

## Ombudsman's Determination

Applicant	Mr N
Scheme	Principal Civil Service Pension Scheme (Northern Ireland) ( <b>the Scheme</b> )
Respondent	Civil Service Pensions ( <b>CSP</b> )

## Outcome

1. I do not uphold Mr N's complaint and no further action is required by CSP.

## Complaint summary

2. Mr N's complaint is that CSP will not allow him to claim retirement benefits accrued in the Scheme until he leaves employment.
3. Mr N also believes that he has suffered from age discrimination because he was not eligible to join the Partnership Pension Scheme (**the DC Scheme**) as early as younger colleagues were able to do so.

## Background information, including submissions from the parties

4. The sequence of events is not in dispute, so I have only set out the salient points. I acknowledge there were other exchanges of information between all the parties.
5. On 27 September 1982, Mr N joined the Northern Ireland Civil Service (**NICS**). Subsequently, he was enrolled into the Scheme, an occupational final salary scheme, administered by CSP.
6. There are three sections to the Scheme: Section one covers the Classic Plus and Premium final salary arrangements, introduced in 2002; Section two covers the Classic section, the Scheme's original final salary arrangement; and Section three covers Nuvos, a career average revalued earnings arrangement, introduced in 2007. Mr N was a member of the Classic section (Section two).
7. The Classic section of the Scheme is governed in accordance with the Principal Civil Service Pension Scheme (Northern Ireland), Section Two, the 1972 Section Rules (**the Rules**). Relevant extracts of the Rules can be found in the Appendix.

8. In 2002, the DC Scheme was introduced, which was an occupational defined contribution arrangement. The DC Scheme is a group stakeholder arrangement provided by Standard Life. Any members who joined the Premium section of the Scheme, on or after 1 October 2002, were eligible to either remain in the Scheme's Premium section or opt out and elect to be enrolled into the DC Scheme.
9. In 2007, the option to join the DC Scheme was extended to Section three members of the Nuvos arrangement. Mr N was not eligible to join the DC Scheme at the time as he was a Classic member, Section two.
10. On 30 April 2014, Mr N took partial retirement and left his full-time NICS post. He started to receive the benefits he had accrued in the Classic section of the Scheme prior to 30 April 2014.
11. On 1 May 2014, Mr N started a new part-time post with NICS, and he was enrolled back into the Classic section of the Scheme under a new period of employment. Consequently, CSP regarded Mr N as both partially retired and an active Scheme member. This was because: of his current employment status; his continued contributions into the Scheme; and because he was in receipt of his pre-30 April 2014 pension benefits.
12. In September 2014, Mr N reached age 60, which was the Scheme's Normal Retirement Age (**NRA**). Consequently, Mr N decided that he wished to claim the benefits he had accrued post 30 April 2014, while continuing in employment. However, CSP informed him that he was unable to claim these benefits until he left employment.
13. On 6 June 2018, Mr N complained under stage one of the Scheme's Internal Dispute Resolution Procedure (**IDRP**). He said that under rule 3.1 he was entitled to claim his post 30 April 2014 retirement benefits. This was because he had already partially retired in 2014, so he was considered retired under rule 3.1.
14. On 12 June 2018, CSP responded to Mr N's stage one IDRP complaint. It did not uphold his complaint and explained that:-
  - He was unable to take partial retirement again because he had already taken partial retirement on 30 April 2014. However, he would be eligible to claim his post 30 April 2014 benefits if he opted out of the Scheme or if he fully retired from NICS employment.
  - As he planned to continue in NICS employment, he was not entitled to claim any retirement benefits accrued post 30 April 2014.
  - Rule 3.1 could not be applied because he took partial retirement in 2014 under rule 3.3b, so he had not actually retired. This was clear as Rule 3.3b specifically states that it only applies if the member "has not retired".
  - In any event, even if he had retired in 2014, and recommenced employment, the word "retired" referred to in rule 3.1 relates only to the period of employment that

generated the benefits that he wanted to bring into payment. Therefore, the period of employment prior to 30 April 2014 had no bearing on him being unable to claim the retirement benefits accrued from his current part-time post.

15. In November 2018, CSP sent Mr N information about the DC Scheme because he would be eligible to join it on 1 February 2019.
16. On 31 January 2019, Mr N made the decision to opt out of the Scheme so that he could claim his post 30 April 2014 retirement benefits.
17. On 1 February 2019, Mr N opted into the DC Scheme.
18. Between February to March 2019, Mr N exchanged correspondence with CSP and asked for his post 30 April 2014 benefits to be brought into payment after he had opted out of the Scheme. CSP informed Mr N that under rule 3.1 he needed to retire (leave employment) before his post 30 April 2014 benefits could be brought into payment. In response, Mr N disputed CSP'S interpretation of rule 3.1 because he had opted out of the Scheme already and was no longer an active Scheme member.
19. On 5 April 2019, CSP responded to Mr N and explained that despite opting out of the Scheme, and into the DC Scheme, he was still in a period of employment that was covered by the Scheme. Therefore, the option was still available for him to re-join the Scheme up until he left employment, so he could not claim his post 30 April 2014 benefits. Mr N did not accept CSP's response because he was previously informed that opting out of the Scheme would allow him to claim his post 30 April 2014 benefits.
20. On 19 April 2019, CSP said that under rule 3.3b the option to partial retirement can only be exercised once. Consequently, any post 30 April 2014 benefits would be deferred up until he took full retirement and left employment.
21. On 1 October 2019, Mr N made a new complaint under stage one of the Scheme's IDRP. He said that:-
  - After he took partial retirement in 2014, his membership status was considered as both an active and pensioner member of the Scheme. However, since opting out of the Scheme he believed that he should now be considered as a pensioner member of the Scheme only, in effect retired.
  - He was informed that he was an "Active opt-out member" of the Scheme. He did not believe that this membership status existed, nor was it quoted in any Scheme correspondence.
  - CSP' response of 12 June 2018 said that in the event he left employment, or opted out of the Scheme, he would be entitled to claim his post 30 April 2014 benefits. However, it appeared that CSP had now changed its position and was insisting that he leave employment before his post 30 April 2014 benefits could be paid.

