
STATUTORY INSTRUMENTS

1987 No. 257

The Police Pensions Regulations 1987

Part B

Personal Awards

Commutation—general provision

B7.—(1) This Regulation shall apply to an ordinary, short service, ill-health or deferred pension under this Part, but in relation to—

(a) a deferred pension, or

(b) an ordinary pension which is not payable as from the date of the policeman's retirement, paragraphs (5), (6) and (7) shall have effect as if any reference therein to retirement or the date thereof were a reference to the coming into payment of the pension or the date thereof.

(2) A regular policeman may, subject to and in accordance with this Regulation, commute for a lump sum a portion of any pension to which this Regulation applies to which he is or may become entitled.

(3) For the purpose of commuting a portion of his pension in accordance with this Regulation a person shall give notice in writing to the police authority ("notice of commutation") of his wish to surrender and commute for a lump sum so much of his pension as, subject to the limitations contained in paragraph (4) and in Regulation B10, he may specify ("the surrendered portion").

(4) The surrendered portion shall be such that—

(a) the basic rate of the pension does not fall to be reduced in accordance with this Regulation by more than a quarter and, for the purposes hereof, that rate shall be taken to be the rate at which the pension would be payable not only if it did not fall to be so reduced but also disregarding any reduction—

(i) in accordance with Regulation B9 (*allocation*),

(ii) in accordance with Part VII of Schedule B (*reduction of pension at state pensionable age*),

(iii) as provided in paragraph 6(1) of Part VIII of Schedule B (*reduction of pension equivalent to outstanding additional or further contributions*), in accordance therewith, and

(b) in the case of a regular policeman who retires or retired with an ordinary pension when entitled to reckon less than 30 years' pensionable service otherwise than in the circumstances mentioned in sub-paragraph (a) or (c) of Regulation B2(1), the lump sum calculated in accordance with paragraph (7) (disregarding any reduction in accordance with the proviso thereto) does not exceed an amount equal to $2\frac{1}{4}$ times the annual amount of his pension calculated in accordance with Part I of Schedule B (disregarding any reduction therein under paragraph (7) of this Regulation or any other provision of these Regulations):

Provided that, where a person wishes to surrender and commute for a lump sum a portion of a pension which falls to be reduced under paragraph (8)(b), the portion which, in accordance with the preceding provisions of this paragraph, may be surrendered shall be reduced by the reduction under paragraph (8)(b) expressed in like manner.

(5) The notice of commutation shall be given by a person not earlier than 4 months before his intended retirement nor later than 6 months after his retirement.

(6) The notice of commutation given by a person shall become effective—

(a) as from the date of his retirement, or

(b) as from the date on which the notice is received by the police authority,

whichever is the later:

Provided that the notice of commutation shall not become effective if—

(i) it was given more than 4 months before his retirement, or

(ii) it relates to an ill-health pension and the unsecured portion of that pension has sooner been terminated under Regulation K1.

(7) Where the person retires or has retired and a notice of commutation given by him becomes or has become effective, the police authority shall reduce the pension to which the notice relates in accordance with the notice as from the time from which the notice is effective and shall pay him a lump sum of such amount as is the actuarial equivalent of the surrendered portion of the pension at the date of his retirement, calculated from tables prepared by the Government Actuary:

Provided that where the notice is effective as from the date mentioned in paragraph (6)(b), the lump sum shall be reduced by an amount equal to the difference between the aggregate payments made in respect of the pension and the aggregate payments which would have been so made had it been reduced from the date of the retirement.

(8) Where the unsecured portion of an ill-health pension is terminated under Regulation K1 after a notice of commutation in relation to the pension has become effective—

(a) no reduction shall be made under paragraph (7) in the secured portion of the pension, insofar as it is payable under Regulation K1;

(b) if thereafter the person concerned becomes entitled to a pension, other than an injury pension, and is entitled to reckon for the purposes thereof the period of pensionable service reckonable for the purposes of the ill-health pension first mentioned in this paragraph, the unsecured portion of the other pension shall be reduced, in respect of any period, by the amount by which the ill-health pension would have been reduced under paragraph (7) if it had not been terminated as aforesaid but had been payable in respect of that period.

(9) This Regulation has effect subject to paragraphs 4 and 8(11) of Part I, and paragraphs 5(3) and 6(2) of Part VII, of Schedule J.