CHAPTER 67.

An Act to provide for the discharge of the liability of the Consolidated Fund in respect of certain Indian Army Pensions. [14th August 1885.]

WHEREAS pensions and other retiring allowances (in this Act referred to as pensions) granted to persons in respect of service in Her Majesty's military forces, are paid out of moneys provided by Parliament, and where such persons have served in India, a part of such pensions (in this Act referred to as Indian Army pensions) proportionate to their period of service in India ought to be repaid out of the revenues of India;

And whereas under an arrangement with the Government of India in respect of Indian Army pensions, which first came into course of payment before the first day of April one thousand eight hundred and seventy, no sum has been since the thirty-first day of March one thousand eight hundred and seventy, or will be so repaid except as herein-after mentioned, whereby a large annual sum has become charged on and payable out of the Consolidated Fund of the United Kingdom;

And whereas in respect of the Indian Army pensions granted to men serving in regiments of the East India Company and transferred to Her Majesty's army, which first came into course of payment before the first day of April one thousand eight hundred and seventy, a sum was repaid out of the revenues of India, on account of the capital value thereof, but such sum is insufficient to cover the amount of such pensions, and thereby the deficiency has become charged on and is payable out of the Consolidated Fund of the United Kingdom;

And whereas under an arrangement with the Government of India as to repayments out of the revenues of India in respect of the Indian Army pensions which first came into course of payment during the period beginning on the first day of April one thousand eight hundred and seventy, the capital value thereof was to be ascertained and paid out of the revenues of India, but such arrangement in consequence of entailing a loss upon the Consolidated Fund of the United Kingdom has been determined and applies only to Indian Army pensions which first came into course of payment before the first day of April one thousand eight hundred and eighty-four;

And whereas a portion of the capital value due under the said arrangement, has been ascertained and paid out of the revenues of India, and the remainder thereof is in course of being ascertained, and, when ascertained, will be paid out of the revenues of India;

And whereas in several years ending on the thirty-first day of March (in this Act referred to as financial year) the whole amount so paid out of the revenues of India in respect of the said capital value of Indian Army pensions was paid into the Exchequer and applied as part of the annual revenue of the Consolidated Fund, although a portion thereof represented the capital value of the said pensions, and, by reason of such application, the Consolidated Fund is liable in future years to the payment of the said pensions without any further payment in respect thereof from the revenues of India;

And whereas in other financial years a portion of the amount so paid out of the revenues of India in respect of the said capital value of Indian Army pensions was paid into the Exchequer, and carried to the Consolidated Fund, and the residue thereof was paid into the Bank of England in the name of Her Majesty's Paymaster-General, and carried in his books to an account intituled "The Indian Army Non-effective Arrears";

And whereas the net liability of the Consolidated Fund on the thirty-first day of March one thousand eight hundred and eighty-four resulting from the causes above mentioned, after deducting the sums standing to the said "Indian Army Non-effective Arrears" account, and the sums which will be payable out of the revenues of India in respect of the capital value of Indian Army pensions has been estimated at a sum of four million two hundred thousand pounds or thereabouts;

And whereas it is expedient to provide for the gradual discharge of such liability:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Short title.

1. This Act may be cited as the Indian Army Pension Deficiency Act, 1885.

Establishment of Indian Army Pension Deficiency Fund.

2. There shall be paid to the Commissioners for the Reduction of the National Debt (in this Act referred to as the National Debt Commissioners) the following moneys, that is to say,

(*a.*) all sums now standing in the books of Her Majesty's Paymaster-General to the account of the Indian Army Non-effective Arrears;

(*b.*) all sums from time to time paid out of the revenues of India to Her Majesty's Paymaster-General, in respect of the Indian Army pensions which first came into course of payment before the first day of April one thousand eight hundred and eighty-four, or in respect of any other Indian Army pensions mentioned in this Act; and

(*c.*) the annuity created by this Act.

Such moneys are in this Act referred to as the Indian Army Pension Deficiency Fund.

Application of Indian Army Pension Deficiency Fund.

3.—(1.) The National Debt Commissioners shall pay out of the Indian Army Pension Deficiency Fund such sums as may from time to time be certified, by one of Her Majesty's Principal Secretaries of State, to be estimated to be required to repay the charge payable in any financial year in respect of Indian Army pensions which first came into course of payment during the period beginning on the first day of April one thousand eight hundred and seventy, and ending on the thirty-first of March one thousand eight hundred and eighty-four, and in respect of the Indian Army pensions which were granted to men serving in regiments of the East India Company and transferred to Her Majesty's Army, and which first came into course of payment before the first day of April one thousand eight hundred and seventy.

(2.) On the determination of all such pensions, all moneys standing to the account of the Indian Army Pension Deficiency Fund shall

be applied by the National Debt Commissioners as if they were part of the old sinking fund.

Creation of annuity to meet deficiency.

4.—(1.) There shall be charged on and paid out of the Consolidated Fund to the National Debt Commissioners an annuity of one hundred and fifty thousand pounds, beginning on the first day of April one thousand eight hundred and eighty-five, and payable by such periodical payments as the Commissioners of Her Majesty's Treasury from time to time fix.

(2.) As soon as all charges on the Indian Army Pension Deficiency Fund cease, the annuity under this section shall determine.

Management of Indian Army Pension Deficiency Fund.

5.—(1.) The National Debt Commissioners shall from time to time invest any moneys forming part of the Indian Army Pension Deficiency Fund which are not for the time being required for the other purposes of this Act, in any securities in which they may invest moneys held by them on account of savings banks, and may from time to time sell the securities in which they have so invested. All money arising from the income or sale of such securities shall be carried to and form part of the Indian Army Pension Deficiency Fund, and may be invested and applied accordingly.

(2.) The National Debt Commissioners may from time to time lend to the Indian Army Pension Deficiency Fund, on the security of that fund, any moneys held by them on account of savings banks or otherwise, which they have power to invest in Government securities, and any sum so lent shall be a charge on the Indian Army Pension Deficiency Fund, and be repaid out of that fund by an annuity of such amount, and for such term as may be certified by the Comptroller or Assistant Comptroller, and the Actuary of the National Debt Office, to be sufficient to repay the sum borrowed with interest at three and a quarter per cent. per annum.

(3.) Such accounts of the Indian Army Pension Deficiency Fund shall annually be laid before Parliament as the Commissioners of Her Majesty's Treasury may direct.

CHAPTER 68.

An Act to amend the Metropolitan Police Staff Superannuation Act, 1875. [14th August 1885.]

38 & 39 Vict. c. 28.

WHEREAS by the Metropolitan Police Staff (Superannuation) Act, 1875, one of Her Majesty's Principal Secretaries of State (therein referred to as the Secretary of State) is authorised by order to make regulations respecting the grant to the officers of the staff of the metropolitan police mentioned in the schedule to that Act of superannuation allowances, compensations, gratuities, or other allowances on the like principles and conditions as were in force at the passing of that Act with respect to persons in the permanent civil service of the State, and a copy of the order proposed to be made is to lie before both Houses of Parliament for not less than twenty-one days before it is finally made by the Secretary of State:

And whereas an Order in pursuance of the said Act was duly made by the Secretary of State, dated the first day of January one thousand eight hundred and seventy-six: