ratio to the sums which would be payable under those regulations, had he suffered a loss (instead of a diminution) of pension rights, as the ratio which the amount of the diminution of his pensionable emoluments bears to those emoluments before their diminution, and

(b) where that person has suffered diminution of pension rights for any other reason, the annual sum and the lump sum (if any) payable to him as retirement compensation under those regulations were equal to the annual sum and lump sum (if any) which would be payable under those regulations, had he suffered a loss (instead of a diminution) of pension rights, respectively reduced by the amount of any sums payable under his last relevant pension scheme in each year after retirement compensation becomes payable and by the amount of any lump sum paid or payable under that scheme.

(2) In the application of paragraph (1)(b) to an officer to or in respect of whom the provisions of any order made under section 2 of the Act have effect so as to secure the payment or payments comprised in his accrued pension rights, the references in that paragraph to his last relevant pension scheme shall include a reference to any arrangements made under that scheme pursuant to such an order and to any arrangements made under that order for the purpose of discharging any liability of a body to make payments prescribed thereby.

*Pension contributions*

**25.**—(1) A person entitled to retirement compensation under these regulations for loss of pension rights shall pay to the compensating authority an amount equal to any sum which was paid to him by way of return of pension contributions, including any interest, after ceasing to be employed, and the compensating authority may at his request repay that amount to him at any time before he becomes entitled as aforesaid, but if that amount is not paid to the compensating authority, or is repaid by them to the person, the compensation shall be reduced by an annual amount the capital value of which is equal to the amount of the said contributions.

(2) For the purposes of this regulation the expression “pension contributions” shall include payments made to the pension fund by the person in respect of added years and any additional contributory payments so made by him.

*Retirement compensation of a person who obtains further pensionable employment*

**26.** Where a person to whom this Part of these regulations applies, after suffering loss or diminution of pension rights, enters new employment in which he is subject to any pension scheme and thereafter becomes entitled to reckon for the purposes of that scheme any service or period of contribution which falls

to be taken into account for the purpose of assessing the amount of any retirement compensation payable to him, his entitlement to retirement compensation shall be reviewed and no retirement compensation shall be payable in respect of such service or period unless the annual rate of the pensionable emoluments to which he was entitled immediately before such loss or diminution exceeds the annual rate on entry of the pensionable emoluments of the new employment by more than  $2\frac{1}{2}$  per cent. of such first-mentioned emoluments, and any retirement compensation so payable to him shall, in so far as it is calculated by reference to remuneration, be calculated by reference to the difference between the said annual rates:

Provided that this regulation shall not operate to increase the amount of any retirement compensation payable in respect of loss or diminution of pension rights beyond the amount which would have been payable if the person had attained normal retiring age immediately before he suffered the loss or diminution of pension rights.

*Compensation payable to widow or dependants of a claimant*

27.—(1) Payments in accordance with this regulation and regulations 28 and 29 shall be made to or for the benefit of the widow, child or other dependant or to the personal representatives of a person to whom this Part of these regulations applies.

(2) If the widow, child or other dependant of that person might, but for the loss or diminution of his pension rights have become entitled to a pension or, as the case may be, to a larger pension under his last relevant pension scheme, the widow, child or other dependant concerned shall be entitled to receive an annual sum equal to the prescribed proportion of any retirement compensation by way of annual amounts payable to the person under regulation 21, 22, 23 or 24 immediately before his death or, if he dies before becoming entitled to receive compensation under any of those regulations, the prescribed proportion of the compensation by way of annual amounts which he would have received under regulation 22 or, as the case may be, under that regulation as applied by regulation 24, had he become entitled thereto immediately before his death:

Provided that—

- (i) where any retirement compensation has been surrendered under regulation 20(6) or compounded under regulation 35, any sum payable under this regulation shall be calculated as if such surrender or compounding had not taken place;
- (ii) where the pension scheme provides for payment of the pension to any person on behalf of a child or other dependant, any annual sum payable as aforesaid to a child or other dependant shall be paid to that person on behalf of the child or dependant in the like manner and for the like period as is provided in the pension scheme;
- (iii) in calculating the sum payable as aforesaid, it shall be assumed that the retirement compensation payable, or which would have been payable, to a person under regulation 21, 22, 23 or 24 had been such sum as would have been payable if the accrued pension or accrued incapacity pension had not been reduced by reason of the provisions of any Act relating to National Insurance;
- (iv) where by virtue of a provision of the pension scheme, the annual pension which would have been paid to the widow, child or other dependant but for the loss or diminution of pension rights would

not have exceeded, or would not have been less than, or would have been a specified amount, or an amount ascertainable when calculated in like manner as is provided in paragraph (5)(b), the aggregate of the annual sum payable under this regulation and any annual pension payable under the pension scheme to the widow, child or other dependant shall correspondingly not exceed, not be less than or shall be equal to that specified amount or, as the case may be, the amount ascertained when so calculated as aforesaid.

(3) Any annual sum payable to or for the benefit of a widow, child or other dependant under this regulation shall cease to be payable in any circumstances in which a corresponding pension under the pension scheme referred to in paragraph (2) would have ceased to be payable.

(4) Except where the compensation has been reduced under regulation 25, compensation payable under this regulation and regulation 28 shall in the aggregate be reduced by an amount the capital value whereof is equal to the amount of any pension contributions as defined in regulation 25(2) returned to the person in respect of whom the compensation is payable and either not paid to the compensating authority or repaid by the compensating authority to him, the compensation under each such regulation being reduced in proportion to the capital value of each amount.

