
STATUTORY INSTRUMENTS

2014 No. 1964

**The Public Service (Civil Servants and
Others) Pensions Regulations 2014**

PART 6

Retirement benefits

CHAPTER 5

Payment options

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

85.—(1) This regulation applies in relation to an active member or deferred member of this scheme whom the scheme medical adviser certifies 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 ("this option") 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.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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