
STATUTORY INSTRUMENTS

1968 No. 1170

**The Iron and Steel (Compensation
to Employees) Regulations 1968**

PART VI

ADJUSTMENT AND COMPOUNDING OF COMPENSATION

Adjustment of compensation where pension benefit is also payable

28.—(1) Where any period of service of which account was taken in calculating the amount of any compensation payable under Part IV or V of these regulations is subsequently taken into account for the purpose of calculating the amount of any pension benefit payable to any person in accordance with a pension scheme associated with any employment undertaken subsequent to the loss or diminution of emoluments or of pension rights which was the subject of the claim for compensation, the Corporation may in accordance with this regulation withhold or reduce the compensation payable in respect of any period for which such pension benefit is being received.

(2) If the part of any pension benefit by way of annual amounts which is attributable to a period of service mentioned in paragraph (1) equals or exceeds the part of any compensation by way of annual amounts which is attributable to the same period, that part of the compensation may be withheld, or if such part of the pension benefit is less than such part of the compensation, the compensation may be reduced by an amount not exceeding such part of the pension benefit.

(3) In addition to any reduction authorised by paragraph (2), if, in the circumstances mentioned in paragraph (1), compensation by way of annual amounts is attributable in part to any provision of the last relevant pension scheme for a minimum benefit, the compensation may be reduced by an amount not exceeding that part.

(4) In addition to any other reduction authorised by this regulation, where any period of additional years has been taken into account under regulation 23 compensation by way of annual amounts may be reduced—

- (a) if the number of such years is equal to or less than the period spent in the subsequent employment mentioned in paragraph (1), by an amount not exceeding that attributable to the additional years so taken into account;
- (b) if the number of such years is greater than the period spent in the subsequent employment so mentioned, by such proportion of that amount as the period spent in the subsequent employment bears to the number of additional years so taken into account.

(5) Where retirement compensation has been calculated in accordance with regulation 22 the provisions of this regulation shall apply only in relation to such part (if any) of the pension benefit as is attributable to annual emoluments in excess of those to which the person was entitled immediately after entering the new employment.

(6) Where compensation is payable in respect of diminution of emoluments or of diminution of pension rights in consequence of diminution of emoluments, the provisions of this regulation shall apply only in relation to such part (if any) of the pension benefit as is attributable to annual emoluments in excess of those to which the person was entitled immediately prior to the diminution.

Reduction of compensation in certain cases

29.—(1) If under a person's last relevant pension scheme any benefit for which the scheme provided would have been subject to reduction or suspension on his taking up other specified employment, any retirement compensation to which he is entitled for loss or diminution of pension rights shall, where such employment is taken up, be reduced or suspended in the like manner and to the like extent:

Provided that in calculating the amount of the reduction there shall be aggregated with the emoluments of the employment taken up the amount of any pension benefit by way of annual amounts payable under the last relevant pension scheme.

(2) There shall be deducted from the retirement compensation payable to any person any additional voluntary contributions remaining unpaid at the date when he suffered loss of employment; and any such payments not recovered at the date of his death shall be deducted from any balance payable under regulation 26.

(3) Where a person is entitled to any compensation under these regulations and the circumstances are such that he is eligible to receive one or more of the following payments—

- (a) a redundancy payment under the Redundancy Payments Act 1965 ;
- (b) any payment to compensate for the loss of his employment made under a contract or arrangement with the Iron and Steel Board or the publicly-owned company by which he was employed or the Corporation, or in satisfaction of damages or compensation (otherwise than by virtue of these regulations) awarded or claimed against the Board, the company or the Corporation;
- (c) any payment under or by virtue of the provisions of any enactment relating to the reinstatement in civil employment of persons who have been in the service of the Crown,

the compensation payable to the person, whether by instalments or lump sum or both, shall in the aggregate be reduced by the amount of the payments referred to in this paragraph.

(4) Where any resettlement or long-term compensation is payable under these regulations to any person who is also entitled to a pension benefit under the last relevant pension scheme any instalment of such compensation which is payable in respect of any period shall be reduced by the amount of the instalment of such pension benefit which is payable in respect of the same period.

(5) For the purposes of paragraph (4) no account shall be taken of any sum payable in consequence of the surrender by any person of part of his pension benefit under any provision in that behalf in his last relevant pension scheme with a view to obtaining or increasing allowances for his spouse or any dependant; and he shall be deemed to have received during any period the amount of pension benefit which he would have received but for any such surrender.

(6) Subject to the following provisions of this regulation, where in any week a person is entitled to long-term compensation and is also entitled to unemployment, sickness or injury benefit under any Act relating to National Insurance, other than a benefit claimable by him in respect of a dependant, there shall be deducted from the long-term compensation payable for that week a sum equal to the amount by which the aggregate of such National Insurance benefit claimable in respect of that week and the weekly rate at which the long-term compensation would be payable but for this regulation exceeds two-thirds of the weekly rate of the net annual emoluments of the employment which he has lost or in which the emoluments have been diminished.

(7) Paragraph (6) shall not apply in relation to any such sickness or injury benefit in so far as an equivalent sum is deducted from the emoluments of his current employment and such deduction from those emoluments has not occasioned an increase in his long-term compensation.

(8) In paragraph (6) the expression “weekly rate” means seven three hundred and sixty-fifths of the relevant annual rate.

Notification of change of circumstances

30. Where—

- (a) a pensionable officer after suffering loss of employment or loss or diminution of emoluments or pension rights enters any employment referred to in regulation 22 or becomes entitled to any pension benefit on ceasing to hold such employment; or
- (b) a person entitled to long-term compensation enters employment the remuneration whereof is payable by the Corporation or a publicly-owned company, or ceases to hold such employment, or receives any increase in his remuneration in such employment; or
- (c) a person entitled to retirement compensation enters employment in which the compensation is subject to reduction or suspension under regulation 29, or ceases to hold such employment, or receives any increase in his remuneration in such employment; or
- (d) a person entitled to long-term compensation starts to receive any benefit, any increase in benefit or any further benefit under any Act relating to National Insurance;

he shall forthwith give notice in writing thereof to the Corporation.

Compounding of Awards

31.—(1) In a case where an annual sum which has been or might be awarded under these regulations does not exceed £26, the Corporation may, at their discretion, compound their liability in respect thereof by paying a lump sum equivalent to the capital value of the annual sum, and, if any lump sum payment has been or might be awarded in addition to such annual sum under regulation 18, 19 or 20, the Corporation may likewise discharge their liability in respect thereof by an immediate payment.

(2) In any other case, if a person who has been awarded long-term or retirement compensation requests them to do so the Corporation may, after having regard to the state of health of that person and the other circumstances of the case, compound up to one quarter of their liability to make payments under the award by payment of an equivalent amount as a lump sum, or, where any compensation has been awarded as a lump sum, by increasing that compensation to such equivalent amount; and in calculating for this purpose the liability of the Corporation to make such payments, account shall be taken of the annual value of lump sum payments of compensation.

(3) The making of a composition under paragraph (2) in relation to an award of long-term or retirement compensation shall not prevent the subsequent making of a composition under paragraph (1) in relation to that award, but, subject as aforesaid, not more than one composition may be made in relation to any award.