(5) In this regulation "prescribed proportion" means—

(a) where provision is made in any last relevant pension scheme of a person to whom this Part of these regulations applies for the pension payable to his widow, child or other dependant to be of such annual amounts as will bear a certain proportion to that person's pension (whether that person's pension is payable to him under that same pension scheme or under another such scheme dealing exclusively with his pension), that certain proportion, and

(b) where no such provision is made, the proportion which the annual amounts of the pension to which the widow, child or other dependant of the person in question would have become entitled, in the circumstances mentioned in paragraph (6), (such amounts being calculated in the manner specified in paragraph (7)), bears to the amount of that person's accrued pension or, as the case may be, accrued incapacity pension as assessed for the purpose of calculating his retirement compensation, except that any reduction in the amount of such pension made by reason of the provisions of any Act relating to National Insurance shall, for the purpose of this sub-paragraph, be disregarded.

(6) The circumstances referred to in paragraph (5)(b) are that the person to whom this Part of these regulations applies had died immediately before the date on which he suffered the loss or diminution of the pension rights concerned, having then complied with any requirements of the pension scheme as to a minimum period of qualifying service or contribution and completed any additional contributory payments or payments in respect of added years which he was then in the course of making.

(7) The calculation referred to in paragraph (5)(b) shall be made on the basis of the method prescribed by the last relevant pension scheme of the person in question for the calculation of benefits for a widow, child or other dependant, but in making that calculation in a case where that person has attained the age of 40 years at the date when he suffered the loss or diminution of pension rights



he shall be credited, unless he is a person who is entitled to retirement compensation under regulation 23, with such number of additional years of service or such period of contribution as was or may be properly credited to him under regulation 20(3) (subject to the provisions of paragraph (5) of regulation 22 if the person in question is entitled to compensation under that regulation) for the purpose of calculating the amount of his retirement compensation:

Provided always that in so crediting him as aforesaid, any number of years of service or period of contribution prescribed by the scheme to be taken into account as a limit in calculating any pension payable to the widow, child or other dependant shall not as a result be exceeded.

*Compensation where death grant would have been payable*

**28.**—(1) If the widow or the personal representatives of a person to whom this Part of these regulations applies (in this regulation called “the deceased person”) might, but for that person having suffered a loss or diminution of pension rights, have become entitled to a death grant under his last relevant pension scheme, she or they, as the case may be, shall be entitled to receive a sum calculated in accordance with the provisions of this regulation and of regulation 27(4), which sum shall hereafter in this regulation be referred to as “the said sum”.

(2) The amount of the said sum shall be ascertained in accordance with the method of calculation of the death grant prescribed by the deceased person’s last relevant pension scheme, as modified for the purpose of this regulation by paragraph (3), but in making this calculation in any particular case such of the following assumptions as may be applicable shall be made—

- (a) where the deceased person had not been in receipt of retirement compensation, it shall be assumed that he had died immediately before the date on which he suffered the loss or diminution of pension rights;
- (b) where the deceased person had been in receipt of retirement compensation, it shall be assumed that he had retired on that date; and
- (c) except where the deceased person had been in receipt of retirement compensation under regulation 23, it shall be assumed that on the date on which he suffered the loss or diminution of pension rights he had served for a further period of pensionable service equivalent to the aggregate of any additional years of service or period of contribution credited to him under regulation 20(3), but so however that—
  - (i) in a case where the deceased person had been in receipt of retirement compensation under regulation 22, such further period shall not exceed the period between the date on which the said loss or diminution was suffered and the date of the claim under that regulation, and
  - (ii) in any other case such further period shall not exceed the period between the date on which the said loss or diminution was suffered and the actual date of the death of the deceased person.

(3) For the purpose of applying the method of calculation specified in paragraph (2) in a case where the last relevant pension scheme contains a provision to the effect that payment of death grant is to be related to the period which has elapsed from retirement to death, the reference in that provision to such a period shall be treated as a reference to the period which has elapsed from the first accrual of retirement compensation to the actual death of the deceased person.

(4) If the number of years of the deceased person's service or period of contribution is less than the minimum number of years of qualifying service or period prescribed by the pension scheme for the receipt of a death grant, the said sum shall not exceed such proportion of the death grant calculated as aforesaid as the number of years of the person's pensionable service or period of contribution bears to the minimum number of years of qualifying service or period prescribed by the pension scheme.

(5) There shall be deducted from the said sum the amount of any retirement compensation paid to or in respect of the deceased person or, where any part of that compensation has been surrendered under regulation 20(6), the amount which would have been paid but for any such surrender.

(6) Where payment of more than one such sum under this regulation is made in relation to one death, the part of the total amount of retirement compensation to be deducted from each such sum under paragraph (5) shall bear the same proportion to such total amount as the said sum in question bears to the aggregate of such sums paid under this regulation in relation to that death.

(7) For the purpose of calculating any death grant which might be payable under the last relevant pension scheme, an annual sum payable to, or for the benefit of, a widow, child or other dependant under regulation 27 shall be deemed to be a pension payable to, or for the benefit of, the widow, child or dependant, as the case may be.

