



# Post Office Act 1969

## 1969 CHAPTER 48

### PART III

#### THE NEW AUTHORITY FOR THE CONDUCT OF POSTAL AND TELEGRAPHIC BUSINESS

##### *Pensions and other Benefits*

#### **43 Staff pensions**

- (1) The Post Office shall, in the case of such persons engaged in its business as may be determined by it with the approval of the Minister (not being members of the Post Office), pay such pensions, allowances or gratuities to or in respect of them as may be so determined, make such payments towards the provision of such pensions, allowances or gratuities as may be so determined or provide and maintain such schemes (whether contributory or not) for the payment of such pensions, allowances or gratuities as may be so determined.
- (2) Where a participant in such a scheme as aforesaid becomes a member of the Post Office, he may be treated for the purposes of the scheme as if his service as a member of the Post Office were service as a person engaged in its business otherwise than as such a member, and his rights under the scheme shall not be affected by paragraph 4(1)(b) of Schedule 1 to this Act.

#### **44 The Post Office to pay pensions, referable to the service of certain former civil servants**

- (1) Subject to the provisions of this section, the following shall, instead of being paid out of moneys provided by Parliament, be paid by the Post Office, that is to say:—
  - (a) any sum that falls to be paid in respect of a period beginning on or after the appointed day by way of allowance or pension under the Superannuation Act 1965 referable to the service of a person who—
    - (i) ceased to be a civil servant before that day; and

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- (ii) immediately before he so ceased, was employed in the department of the Postmaster General otherwise than wholly in connection with the discharge of the Postmaster General's functions under the following enactments (or any of them), that is to say, the Government Annuities Act 1929, the Post Office Savings Bank Act 1954, the National Debt Act 1958, the Post Office Savings Bank Act 1966 and the National Loans Act 1968;
  - (b) any additional allowance or gratuity under the Superannuation Act 1965 that falls to be paid on or after the appointed day, being an allowance or gratuity referable to the service of any such person ; and
  - (c) any sum that falls to be so paid under that Act to any such person by way of return (with or without interest) of periodical contributions.
- (2) Where, in the case of such a person as aforesaid, the following conditions are satisfied, namely.—
- (a) that, after he ceased to be a civil servant, but before the appointed day, he began to serve in a department other than that of the Postmaster General in an unestablished capacity; and
  - (b) that his service in that department continued after the beginning of the appointed day ;
- the foregoing subsection shall not apply to so much of any payment by way of a superannuation or additional allowance granted under the Superannuation Act 1965 to him or of a pension granted under that Act in respect of his service (being a pension the annual rate of which is determined by reference to the rate of his superannuation allowance) as is attributable to—
- (i) a completed year of service which begins on or after the appointed day ; or
  - (ii) a completed year of service which begins before, and ends after, that day, being a year in the case of which more than one hundred and eighty-two of the days therein comprised fall after the day immediately preceding that day.

#### **45 Amendment of sections 12 and 13 of the Superannuation Act 1965**

- (1) Section 12 of the Superannuation Act 1965 (cessation or reduction of superannuation allowance on re-employment) shall apply in the case of any such person as is therein mentioned who is appointed to fill an office in the Post Office immediately upon his ceasing to serve in the department of the Postmaster General as in the case of a person appointed to fill an office in a public department.
- (2) For the purposes of section 13 of the Superannuation Act 1965 (additions to allowances in certain cases of unestablished employment after retirement), service in the Post Office that immediately follows service in the department of the Postmaster General shall be treated as service in the civil service in an unestablished capacity.

#### **46 The Post Office to be liable, in certain cases, for part payment of pensions of certain former civil servants**

Where, in the case of a person who has ceased to be a civil servant, the following conditions are satisfied, namely.—

- (a) that, immediately before he so ceased, he was employed elsewhere than in the department of the Postmaster General;

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(b) that, after he so ceased, but before the appointed day, he began to serve in that department in an unestablished capacity and continued to serve therein until the appointed day ; and

(c) that, on the appointed day, he began a period of service in the Post Office;

so much of any payment by way of a superannuation or additional allowance granted under the Superannuation Act 1965 to him or of a pension granted under that Act in respect of his service (being a pension the annual rate of which is determined by reference to the rate of his superannuation allowance) as is attributable to—

(i) a completed year of service which begins on or after the appointed day ; or

(ii) a completed year of service which begins before, and ends after, that day, being a year in the case of which more than one hundred and eighty-two of the days therein comprised fall after the day immediately preceding that day;

shall, instead of being paid out of moneys provided by Parliament, be paid by the Post Office.

