
DRAFT STATUTORY INSTRUMENTS

2015 No.

The Judicial Pensions Regulations 2015

PART 6

Retirement benefits

CHAPTER 5

Payment options

Option to commute whole of member's accrued pensions (serious ill-health)

77.—(1) This regulation applies where there is a medical certificate stating that an active member or deferred member of this scheme has a life-expectancy of less than 12 months.

(2) The member may opt under this regulation to exchange the whole of the member's accrued pensions for a lump sum.

(3) An option under this regulation may only be exercised before the first payment of the pension is made.

(4) The lump sum payable to the member is an amount equal to—

$$(A+B+C)\times 5$$

where—

A means the total annual amount of full retirement pension;

B means the total annual amount of partial retirement pension; and

C means the total annual amount of ill-health pension.

(5) For the purpose of paragraph (4), "total annual amount" means—

(a) in relation to a full retirement pension or partial retirement pension to which the member would be entitled apart from this option, the sum of—

(i) the annual rate of pension to which the member would be entitled apart from this option, calculated as at the date the option is exercised, but without subtracting the early payment reduction (if any); and

(ii) the amount of increase (if any) in the annual rate of that pension under PIA 1971 calculated as at that date; and

(b) in relation to an ill-health pension, the sum of—

(i) the annual rate of pension to which the member would be entitled apart from this option, calculated as at the date when payment would first be due, but without subtracting the early payment reduction (if any); and

(ii) the amount of increase (if any) in the annual rate of that pension under PIA 1971 calculated as at that date.

(6) The lump sum must be paid to the member as soon as is reasonably practicable after the option is exercised.