(8) If the widow or the personal representatives of the deceased person became entitled under his last relevant pension scheme to a smaller death grant than would have been payable had he not suffered a diminution of pension rights attributable to the happening of the relevant event, she or they, as the case may be, shall be entitled to receive a sum calculated in accordance with the foregoing provisions of this regulation modified as follows:—

(a) in a case where the reduction of the death grant has occurred because the diminution of pension rights has been occasioned by the diminution of the deceased person's pensionable emoluments, the amount of the pensionable emoluments to be taken into account for ascertaining the said sum in accordance with paragraph (2) shall be the amount of that diminution, and

(b) in all other cases, the sum payable to the widow or the personal representatives shall be the said sum calculated in accordance with the foregoing provisions of this regulation but reduced by the amount of the death grant to which the widow or the personal representatives became entitled as aforesaid.

*Balances payable to claimant's widow or personal representatives*

**29.**—(1) If no annual sum is payable to the widow, child or other dependant of any person under regulation 27 and no sum is payable under regulation 28 and the person dies before he has received in the aggregate by way of retirement compensation a sum equivalent to the amount of any contributions repaid by him under regulation 25, together with compound interest thereon calculated at the rate of 3 per cent. per annum with half-yearly rests up to the date of his death as from the 1st April or 1st October following the half year in which the amount was paid, there shall be paid to his personal representatives the difference between the aggregate amount received by way of retirement compensation as aforesaid and the said equivalent sum.

(2) If an annual sum becomes payable to a widow under regulation 27 and on her re-marriage or death the sum ceases to be payable, and any sum payable to a child or other dependant under that regulation has ceased to be payable, and if the aggregate amount of the payments which were made as aforesaid to her husband by way of retirement compensation and to the widow or personal representatives under regulation 28 is less than a sum equivalent to the amount which would have been payable to the personal representatives under that regulation if no annual sum had been payable under regulation 27, there shall be paid to her or her personal representatives the difference between such aggregate amount and the said equivalent sum.

(3) For the purposes of this regulation a person who has surrendered any part of his retirement compensation under regulation 20(6) shall be deemed to have received during any period the amount of compensation for that period which he would have received but for any such surrender.

*Intervals for payment of compensation under Part V*

30. Any compensation awarded as an annual sum under this Part of these regulations to or in respect of any person shall be payable at intervals equivalent to those at which the corresponding benefit would have been payable under the person's last relevant pension scheme or at such other intervals as may be agreed between the person entitled to receive the compensation and the compensating authority.

PART VI

ADJUSTMENT, REVIEW AND COMPOUNDING OF COMPENSATION

*Adjustment of compensation where pension is also payable*

31.—(1) Where any period of service of which account was taken in calculating the amount of any compensation payable under Part IV or V of these regulations is subsequently taken into account for the purpose of calculating the amount of any pension payable to or in respect of any person in accordance with a pension scheme associated with any employment undertaken subsequent to the date on which the attributable loss was suffered which gave rise to the claim for compensation (in this regulation called "the said scheme"), the compensating authority may in accordance with this regulation withhold or reduce the compensation payable in respect of any period for which such pension is being received.

(2) If the part of any pension by way of annual amounts which is attributable to a period of service mentioned in paragraph (1) equals or exceeds the part of any compensation by way of annual amounts which is attributable to the same period, that part of the compensation may be withheld, or if such part of the pension is less than such part of the compensation, the compensation may be reduced by an amount not exceeding such part of the pension.

(3) Where a death benefit is or becomes payable under the said scheme in respect of any person who is for the purposes of regulation 28 called therein the deceased person, any sum payable under that regulation in respect of such a person may be reduced by an amount not greater than the proportion of the death benefit which the period of service mentioned in paragraph (1) bears to the total period of service of which account was taken in the calculation of the death benefit.

(4) In addition to any reduction authorised by paragraph (2) or (3), if, in the circumstances mentioned in paragraph (1), compensation by way of annual amounts is attributable in part to any provision of the said scheme for a minimum benefit or pension, the compensation may be reduced by an amount not exceeding that part.

(5) Where any additional years of service or period of contribution have been credited to a person under regulation 20(3), if the number of such years or such period is equal to or less than the period spent in the subsequent employment mentioned in paragraph (1), the compensation by way of annual amounts may be reduced (in addition to any other reduction authorised by this regulation) by an amount not exceeding that attributable to the additional years or period so credited or, if the number of such years or such period is greater than the period spent in the subsequent employment, by such proportion of that amount as the period spent in the subsequent employment bears to the number of additional years or the period so credited.

(6) Where compensation has been calculated in accordance with regulation 26, the provisions of this regulation shall apply only in relation to such part (if any) of the pension mentioned in paragraph (1) as is attributable to pensionable emoluments in excess of those to which the person was entitled on entering the new employment referred to in regulation 26.

(7) Where long-term compensation is payable to a person in respect of diminution of emoluments or worsening of his position or of both, the provisions of this regulation shall apply only in relation to such part (if any) of the pension as is under the said scheme attributable to his emoluments in the said subsequent employment, being emoluments in excess of those emoluments to which that person was entitled immediately before he suffered the diminution of emoluments or worsening of his position, or if he suffered both, before he suffered whichever was the earlier.

