

- (b) If his service is terminated for non-employment, or for incapacity, unsuitability or inefficiency not due to causes within his own control, or if he is permitted voluntarily to terminate his service within 6 months of the completion of the full period of Active List service he has undertaken, he may be awarded either a gratuity proportionate to the length of Active List service he has actually completed or a reduced gratuity at such rate as the Secretary of State for Defence may determine.
- (c) If he is permitted voluntarily to terminate his service more than 6 months before the conclusion of the period he has undertaken no gratuity will be payable to a Pilot or Observer unless he has completed at least 18 months' satisfactory service and is in possession of the flying badge, nor to an officer of any other Branch unless he has completed at least 1 year's satisfactory service. Thereafter he may be allowed, at the discretion of the Secretary of State for Defence, such gratuity as may be determined, but not in any event exceeding three-quarters of the amount proportionate to the length of his actual service on the Active List.
- (d) If his service is terminated owing to disability due to causes within his own control or to inefficiency or other cause within his own control but not amounting to misconduct, he may be allowed, at the discretion of the Secretary of State for Defence, such gratuity as may be determined, but not in any event exceeding the amount which would have been admissible had he been allowed to terminate his service voluntarily.
- (e) If his service is terminated on account of misconduct, the special payment of a compassionate gratuity shall be within the discretion of the Secretary of State for Defence according to the circumstances of his case, but the award will not in any event exceed 90 per cent. of the gratuity which would have been admissible had he left voluntarily.
- (f) In the case of aircrew officers proportionate gratuity will be calculated as follows:
 - (i) For service short of 8 years:
For the first 18 months' service at the rate of £190 a year. For service beyond the first 18 months at the rate of £295 a year, subject to a maximum of £2,190.
 - (ii) For service between 8 and 12 years £2,190 in respect of the first 8 years and at the rate of £705 a year for the remaining period subject to a maximum of £5,000.
- (g) In the case of Professionally Qualified Electrical Officers proportionate gratuity will be calculated as follows:
At the rate of £255 a year for the first 5 years and at £445 a year in respect of service between 5 and 10 years.

9. No part of a short service gratuity will be payable to the officer's estate or otherwise in the event of his death before completion of the period of Active List service he had undertaken.

10. If an officer serving on a short service commission continues on full pay beyond the period of Active List service which he had undertaken, payment of the gratuity will be deferred until the end of such further service.

11. A short service commission officer who is granted a permanent commission will not be eligible for any gratuity in respect of his service on a short service commission, but his service on that commission may count towards an ultimate award of retired pay or gratuity as a permanent officer. If, after receipt of a gratuity in respect of short service, an officer is granted a permanent commission his previous service will not be reckonable towards an ultimate award of retired pay or gratuity as a permanent officer, unless satisfactory arrangements are made for the refund of the short service gratuity.

12. Service on a short service commission in the medical, dental, or education branches of the Royal Navy may, in certain circumstances, be treated as contributory service under the National Health Service (Superannuation) Regulations or under the Teachers' (Superannuation) Act, as appropriate. Where service is so treated, both the employer's and the officer's contribution will be advanced by the Ministry of Defence and the total amount so advanced will be deducted from the gratuity for which the officer is eligible under the provisions of this Section. When contributions have been so advanced but as a result of being transferred to a permanent or pensionable commission the officer does not qualify for a gratuity under this Section, no refund of the employer's contribution will be required from the officer, but in order that his previous service may be reckonable towards an ultimate award of retired pay or gratuity as a permanent officer he will be required to refund the employee's contributions advanced on his behalf by the Ministry of Defence. Service which counts for service retired pay or gratuity may not also count as reckonable service for purposes of pension under the appropriate civil superannuation scheme.

SCHEDULE III

SECTION I

Retired Officers of the Royal Navy and Royal Marines Re-employment in Peace-time

1. Except as provided in Section II an officer who is on retired pay may, while re-employed for training or on any authorised naval duty for periods not exceeding 6 consecutive months or aggregating 6 months or less in any 12 months, continue to draw his retired pay concurrently with any pay to which he is entitled; but payment of retired pay may be suspended when there is doubt about the duration of the period of re-employment. No retired pay will be payable when the period of re-employment exceeds 6 months, and where the retired officer has commuted any part of the retired pay which would have been liable to suspension had he not commuted, a deduction equivalent to the amount commuted will be made from his pay.

2. An officer whose service retired pay has been suspended under Clause 1 and who, having been placed on the Retired List before 1st April 1970 is re-employed on or after that date without an actual break in service, will be eligible on reversion to the Retired List for awards of retired pay and terminal grant under the provisions in Schedule I, Section II and III as appropriate for officers retiring on or after 1st April 1970 assessed on the basis of former service added to re-employed service.

3. An officer whose service retired pay has been suspended under Clause 1 and who, having had a break in service, is in re-employment on or after 1st April 1970 may receive on reversion to the Retired List an award of retired pay assessed on the basis of former service added to re-employed service as follows:

- (a) Under the provisions of Schedule I, Section II, provided that
 - (i) the period of re-employment is not less than 3 years; or
 - (ii) the officer is invalided from re-employment; or
 - (iii) he originally retired on or after 1st April 1970,
- (b) If the officer originally retired before 1st April 1970 and the period of his re-employment is less than 3 years and he is not invalided, under the provisions of the Order in Council under which his retired pay was originally assessed.

4. If during re-employed service an officer has served in a rank higher than that held before original retirement and has received the pay and allowances appropriate to that rank, this service may be allowed to reckon for assessment of a revised rate of retired pay on a similar basis to that laid down in Schedule I, Section VI, Clauses 25 and 26.

5. If the officer had originally retired at his own request, re-assessed retired pay under either (a) or (b) above will be on the basis of voluntary retirement, unless he is invalided from re-employment.