

SCHEDULE 1

ARRANGEMENT OF RULES

PART D

RETIREMENT BENEFITS

Entitlement to Benefits

D.6 Early payment of benefits: active members with significant impairment of capacity for gainful employment

(1) An active member who ceases to be in service by virtue of which he is eligible to be an active member of the Scheme is entitled to immediate payment of a pension and a lump sum before reaching pension age if—

- (a) in the opinion of the Secretary of State, after consultation with the scheme medical adviser, the member has suffered a breakdown in health as a result of which his capacity for gainful employment is significantly impaired, and
- (b) the member either—
 - (i) has at least two years' qualifying service, or
 - (ii) was formerly entitled to rights under a personal pension scheme or a retirement annuity contract in respect of which a transfer value payment has been accepted by the Scheme under Part F (transfers), and
- (c) the member is not entitled to a pension under rule D.5.(1).

(2) The amount of the annual pension payable under this rule is calculated by multiplying one seventieth of the member's final pensionable earnings by **N**.

(3) For the purposes of paragraph (2), **N** is equal to the sum of the member's reckonable service and one-third of the further reckonable service which he would have been able to count under the Scheme if he had remained an active member from the date he ceased to be such a member until pension age (both expressed as a number of years).

(4) The amount of the lump sum payable under this rule is calculated by multiplying the amount of the annual pension so payable by 3.