(8) Where retirement compensation is payable to a pensionable officer in respect of diminution of pension rights occasioned by a diminution of pensionable emoluments, the provisions of this regulation shall apply only in relation to such part (if any) of the pension as is attributable to pensionable emoluments in excess of those to which that officer was entitled immediately prior to the diminution of his pension rights.

*Reduction of compensation in certain cases*

**32.**—(1) If under a person's last relevant pension scheme any benefit or pension for which the scheme provided would have been subject to reduction or suspension on his taking up other employment specified in that behalf in the scheme, any retirement compensation to which he is entitled for loss or diminution of pension rights shall, where such employment is taken up, be reduced or suspended in the like manner and to the like extent:

Provided that in calculating the amount of the reduction of the compensation in a case where by the provisions of the scheme the amount of the reduction of the benefit or pension is to be related to the emoluments of the employment taken up, the amount of any pension by way of annual amounts payable to the person under his last relevant pension scheme shall be treated as emoluments which shall for the purpose of the calculation be aggregated with the actual emoluments of the said employment.

(2) There shall be deducted from the retirement compensation payable to any person any additional contributory payments remaining unpaid at the date when he suffered loss or diminution of pension rights; and any such payments not recovered at the date of his death shall be deducted from any compensation payable in respect of that person under regulation 27, 28 or 29(2).

(3) Where a person is entitled to compensation under these regulations and the circumstances are such that he is also entitled to—

(a) a redundancy payment under the Redundancy Payments Act 1965(a) or the Contracts of Employment and Redundancy Payments Act (Northern Ireland) 1965(b), or

(b) any similar payment in consequence of the loss of his employment under any contract or arrangement with the body or person by whom he was employed (other than payments by way of a return of contributions under a pension scheme), or

(c) any payment under or by virtue of the provisions of any enactment relating to the reinstatement in civil employment of persons who have been in the service of the Crown,

the compensation which would, apart from this paragraph, become due to the person, whether by instalments or lump sum or both, shall in the aggregate be reduced by the amount of the payments referred to in this paragraph.

(4) Where any resettlement or long-term compensation is payable to or in respect of any person, and that person or his widow, child or other dependant or his personal representatives is or are also entitled (whether immediately or on the person's attaining some greater age) to a pension under that person's last relevant pension scheme, any instalment of such compensation which is payable in respect of any period shall be reduced by the amount of the instalment of such pension which is payable in respect of the same period.

(5) For the purposes of paragraph (4) no account shall be taken of any sum payable in consequence of the surrender by any person of part of his pension under any provision in that behalf in his last relevant pension scheme with a view to obtaining or increasing allowances for his widow, child or other dependant; and the person shall be deemed to have received during any period the amount of pension which he would have received but for any such surrender.

(6) Where in any week a person is entitled to long-term compensation and is also entitled to unemployment, sickness or injury benefit under any Act relating to National Insurance, other than a benefit claimable by him in respect of a dependant, there shall be deducted from the long-term compensation payable for that week a sum equal to the amount by which the aggregate of such National Insurance benefit claimable in respect of that week and the weekly rate at which the long-term compensation would be payable but for this regulation exceeds two thirds of the weekly rate of the net emoluments of the employment which he has lost or in which the emoluments have been diminished:

Provided that this paragraph shall not apply in relation to any such sickness or injury benefit in so far as—

(i) an equivalent sum is deducted from the emoluments of his current employment, and

(ii) such deduction from those emoluments has not occasioned an increase in his long-term compensation.

(7) In paragraph (6) the expression "weekly rate" means seven three hundred and sixty-fifths of the relevant annual rate.

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(a) 1965 c. 62.

(b) 1965 c. 19 (N.I.).

*Notification of change of circumstances***33. Where—**

- (a) a pensionable officer after suffering any attributable loss enters any new employment referred to in regulation 26 or becomes entitled to any pension on ceasing to hold any such employment, or
- (b) a person entitled to long-term compensation enters employment the remuneration whereof is payable out of public funds or by any national transport authority or subsidiary thereof, or ceases to hold such employment, or receives any increase in his remuneration in such employment, or
- (c) a person entitled to retirement compensation enters employment in which the compensation is subject to reduction or suspension under regulation 32, or ceases to hold such employment, or receives any increase in his remuneration in such employment, or
- (d) a person entitled to long-term compensation starts to receive any benefit, any increase in benefit or any further benefit under any Act relating to National Insurance,

he shall forthwith inform the compensating authority in writing of that fact.

*Review of awards of long-term or retirement compensation*

**34.—(1)** The compensating authority shall, within a period of 2 years after the date on which any decision on a claim for long-term or retirement compensation (other than compensation payable under regulation 23) is notified to a claimant under regulation 36 and at intervals of not more than 6 months, review their decision or, where the claim has been the subject of an appeal, the decision of the tribunal, and these regulations shall apply in relation to any such review as they apply in relation to the initial determination of the claim; and on such review, in the light of any material change in the circumstances of the case, compensation may be awarded, or compensation previously awarded may be increased, reduced or discontinued, subject to the limits set out in these regulations:

Provided that where the person to whom the decision relates ceases to hold the employment in which his emoluments were diminished, a review shall be held within 3 months after the date on which he ceases to hold that employment.

(2) After the expiration of the period of 2 years mentioned in paragraph (1), the compensating authority may, at their discretion, carry out reviews in accordance with that paragraph at intervals of not less than 12 months.