**47 Making, by the Minister, in consideration of the Exchequer's being relieved of certain liabilities with respect to pensions, of payments to trustees appointed by the Post Office**

(1) In consideration of the fact that, after the beginning of the appointed day, the Exchequer will, by virtue of the foregoing provisions of this Part of this Act, be relieved of liabilities in respect of the provision of pensions, gratuities and other like benefits to, and in respect of, certain persons, the following provisions of this section shall have effect.

(2) It shall be assumed that, on the appointed day, the Minister is the holder of an amount of 2 ½ % Consolidated Stock equal in nominal value to such sum (not being less than £1,000 million nor more than £1,500 million) as he may determine for the purposes of this section (which amount is hereafter in this section referred to as the " assumed amount of stock "); and trustees appointed by the Post Office for the purposes of this section (hereafter in this section referred to as " the trustees ")—

(a) shall, subject to the following provisions of this section, be entitled to receive from him, in accordance with those provisions, quarterly payments (hereafter in this section referred to as " capital payments ") which shall severally be taken to represent the proceeds of assumed sales of portions of the assumed amount of stock and shall continue to be made until, by the operation of this section, the assumed amount of stock has been exhausted, and

(b) shall also, subject as aforesaid, be entitled to receive from him, in accordance with the said provisions, quarterly payments (hereafter in this section referred to as " interest payments ") of which the first shall be taken to represent interest on the assumed amount of stock and each subsequent one shall be taken to represent interest on the residue of the assumed amount of stock remaining on the immediately preceding day on which an interest payment was payable.

(3) Capital and interest payments shall be payable on the same days as those on which dividends are payable in respect of 2 ½ % Consolidated Stock, that is to say, 5th January, 5th April, 5th July and 5th October (which days are hereafter in this section referred to as " pay-days "), the first of those payments being payable on the first pay-day following the appointed day.

(4) Subject to the next following subsection, the aggregate of the sums that the trustees are, by virtue of this section, entitled to receive on a pay-day shall be £11,250,000.

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- (5) Capital payments may be reduced or withheld by the Minister in not more than five financial years (but so that none be reduced or withheld unless, beforehand, the Post Office has been notified by him of the intended reduction or withholding and the reduction or withholding has been approved by resolution of the Commons House of Parliament), subject, however, to this qualification, that if the Minister avails himself of the benefit of this subsection in two successive financial years it shall not be open to him to avail himself of it in the financial year next following.
- (6) For the purpose of computing the amount of the first interest payment, it shall be assumed that interest on the assumed amount of stock begins to accrue on the appointed day and accrues from day to day.
- (7) Each interest payment subsequent to the first shall be equal to that which would be payable by way of dividend on an actual holding of 2 ½ % Consolidated Stock equal to so much of the assumed amount of stock as was outstanding on the day on which the immediately preceding interest payment was payable.
- (8) If, in the case of a pay-day on which a capital payment is payable, the residue of the assumed amount of stock that remained on the immediately preceding pay-day is of an amount such that the proceeds of an assumed sale thereof for the purpose of computing the amount of that payment amount to a sum less than that which, apart from this subsection, the trustees are entitled to receive by way thereof, the requirements of this section shall be deemed to be complied with by the payment by the Minister to the trustees of an amount equal to those proceeds and of the interest payment payable on the first-mentioned pay-day.
- (9) For the purposes of this section, an assumed sale of a portion of the assumed amount of stock shall be assumed to take place on the last day before the payment representing the proceeds of the sale is due on which bargains in 2 ½ % Consolidated Stock, other than bargains at special prices, were recorded on the London Stock Exchange, and at a price half way between the highest and lowest prices at which bargains in that stock, other than bargains at special prices, were recorded on that Exchange on that day.
- (10) Trustees appointed by the Post Office for the purposes of this section shall hold moneys received by them thereunder, and any sums accruing by reason of the investment by them of any moneys so received, upon such trusts as may be declared by the Post Office for the purposes of this section, being trusts the objects of which consist in the payment, or the making of provision for the payment, of pensions, allowances and gratuities to, and in respect of, persons with respect to whom determinations made under section 43 of this Act are in force and in the reimbursement of the Post Office sums paid under section 44 or 46 of this Act.
- (11) Section 6(1) of this Act shall not operate so as to preclude the appointment of trustees or the declaration of trusts by the Post Office for the purposes of this section before the appointed day.

