

CHAP. 32.

An Act to provide for the Commutation of Pensions payable to officers and other persons out of the sums voted by Parliament to defray the charges of the army and navy services. [26th July 1869.]

A.D. 1869.

WHEREAS it is expedient to make provision for the commutation of pensions payable to officers and certain other persons out of the sums voted by Parliament to defray the charges of the army and navy services:

Be it 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 for all purposes as "The Pensions Commutation Act, 1869."

Definition of terms.

2. In this Act—

The term "the Treasury" shall mean the Commissioners of Her Majesty's Treasury for the time being, or any two or more of them:

The term "pension" shall include any half-pay, compensation allowance, superannuation or retirement allowance, or other payment of the like nature.

Application of Act.

3. This Act shall apply only to officers and persons entitled to pensions out of the sums voted by Parliament to defray the charges of the navy and army services, not including non-commissioned officers and soldiers of Her Majesty's army and petty officers and seamen of Her Majesty's navy.

Power to Treasury to commute pensions.

4. It shall be lawful for the Treasury, in accordance with such regulations as they may from time to time make, on the application of any person to whom this Act applies, to commute his pension by the payment of a capital sum of money, calculated

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according to the estimated duration of the life of the pension-holder, subject to the following provisions:

(1.) In calculating the amount payable in respect of the commutation of any pension, the following rules shall be observed:

(*a.*) The age of the pension-holder shall be reckoned at the age he will attain on the birthday next succeeding his application for commutation:

(*b.*) In the case of impaired lives, years shall be added to the age of the pension-holder for the purpose of calculating the amount of commutation payable to him; and in like manner a deduction from age shall be made as an equivalent for the right to prospective increase of the pension to be commuted:

(*c.*) In calculating the amount payable in respect of any pension, interest shall be reckoned at a rate of not less than five pounds per centum per annum.

(2.) Save as is in this section expressly provided, nothing in this Act contained shall be held to deprive the wife or children of any person whose pension may be commuted of any reversionary right to pension or compassionate allowance to which she or they may be entitled.

(3.) Where any officer whose pension has been commuted under this Act subsequently marries, his widow shall not be entitled to any pension, and no child of any officer whose pension has been commuted born after the date of such commutation shall be entitled to compassionate allowance.

(4.) No application for the commutation of a pension shall be received unless it be accompanied, in the case of an officer or person entitled to a pension out of the sums voted by Parliament to defray the charges of the army service, by a recommendation from the War Office, and, in the case of an officer or person entitled to a pension out of the sums voted by Parliament to defray the charges of the navy service, by a recommendation from the Admiralty.

Commutation board constituted.

5. There shall be constituted for the purpose of advising on the cases of applicants for commutation of pensions under this Act a board, in this Act called "the commutation board."

The commutation board shall consist of the Comptroller-General for the time being of the National Debt Office, and of four other persons who shall from time to time be appointed by the Treasury.

The Treasury may from time to time appoint, and remove, an actuary, medical referees, and such other officers or servants as

they may consider necessary, and may pay them such remuneration as they may think fit.

The commutation board shall inquire into and report to the Treasury upon the cases of applicants for commutation under this Act in such manner as the Treasury directs.

Payment of commutation monies.

6. The Commissioners for the Reduction of the National Debt, with the consent of the Treasury, may pay the amounts awarded as commutations of pensions out of any funds for the time being in their hands under the authority of the Act of the twenty-fourth year of the reign of Her present Majesty, chapter twenty-four, and the Act of the session of the twenty-sixth and twenty-seventh years of the same reign, chapter eighty-seven, or either of such Acts.

Power to Treasury to make regulations.

7. Subject to the provisions of this Act, the Treasury may from time to time make, alter, or revoke regulations as to the following matters:

(1.) The rules according to which applications for commutation are to be made or, on payment of a prescribed fee, to be withdrawn:

(2.) The tables according to which the duration of life of applicants for commutation is to be calculated for the purposes of this Act:

(3.) The terms upon which pensions are to be commuted, and the cases in which commutation is to be refused.

Monies paid for commutation of pensions to be repaid by annuities.

8. An account shall be made up annually of the amount paid by the Commissioners for the Reduction of the National Debt for the commutation of pensions in the navy service and in the army service of Her Majesty, and a terminable annuity shall be annually paid, out of the votes of Parliament upon which the respective pensions were chargeable previous to commutation, to the Commissioners for the Reduction of the National Debt of an amount sufficient to repay to the said Commissioners, at the expiration of ten years the amount advanced by them, together with interest thereon at a rate of not less than three and a half per centum per annum, and the amount of the annuity payable in respect of the commutation of pensions in the navy and army service shall be notified by a certificate under the hand of the actuary of the National Debt Office, in the case of the navy service to the Admiralty, and in the case of army service to the War Office.

Penalty on persons making false declarations.

9. If any applicant for commutation under this Act wilfully make any false declaration in relation to any matter or thing required by any regulation made in pursuance of this Act he shall be deemed to

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be guilty of a misdemeanor, and shall be liable on conviction to forfeit all claim to his pension or the value thereof, and to be imprisoned for any term not exceeding two years, with or without hard labour.

Deduction from salary to be made where pension-holder takes office.

10. If any pension-holder whose pension has been commuted in pursuance of this Act accepts any public employment, a deduction shall be made from the salary payable to him in respect of such employment equal to the amount which would have been abated from the pension if it had not been commuted.

Consolidated Fund to repay advances to Commissioners if necessary.

11. If at any time it appear desirable to the Treasury and to the Commissioners for the Reduction of the National Debt, having regard to the funds out of which the said Commissioners are authorized by this Act to pay the amounts awarded as commutations of pensions, that an issue in money should be made out of the Consolidated Fund in repayment of advances made from such funds the Treasury may, upon a certificate to that effect under the hands of the Comptroller-General, or Assistant Comptroller, acting under the Commissioners for the Reduction of the National Debt, issue to the said Commissioners out of the Consolidated Fund, or the growing produce thereof, such sum as may be named in such certificate.

Commutation annuities to be applied to repay issues from the Consolidated Fund.

12. When an issue has been made as aforesaid out of the Consolidated Fund in repayment of advances made by the Commissioners for the Reduction of the National Debt under this Act, the actuary of the National Debt Office shall certify to the said Commissioners the annual amount which should be applied for a term of years to be fixed by the Commissioners with the assent of the Treasury as the equivalent value of the amount so repaid to the said Commissioners, and the said Commissioners shall annually apply the amount so certified, for the fixed term of years, out of the monies to be paid to them from year to year in respect of commutations of pensions under this Act, to the purchase and cancelling of perpetual or other annuities, exchequer bills, bonds, bank advances, or other descriptions of debt, chargeable upon the Consolidated Fund, and the said actuary shall take the rate of interest at which the annual payments are to be made to the said Commissioners under this Act as the basis upon which the amount of the annual payments so to be applied are to be valued.

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