(3) The person to whom the decision relates may at any time require the compensating authority to carry out a review in accordance with paragraph (1) if he considers that there has been a change in the circumstances of his case which is material for the purposes of these regulations.

(4) Notwithstanding anything contained in the foregoing provisions of this regulation, the compensating authority shall review a decision (whether of the authority or the tribunal) on a claim for long-term compensation for loss of employment, diminution of emoluments or worsening of a person's position after the expiration of the said period of 2 years if at any time—

- (a) the person to whom the decision relates becomes engaged in employment (hereinafter referred to as his "current employment") the remuneration whereof is payable out of public funds, or by any national transport authority or subsidiary thereof, and which he has undertaken subsequent to the date on which he suffered the loss, diminution or worsening, and

(b) the aggregate of the net emoluments of his current employment, any pension or benefit by way of annual amounts payable to him in respect of the employment which he has lost or in which he suffered the diminution or worsening and the long-term compensation payable to him exceeds the net emoluments of the employment which he has lost or, as the case may be, in which he so suffered.

(5) The compensating authority shall further review any decision reviewed under paragraph (4) whenever the net emoluments of the person's current employment are increased.

(6) If on any review under paragraph (4) or (5) the compensation is reduced, it shall not be reduced below the amount by which the net emoluments of the person's current employment, together with any pension or benefit by way of annual amounts payable to him in respect of the employment in which he has suffered the attributable loss, falls short of the net emoluments of the employment in which he suffered that loss.

(7) The compensating authority shall give to a person to whom a decision relates not less than 14 days' notice of any review of that decision to be carried out under this regulation unless the review is carried out at his request.

(8) Nothing in this regulation shall preclude the making of any adjustment of compensation required by regulation 31 or 32.

#### *Compounding of awards*

35.—(1) In a case where an annual sum which has been or might be awarded under these regulations does not exceed £35, the compensating authority may, at their discretion, compound their liability in respect thereof by paying a lump sum equivalent to the capital value of the annual sum and, if any lump sum payment has been or might be awarded in addition to such annual sum under regulation 21, 22, 23 or 24, the compensating authority may likewise discharge their liability in respect thereof by an immediate payment.

(2) In any other case, if the person who has been awarded long-term or retirement compensation requests them to do so, the compensating authority may, after having regard to the state of health of that person and the other circumstances of the case, compound up to one quarter of their liability to make payments under the award (other than payments to a widow, child or other dependant under regulation 27) by the payment of an equivalent amount as a lump sum or, where any compensation has been awarded as a lump sum, by increasing that compensation to such equivalent amount; and in calculating for this purpose the liability of the authority to make such payments, account shall be taken of the annual value of lump sum payments of compensation.

(3) The making of a composition under paragraph (2) in relation to an award of long-term or retirement compensation shall not prevent the subsequent making of a composition under paragraph (1) in relation to that award, but, subject as aforesaid, not more than one composition may be made in relation to any award.

## PART VII

### PROCEDURE AND MISCELLANEOUS

#### *Procedure on making claims*

36.—(1) Every claim for compensation under these regulations and every request for a review of an award of long-term or retirement compensation shall be made in accordance with this regulation.

(2) Every such claim and request shall be made to the compensating authority in writing, shall set out the grounds on which the claim or request is made and shall state whether any other claim for compensation has been made by the claimant under these regulations.

(3) Resettlement compensation shall be claimed separately from any other form of compensation claimable under these regulations.

(4) The compensating authority shall consider any such claim or request in accordance with the relevant provisions of these regulations and shall notify the person making the claim or request in writing of their decision—

(a) in the case of a claim for resettlement compensation, not later than one month after the receipt of the claim, and

(b) in the case of a claim for, or request for the review of an award of, compensation under Part IV or V of these regulations, not later than 13 weeks after the receipt of the claim or request, and

(c) in any other case, as soon as possible after the decision;

but the decision of the compensating authority shall not be invalidated by reason of the fact that notice of the decision is given after the expiry of the period mentioned in this paragraph.

(5) Every notification of a decision by the compensating authority (whether granting or refusing compensation or reviewing an award, or otherwise affecting any compensation under these regulations) shall contain a statement—

(a) giving reasons for the decision;

(b) showing how any compensation has been calculated and, in particular, if the amount is less than the maximum which could have been awarded under these regulations, showing the factors taken into account in awarding that amount; and

(c) directing the attention of the claimant to his right under regulation 42, if he is aggrieved by the decision, to institute proceedings before a tribunal and giving him the address to which the application instituting such proceedings should be sent.

#### *Claimants to furnish information*

37.—(1) Any person claiming or receiving compensation or whose award of compensation is being reviewed shall furnish all such information as the compensating authority may at any time reasonably require; and he shall verify the same in such manner, including the production of books or original documents in his possession or control, as may be reasonably so required.

(2) Any such person shall, on receipt of reasonable notice, present himself for interview at such place as the compensating authority may reasonably require; and any person who attends for interview may, if he so desires, be represented by his adviser.

#### *Procedure on death of claimant*

38.—(1) In the event of the death of a claimant or of a person who, if he had survived, could have been a claimant, a claim for compensation under these regulations may be continued or made, as the case may be, by his personal representatives.



