

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 and before 1st April 1980 ; or
- (b) re-entered the service, after a break in service, on or after 1st July 1949 and before 1st April 1980 ; 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 purposes of this Clause.

2. The Secretary of State for Defence may exempt from the provisions of this Schedule 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 shall be reduced by £0.01667 a week for each complete year of reckonable service which accrue before 1st April 1980 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(1946 c.67), or a corresponding award payable under reciprocal arrangements with the country of domicile.

5. Subject to Clause 6 below service retired pay or service pension shall also be reduced to take account of graduated national insurance pensions. The reduction will apply from the age of 65 years for men and from the age of 60 years for women. An officer or rating who, for a part of his reckonable service, was not contracted out of the Graduated Pension Scheme will have his retired pay or pension reduced by the amount of pension earned by graduated contributions payable under the National Insurance Act 1965(1965 c.51), that is by contributions of:

- (a) 4½ per cent of earnings between £9 and £15 a week from 3rd April 1961 to 31st May 1963 ;
- (b) 4½ per cent of earnings between £9 and £18 a week from 1st June 1963 to 5th April 1975 ;

except that there will be no reduction if the graduated pension earned by these contributions is £5.20 a year or less.

6. There will be no reduction for graduated pension earned by contributions paid during service contracted out of the Graduated Pension Scheme, or in respect of graduated contributions which were in addition to those payable under the National Insurance Act 1965(b).

SCHEDULE VI

Transfer of Pension Rights

1. The provisions of this Schedule apply 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 gave service on and after 31st March 1975 and left the service without title to immediate retired pay or pension. Subject to the general conditions set out below and also to such regulations as are agreed by the Civil Service Department for the conduct of the public sector transfer network such officers, ratings or other ranks may apply to have their pension rights transferred to the scheme they join on leaving the Service. Similarly officers, ratings or other ranks who join the service after having accumulated pension rights in their previous employment may apply to their previous pension scheme to have those rights transferred into the Armed Forces Pension Scheme.

2. The minimum qualifying period for the payment of a transfer value is one year of reckonable or contracted-out service, that is, service from any age on or after 6th

April 1978 during which the lower, contracted-out rate of National Insurance contribution is paid.

3. A transfer value will not normally be paid after a break between two pensionable employments of more than 12 months or if the application for it is made more than 6 months after the transferee joins his new scheme.

4. Transfer values for those leaving the Service will be calculated using age at the time of leaving and preserved benefits under the provisions of Schedule III above, with the exception that there will be no minimum qualifying period of service other than the one year referred to in Clause 2 of this Schedule. If, however, a calculation of transfer value based on pension rights earned in accordance

with the provisions of Order in Council ^{9*} of 25th July NPP

1978 produces a greater sum than a calculation in accordance with the terms of Schedule III above the former shall be used to provide the basis for the transfer value calculation.

5. Transfer value for those leaving the Service will be calculated using the tables for this purpose common to the rest of the public sector transfer network.

6. Any outstanding contributions for widow's pension at the time of transfer will be deducted from the preserved terminal grant before calculation of the transfer value.

7. Where a Serviceman leaves with insufficient service to qualify for a preserved pension but is awarded a gratuity (eg on invaliding) a transfer value may be paid provided that the person makes a payment in respect of the gratuity to Navy Funds of such amount as the Secretary of State for Defence may determine.

8. A person joining the Service on or after 1st April 1975 in respect of whom a transfer payment is accepted from his former pension scheme will be credited with reckonable service as calculated using special tables prepared by the Government Actuary which take account of the early ages at which members of the Armed Forces Pension Scheme can receive immediate retired pay or pension.

9. The transfer value tables will be applied to the transfer value to give equal periods of reckonable service for personal pension, terminal grant and (for both married and unmarried men) half-rate widow's pension. The length of reckonable service credited may, however, be restricted in those circumstances where the limits laid down from time to time by the Inland Revenue for approved occupational pension schemes would otherwise be exceeded.

10. Where service credited is less than service actually served in the old scheme, the previous service will count as to its actual length for the purpose of the 5 year qualifying period for pension benefits. However, neither actual service in previous employment nor service credited will count towards the minimum period of service necessary for the award below the age of 55 years of immediate retired pay or pension, unless the said service was in the Armed Forces.

SCHEDULE VII

Section I

1. The family pensions and associated gratuities provided for in this Schedule are those payable in respect of the pensionable service of deceased Officers, Fleet Chief Petty Officers, Chief Petty Officers, Petty Officers, Non-Commissioned Officers and men of the Royal Navy and Royal Marines. The Attributable widow's and children's pensions, associated gratuities, and short term pensions are payable in respect of the deaths of Officers, Fleet Chief Petty Officers, Petty Officers, Non-Commissioned Officers and Men of the Royal Navy, Royal Marines, Royal Naval Reserve, including officers appointed for duty with the Sea Cadet Corps or Combined Cadet Forces, and the Royal Marine Reserve.

2. Except where otherwise stated the terms "officers" in this Schedule should be read as including Commissioned Officers of the Royal Navy, the Royal Marines, the Royal Naval Reserve and the Royal Marines Reserve and "rating and other rank" should be read as including Fleet Chief Petty Officers, Petty Officers and other ratings of the Royal Navy and Royal Naval Reserve and Non-Commissioned Officers and other ranks of the Royal Marines and Royal Marines Reserve.

3. In the case of forces family pensions the officer, rating or other rank in respect of whose death a pension is claimed must have had an entitlement to service retired