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## EXPLANATORY NOTE

1. These regulations, made under section 135 of the Transport Act 1968 (the Act), have, by virtue of paragraph 3 of that section, retrospective effect from 18th November 1968. They provide for the payment of compensation by the appropriate compensating authority (listed in Schedule 1 to the regulations) 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 the happening of the relevant event specified in the Act. The relevant events are also set out in Schedule 1 to the regulations.

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 by a nationalised transport body or a subsidiary thereof or by an existing bus operator as defined in Schedule 6 to the Act.

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 are set out for the former in regulations 13 and 14 and for the latter 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.

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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 a compensating authority to notify their decision, a right to refer the question for determination by a tribunal established under section 12 of the Industrial Training Act 1964.