(2) Where any such claim is continued or made as aforesaid by personal representatives, the personal representatives shall, as respects any steps to be taken or thing to be done by them in order to continue or make the claim, be deemed for the purposes of these regulations to be the person entitled to claim, but, save as aforesaid, the person in whose right they continue or make the claim shall be deemed for the purposes of these regulations to be such person, and the relevant provisions of these regulations shall be construed accordingly:

Provided that the compensating authority may in any such case extend the period within which a claim is required to be made by regulation 7, 13 or 19.

#### *Calculation of service*

39. For the purpose of making any calculation under these regulations in respect of a person's reckonable service, all periods of such service shall be aggregated and, except where reference is made to completed years of service, if the aggregated service includes a fraction of a year, that fraction shall, if it equals or exceeds 6 months, be treated as a year, and shall, in any other case be disregarded.

#### *Temporary variation of emoluments*

40. In calculating for the purposes of these regulations the amount of any emoluments lost, or the amount by which any emoluments have been diminished, and in determining the net emoluments, the accrued pension or the accrued retiring allowance of any person who has suffered attributable loss, no account shall be taken of any increase in the amount of the person's emoluments which is due to any temporary allowance made in consequence of the happening of the relevant event and otherwise than in the ordinary course of his employment.

#### *Compensation not assignable*

41. Subject to any statutory provision in that behalf, any compensation to which a person becomes entitled under these regulations shall be paid by the compensating authority and shall be payable to, or in trust for, the person who is entitled to receive it, and shall not be assignable:

Provided that, without prejudice to any other right of recovery, any compensation paid in error to a person may be recovered by the compensating authority from him by deduction from any compensation payable to him under these regulations.

#### *Right of appeal from decision of compensating authority*

42.—(1) Every person who is aggrieved by any decision of the compensating authority with respect to a compensation question or by any failure on the part of the compensating authority to notify him of any such decision within the appropriate time prescribed by these regulations, may within 13 weeks of the notification to him of the decision or the expiry of the prescribed time, as the case may be, institute proceedings for the determination of the question by a tribunal in accordance with the Industrial Tribunals (Employment and

Compensation) Regulations 1967(a), or in Scotland, the Industrial Tribunals (Employment and Compensation) (Scotland) Regulations 1967(b), or in Northern Ireland, the Industrial Tribunals (Employment and Compensation) Regulations (Northern Ireland) 1967(c) and these regulations; and the tribunal shall determine the question accordingly.

(2) For the purpose of any such proceedings a person or persons may be appointed to sit with the tribunal as assessor or assessors.

(3) The compensating authority shall give effect to the decision of the tribunal subject to any modifications that may be required in consequence of any appeal from that decision on a point of law.

Signed by authority of the Secretary of State.

21st April 1972.

*John Peyton,*  
Minister for Transport Industries  
Department of the Environment.

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(a) S.I. 1967/361 (1967 I, p. 1205). (b) S.I. 1967/362 (1967 I, p. 1220).  
(c) S.R.&O. (N.I.) 1967 No. 110 (p. 354).

## Regulation 2(2)

## SCHEDULE

TABLE I

Factors by which an annual amount payable for life shall be multiplied to obtain the capital value of that amount.

AGE	FACTOR	
	FEMALE	MALE
Under 35 .. .. .	15·55	15·15
35 and under 40 .. .. .	15·10	14·60
40 and under 45 .. .. .	14·55	13·95
45 and under 50 .. .. .	13·90	13·10
50 .. .. .	13·45	12·55
51 .. .. .	13·25	12·35
52 .. .. .	13·10	12·15
53 .. .. .	12·90	11·90
54 .. .. .	12·70	11·70
55 .. .. .	12·50	11·45
56 .. .. .	12·30	11·25
57 .. .. .	12·10	11·00
58 .. .. .	11·90	10·75
59 .. .. .	11·65	10·50
60 .. .. .	11·40	10·25
61 .. .. .	11·20	10·00
62 .. .. .	10·95	9·70
63 .. .. .	10·70	9·45
64 .. .. .	10·40	9·15
65 .. .. .	10·15	8·90
66 .. .. .	9·90	8·60
67 .. .. .	9·60	8·35
68 .. .. .	9·35	8·05
69 .. .. .	9·05	7·80
70 .. .. .	8·75	7·50

NOTE:—This table is for use in connection with regulation 35(1) and (2) for the compounding of annual retirement compensation which a person is currently entitled to receive under regulation 21, 22, 23 or 24. Where the compensation is payable before age 60 (females), 65 (males) but will be reduced on the attainment of that age (in connection with National Insurance pension) the table should be used in conjunction with Table II, i.e. Table II should be used for valuing that part of the compensation which ceases to be payable at age 60 or 65 as the case may be and this table should be used for valuing the remainder.

TABLE II

Factors by which an annual amount ceasing at 65 (males) or 60 (females) shall be multiplied to obtain the capital value of that amount.

AGE	FACTOR	
	FEMALE	MALE
Under 35 .. .. .	13·40	14·10
35 and under 40 .. .. .	12·25	13·15
40 and under 45 .. .. .	10·70	11·95
45 and under 50 .. .. .	8·65	10·40
50 .. .. .	7·15	9·30
51 .. .. .	6·60	8·90
52 .. .. .	6·00	8·45
53 .. .. .	5·35	7·95
54 .. .. .	4·65	7·50
55 .. .. .	3·90	6·95
56 .. .. .	3·15	6·40
57 .. .. .	2·30	5·85
58 .. .. .	1·45	5·20
59 .. .. .	·50	4·55
60 .. .. .	—	3·85
61 .. .. .	—	3·10
62 .. .. .	—	2·30
63 .. .. .	—	1·40
64 .. .. .	—	·50

NOTE:—This table is for use in connection with regulation 35(1) and (2) for the compounding of any part of annual retirement compensation which will cease to be payable on the attainment of age 60 (females), 65 (males). Table I should be used in relation to the remainder of such compensation, i.e. the part which is payable for life—see note on that table.