#### **48 Amendment of section 6 of the Commonwealth Telegraphs Act 1949**

Subsection (2) of section 6 of the Commonwealth Telegraphs Act 1949 (which provides for the making of regulations with respect to the payment of pensions to, or in respect of, employees of Cable and Wireless Limited) shall have effect as if, in paragraph (c) and sub-paragraphs (d)(iv), (v) and (vi), references which, by virtue of section 4 of this Act, are to be construed as referring to the Minister included references to the Post Office.

#### **49 Provisions as to pensions of former employees of Cable and Wireless Limited and certain other persons**

(1) The Minister may, by statutory instrument (which shall be subject to annulment in pursuance of a resolution of either House of Parliament) make, with the consent of the Minister for the Civil Service, such regulations with respect to the payment of pensions to, or in respect of, persons who, at the passing of this Act are serving in the department of the Postmaster General, being—

- (a) persons who have pension rights under any of the following schemes, that is to say, the existing pension schemes, the scheme for the payment of pensions commonly known as the Cable and Wireless Pension Fund (being a scheme subsisting by virtue of regulations made under section 6 of the Commonwealth Telegraphs Act 1949) and the scheme for the payment of pensions commonly known as the Cable and Wireless Staff Dependants' Fund (being a scheme so subsisting); or
- (b) persons, other than as aforesaid, who have been in the employment of Cable and Wireless Limited ;

as appear to him to be requisite for securing that they, and persons claiming in right of them, are not adversely affected in the matter of pension rights by reason only that, in consequence of this Act, they cease to serve in that department.

(2) Subsections (2) to (4), (7) and (8) of the said section 6 shall apply for the purposes of this section as if references to that section and subsection (1) thereof included references to the foregoing subsection, as if, for references to the existing pension schemes (except in subsection (8)), there were substituted references to the schemes mentioned in subsection (1)(a) above, and as if, in subsection (7), for the reference to 1st January 1947 there were substituted a reference to the day on which this Act passes; and subsection (5) of that section shall, in its application to subsection (2)(a), as applied by this section, have effect as if, for the references to the purposes of any of the existing pension schemes, there were substituted a reference to the purposes of any of the schemes so mentioned.

(3) Regulations under this section may amend or revoke provisions of regulations under the said section 6.

#### **50 The Post Office to continue payment of the remaining pension under the Injuries in War (Compensation) Act 1915**

If the sole remaining pension which, on 31st October 1968, is in course of payment under the Injuries in War (Compensation) Act 1915 at the expense of the Postmaster General is still in course of payment immediately before the appointed day, it shall, as from that day, be by virtue of this section, payable by the Post Office at the annual rate at which it is payable immediately before that day.

#### **51 Payments to the Post Office out of the National Insurance Fund and the Industrial Injuries Fund**

(1) The Secretary of State, with the consent of the Treasury, may from time to time make to the Post Office, out of the National Insurance Fund, such payments as are necessary to secure that, from year to year, it receives the aggregate of the sums that might, in the estimation of the Government Actuary (after consultation with the Secretary of State and the Post Office), have been paid to members, officers and servants of the Post Office under the National Insurance Act 1965 by way of sickness benefit and maternity

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benefit consisting in maternity allowance had they not, under agreements entered into by them with the Post Office, undertaken to refrain from claiming those benefits in consideration, while entitled to claim them, of their drawing unabated sick pay.

- (2) The Secretary of State, with the consent of the Treasury, may from time to time make to the Post Office, out of the Industrial Injuries Fund, such payments as are necessary to secure that, from year to year, it receives the aggregate of the sums that might, in the estimation of the Government Actuary (after consultation with the Secretary of State and the Post Office) have been paid to members, officers and servants of the Post Office under the National Insurance (Industrial Injuries) Act 1965 by way of injury benefit had they not, under agreements entered into by them with the Post Office, undertaken to refrain from claiming it in consideration, while entitled to claim it, of their drawing unabated sick pay.
- (3) In the application of this section to Northern Ireland—
- (a) for the references to the Secretary of State there shall be substituted references to the Ministry of Health and Social Services for Northern Ireland ;
  - (b) for the references to the Treasury there shall be substituted references to the Ministry of Finance for Northern Ireland;
  - (c) for the references to the National Insurance Fund and the Industrial Injuries Fund there shall be substituted respectively references to the Northern Ireland National Insurance Fund and the Northern Ireland Industrial Injuries Fund; and
  - (d) for the references to the National Insurance Act 1965 and the National Insurance (Industrial Injuries) Act 1965 there shall be substituted respectively references to the National Insurance Act (Northern Ireland) 1966 and the National Insurance (Industrial Injuries) Act (Northern Ireland) 1966.