

- (c) further commutation of the pension awarded on final discharge to provide a sum equal to the total of weekly or monthly deductions in respect of commutation of the original pension which would have been deducted from that pension for the period of re-employed service had payment of that pension not been in abeyance; or
- (d) deduction from Naval pay while serving.

A deduction equivalent to the amount of the original part of the pension commuted will be made from any revised award made on final discharge, but the commutation will be ignored in assessing the final terminal grant which will be based on the gross pension irrespective of commutation.

SECTION IV

Future Emergency Re-employment of Service Pensioners

34. This Section relates to:

- (a) service pensioners recalled for service during a period of general recall;
- (b) other service pensioners who give further service (otherwise than on normal or non-continuous service engagements) during a period of general recall to service on account of an emergency, or who are specially re-employed on full pay in anticipation of an imminent general recall.

35. The provisions of this Section may be brought into operation for such pensioners on such occasions and for such periods as the Secretary of State for Defence may determine, in consultation with the Minister for the Civil Service.

36. A service pensioner will, during periods of further service to which these provisions apply, continue to receive his service pension subject to the conditions normally attached thereto.

37. On discharge or release from such service a service pensioner, provided his service has been satisfactory and of at least 6 months' duration, may receive an addition to his pension of half the difference between:

- (a) the pension for which his previous service qualified him, or would have qualified him under Clauses 6 to 10 of this Schedule, and
- (b) the pension for which he would be eligible under Clauses 6 to 10 of this Schedule if his further service were added to his previous service.

38. No terminal grant or additional terminal grant will be payable in respect of the re-employment.

39. An addition under Clause 37 of this Schedule may be granted although the existing pension was assessed under regulations in force before 1st April 1977.

40. If service pensioners are employed with the Armed Forces of the British Commonwealth or Colonies, the provisions of this Section may be applied to them at the discretion of the Secretary of State for Defence as if their further service had been with the Royal Navy, Royal Marines or Women's Royal Naval Service.

SECTION V

Ratings serving on regular engagements continuing in service during a Future Emergency

41. The following Clause will be brought into operation on such occasions, being periods of general recall to service on account of emergency as the Secretary of State for Defence may determine, in consultation with the Minister for the Civil Service. In respect of each such occasion the Secretary of State for Defence may fix a date from which it will come into operation and after which it will cease to apply.

42. A rating serving on a normal regular engagement while this Clause is in operation, who completes 22 years' service reckonable for pension under Section I of this Schedule, may be allowed, with effect from the date of completion of 22 years' service, to receive an immediate award of service pension and terminal grant, calculated on 22 years' service. If he elects to receive pension while serving, he will thereafter be regarded for pension purposes as a re-employed pensioner under Section IV of this Schedule.

SCHEDULE VI

Abatement from Service Retired Pay and Service Pension in relation to Retirement Pension under the National Insurance Act 1946 (c. 67).

1. The provisions of this Schedule relate to officers of the Royal Navy, Royal Marines, Queen Alexandra's Royal Naval Nursing Service and the Women's Royal Naval Service; ratings of the Royal Navy and other ranks of the Royal Marines and Naval Nurses of Queen Alexandra's Royal Naval Nursing Service, and ratings of the Women's Royal Naval Service who:

- (a) entered the service on or after 1st July 1949; or
- (b) re-entered the service, after a break in service, on or after 1st July 1949; except those who re-entered within 12 months of being invalided or those who had already been granted service retired pay or service pension before re-entry.

Any rating or other rank, the regular part of whose engagement terminated before 1st July 1949, but who continued to serve on the reserve portion of that regular engagement shall, if he rejoined the service on a regular engagement before the termination of the reserve portion of his previous regular engagement, be regarded as having continuous regular service for the purpose of this Clause.

2. The Secretary of State for Defence may exempt from the provisions of this Section any officer, rating or other rank, who entered or re-entered the Royal Navy after 30th June 1949, if satisfied that such entry or re-entry was in fulfilment of an undertaking or commitment entered into before 1st July 1949.

3. Except as provided in Clause 4 of this Schedule, service retired pay or service pension granted to a retired officer or pensioned rating or other rank shall be reduced by £0.01667 a week for each complete year of reckonable service subject to a maximum of £0.80 a week, on becoming eligible for a National Retirement Pension on attaining the age of 65 years, in the case of men, or on attaining the age of 60 years, in the case of women.

4. No abatement, however, shall be made in the case of a person permanently resident outside the United Kingdom, unless that person is receiving retirement pension under the National Insurance Act 1946, or a corresponding award payable under reciprocal arrangements with the country of domicile.

SCHEDULE VII

SECTION I

Preserved Pensions and Terminal Grants

1. The provisions of this Schedule relate to officers of the Royal Navy, Royal Marines, Queen Alexandra's Royal Naval Nursing Service and Women's Royal Naval Service; ratings of the Royal Navy, other ranks of the Royal Marines, Naval Nurses of Queen Alexandra's Royal Naval Nursing Service and ratings of the Women's Royal Naval Service who give service on or after 31st March 1977 and who leave the Service before qualifying for immediate service retired pay or service pension. Provided they have reached the age of 26 years and have given a minimum period of 5 years' reckonable service they may be awarded a preserved pension at the rates shown in Clause 2 below. These provisions do not apply to officers serving on gratuity earning short service engagements.