TABLE III

Factors by which an annual amount payable to a widow until death or re-marriage shall be multiplied to obtain the capital value of that amount.

AGE OF WIDOW AT DATE OF WIDOWHOOD	FACTOR	AGE OF WIDOW AT DATE OF WIDOWHOOD	FACTOR
20	6·00	45	11·90
21	6·00	46	12·05
22	6·00	47	12·15
23	6·00	48	12·25
24	6·00	49	12·30
25	6·25	50	12·30
26	6·60	51	12·30
27	6·95	52	12·25
28	7·30	53	12·20
29	7·65	54	12·15
30	8·00	55	12·05
31	8·40	56	11·95
32	8·75	57	11·80
33	9·10	58	11·65
34	9·40	59	11·50
35	9·75	60	11·30
36	10·05	61	11·15
37	10·30	62	10·95
38	10·55	63	10·70
39	10·80	64	10·40
40	11·05	65	10·15
41	11·25	66	9·90
42	11·45	67	9·60
43	11·60	68	9·35
44	11·75	69	9·05
		70	8·75

NOTE:—This table is for use in connection with regulation 35(1) for compounding annual compensation to a widow under regulation 27. It should also be used, where a reduction of compensation under regulation 27(4) falls to be apportioned between the compensation payable under that regulation and under regulation 28, for ascertaining the capital value of annual compensation to a widow.

TABLE IV

Factors by which a lump sum shall be multiplied to obtain an annual amount payable for life equivalent in value.

AGE	FACTOR	
	FEMALE	MALE
Under 35 .. .. .	·0642917	·0660000
35 and under 40 .. .. .	·0662083	·0685000
40 and under 45 .. .. .	·0687083	·0716667
45 and under 50 .. .. .	·0719583	·0763333
50 .. .. .	·0743333	·0796667
51 .. .. .	·0754583	·0809583
52 .. .. .	·0763333	·0822917
53 .. .. .	·0775000	·0840417
54 .. .. .	·0787500	·0854583
55 .. .. .	·0800000	·0873333
56 .. .. .	·0812917	·0888750
57 .. .. .	·0826250	·0909167
58 .. .. .	·0840417	·0930000
59 .. .. .	·0858333	·0952500
60 .. .. .	·0877083	·0975417
61 .. .. .	·0892917	·1000000
62 .. .. .	·0913333	·1030833
63 .. .. .	·0934583	·1058333
64 .. .. .	·0961667	·1092917
65 .. .. .	·0985000	·1123750
66 .. .. .	·1010000	·1162917
67 .. .. .	·1041667	·1197500
68 .. .. .	·1069583	·1242083
69 .. .. .	·1105000	·1282083
70 .. .. .	·1142917	·1333333

NOTE:—This table is for use in connection with regulation 25(1) for ascertaining the annual amount by which retirement compensation under regulation 21, 22 or 23 is to be reduced where a claimant has not paid to the compensating authority an amount equal to any sum paid to him by way of pension contributions or that amount has been repaid to him by the compensating authority at his request. It should also be used in connection with regulation 35(2) for calculating for the purposes of that paragraph the annual value of retirement compensation awarded as a lump sum.

TABLE V

Factors by which a lump sum shall be multiplied to obtain an annual amount payable to a widow until death or re-marriage equivalent in value to that lump sum.

AGE OF WIDOW AT DATE OF WIDOWHOOD	FACTOR	AGE OF WIDOW AT DATE OF WIDOWHOOD	FACTOR
20	·1666667	45	·0840417
21	·1666667	46	·0830000
22	·1666667	47	·0822917
23	·1666667	48	·0816250
24	·1666667	49	·0812917
25	·1600000	50	·0812917
26	·1515000	51	·0812917
27	·1438750	52	·0816250
28	·1370000	53	·0819583
29	·1307083	54	·0822917
30	·1250000	55	·0830000
31	·1190417	56	·0836667
32	·1142917	57	·0847500
33	·1098750	58	·0858333
34	·1063750	59	·0869583
35	·1025833	60	·0885000
36	·0995000	61	·0897083
37	·0970833	62	·0913333
38	·0947917	63	·0934583
39	·0925833	64	·0961667
40	·0905000	65	·0985000
41	·0888750	66	·1010000
42	·0873333	67	·1041667
43	·0862083	68	·1069583
44	·0851250	69	·1105000
		70	·1142917

NOTE:—This table is for use in connection with regulation 27(4) for ascertaining the annual amount by which compensation to a widow is to be reduced in the circumstances described in that paragraph. If a reduction is required to be apportioned between compensation payable under regulations 27 and 28, the capital value of annual compensation to a widow should be ascertained by reference to Table III.

TABLE VI

Table showing, according to the outstanding period of long-term compensation, the factor by which the total amount of long-term compensation to be compounded shall be multiplied in order to obtain the capital value of that amount.

OUTSTANDING NUMBER OF COMPLETE YEARS OF LONG- TERM COMPENSATION	FACTOR	
	FEMALE	MALE
0 .. .. .	.984	.982
1 .. .. .	.952	.948
2 .. .. .	.921	.915
3 .. .. .	.892	.883
4 .. .. .	.864	.854
5 .. .. .	.838	.827
6 .. .. .	.813	.801
7 .. .. .	.789	.777
8 .. .. .	.767	.754
9 .. .. .	.746	.732
10 .. .. .	.726	.712
11 .. .. .	.706	.693
12 .. .. .	.688	.675
13 .. .. .	.670	.657
14 .. .. .	.653	.641
15 .. .. .	.637	.625
16 .. .. .	.621	.610
17 .. .. .	.606	.596
18 .. .. .	.592	.582
19 .. .. .	.578	.569
20 .. .. .	.565	.556
21 .. .. .	.552	.544
22 .. .. .	.540	.532
23 .. .. .	.528	.520
24 .. .. .	.516	.509
25 .. .. .	.505	.499
26 .. .. .	.494	.489
27 .. .. .	.484	.479
28 .. .. .	.474	.469
29 .. .. .	.464	.459
30 .. .. .	.455	.450

NOTE:—This table is for use in connection with regulation 35(1) and (2) for compounding awards of long-term compensation under Part IV of these regulations. The total amount of the annual long-term compensation which is to be compounded must first be calculated, i.e. the amount which the person would receive on account of that compensation or the part of it which is to be compounded, if it were paid until “normal retiring age” (as defined in these regulations). The capital value of that annual long-term compensation will be the total calculated multiplied by the appropriate factor.



## EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

1. These regulations, made under section 2(4) of the Transport Holding Company Act 1972 (the Act), provide for the payment by the Transport Holding Company or by the authority to whom the responsibilities of the Transport Holding Company are transferred on its dissolution, of compensation to or in respect of any person who suffers loss of employment, or loss or diminution of emoluments or pension rights, or worsening of his position, which is properly attributable to a body ceasing to be a subsidiary of the Transport Holding Company after the passing of the Act. By virtue of section 135(3) of the Transport Act 1968 (as applied by section 2(4) of the Act) the regulations have retrospective effect from 23rd March 1972.

2. Part I of the regulations contains definitions. Part II specifies the persons to whom the regulations apply and the grounds of entitlement to compensation. The regulations apply to persons employed full-time, as United Kingdom based officers, by one of the bodies named in regulation 3(a) or who would have been so employed but for being engaged on national service.

3. The compensation payable is—

- (a) resettlement compensation for loss of employment (Part III of the regulations);
- (b) long-term compensation for loss of employment or loss or diminution of emoluments or worsening of position (Part IV);
- (c) retirement compensation for loss or diminution of pension rights (Part V);
- (d) payments in respect of a deceased pensionable officer to his widow, child or other dependant or to his personal representatives in circumstances specified in the regulations (Part V).

4. Resettlement compensation is payable for a period not exceeding 26 weeks to officers continuously engaged for at least 3 years (disregarding breaks not exceeding in the aggregate 6 months) in relevant employment before the prescribed date. The qualifying conditions and factors to be considered are set out in regulation 7. The method of calculating the amount of compensation is contained in regulation 8.

5. Long-term and retirement compensation are payable to officers continuously engaged for at least 8 years (without a break of more than 12 months at any one time) in relevant employment before the prescribed date. The qualifying and other conditions for long-term compensation are set out in regulations 13 and 14 and for retirement compensation in regulations 19 and 20.

6. The method of calculating the maximum amount of long-term compensation is laid down in regulations 15 (loss of emoluments) and 16 (diminution of emoluments). This amount is a proportion, not exceeding two thirds of the net emoluments lost or of the amount by which emoluments have been diminished, as the case may be. This compensation is payable from a date determined under regulation 18 and can be payable up to normal retiring age. In the case of a non-pensionable officer, compensation not exceeding one half of the rate of long-term compensation may be paid beyond normal retiring age (regulation 17).

7. Retirement compensation payable to a pensionable officer for loss of pension rights is based upon his accrued pension rights (regulation 21) supplemented in the case of persons aged 40 or over at the date of the loss by the

addition of notional years of service (regulation 20). Provision for retirement compensation (including the concept of additional years) in the case of a pensionable officer who suffers diminution of pension rights instead of a loss is provided by regulation 24 which also lays down the method of calculating the retirement compensation payable in such cases. Retirement compensation is ordinarily payable from normal retiring age but in certain circumstances is payable earlier (regulations 22 and 23).

8. Provision is made for payments to the widow, child or other dependant or to the personal representatives of a claimant who dies where such persons would have derived benefit under the relevant pension scheme (regulations 27 to 29).

9. Part VI of the regulations provides for long-term and retirement compensation to be reviewed and for awards to be varied in the light of changing circumstances (regulation 34). It also contains provisions for the adjustment, suspension and compounding of compensation in certain circumstances.

10. Part VII contains provisions relating to the procedure for making claims and notifying decisions and confers upon a claimant who is aggrieved by a decision on a compensation question or the failure of the compensating authority to notify its decision, a right to refer the question for determination by a tribunal established under section 12 of the Industrial Training Act 1964 or section 13 of the Industrial Training Act (Northern Ireland) 1964.

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