- He should be allowed to claim his post 30 April 2014, benefits without leaving NICS employment. His interpretation of the Rules was that after taking partial retirement, and opting out of the Scheme, he had satisfied the Scheme requirements to be considered as a retired pensioner member.
- There was no actuarial uplift for late retirement applied to his benefits for each year that he did not claim payment after reaching his NRA. So, when he reached his NRA, in September 2014, he should have been offered the opportunity to join the DC Scheme.
- Other colleagues in NICS employment were eligible to join the DC Scheme as early as 2002, however, he was only offered the opportunity in February 2019. Therefore, he had been treated unfairly by CSP which ultimately led to him also being financially disadvantaged because he was unable to claim his post 30 April 2014 benefits.

22. On 15 November 2019, CSP provided its response to Mr N's IDRP complaint. It did not uphold his complaint and explained, in summary, that:-

- He was considered as an "Active opt-out" member as he was still employed by NICS and entitled to opt back into the Scheme at any point. Therefore, he needed to be included in any Scheme valuation that CSP might compile in the future.
- It needed to account for the possibility that he could opt back into the Scheme incurring liability towards possible future Scheme benefits.
- CSP could not assume that Mr N would not, at some point in the future, opt back into the Scheme. So, the post 30 April 2014 benefits were not payable until he left NICS employment.
- Under rule 3.11, if an individual opts out of the Scheme, after their NRA, and does not elect for a transfer out, their benefits are preserved. The benefits are then payable under rule 3.1 which requires the member to retire.
- It was not possible to offer Mr N membership in the DC Scheme on 30 April 2014 because:
  - the Rules of the Scheme were based on the Great Britain Principal Civil Service Pension Scheme's (**the GB PCSPS**) rules;
  - It was not until 2018 that the GB PCSPS rules were amended allowing members of the "pre 2002 classic arrangement of the GB PCSPS the eligibility to join the DC Scheme";
  - Approval allowing CSP to amend the Rules to bring them in line with the GB PCSPS was not given ministerial approval until December 2018. Therefore, it was not possible to offer Mr N membership in the DC Scheme until February 2019 when the amendments were enacted.

23. On 7 January 2020, Mr N asked for his complaint to be reconsidered under stage two of the Scheme's IDRP. He did not agree with CSP'S interpretation of the Rules which he believed contradicted his understanding. He said that:-

- Rule 1.4a (ii) states if a member opts out "...the scheme does not apply to that person, and he is not to be regarded as a civil servant for its purposes." So, he could not be considered an active member of the Scheme when he is not recognised as a civil servant by the Scheme.
- The potential for him to re-join the Scheme should not mean that CSP should consider him as an active member of the Scheme.
- If his current NICS employment was preventing him from claiming his post 30 April 2014 benefits, the Rules should state that leaving NICS was a requirement in order to be considered as fully retired as opposed to stating "retire".
- He considered that after leaving his fulltime NICS period of employment and receiving his pension and lump sum this meant that he had retired. Therefore, he had already satisfied the Rules definition of "retired".
- He accepted that for a period he was considered as a pensioner and active member of the Scheme, therefore, partially retired. However, after he opted out of the Scheme he relinquished his active member status, stopped paying contributions and stopped accruing benefits under the Scheme. Consequently, he believed he was now fully retired and no longer partially retired.
- After he took partial retirement in 2014, there was no alternative pension arrangement to join instead of the Scheme. If he was offered the opportunity to join the DC Scheme on 1 May 2014, he would not be restricted by the Rules and he would have access to any saving accrued in the DC Scheme.

24. On 13 May 2020, CSP responded to Mr N's stage two IDRP complaint. It did not uphold his complaint and explained that:-

- It had acted in accordance with the Rules and applied the relevant rules correctly.
- He was correct in that after taking partial retirement in 2014, he was considered to be retired from his previous NICS post. However, by starting a new NICS post, the day after taking partial retirement, and opting back into the Scheme, he was still considered as an active member of the Scheme. Therefore, he could not be considered fully retired.
- Rule 3.1 allowed a member to claim their retirement benefits if they retired, that is by leaving employment. It accepted that it could have been made clearer that the term "retire" meant leaving NICS employment. However, despite this the intent of the Rules when referring to a member being retired was to mean having left employment.

- Even though he had opted out of the Scheme he could still only be considered as an active member. Opting out of the Scheme and joining the DC Scheme did not constitute full retirement.
- So long as he retained the right to opt back into the Scheme, he was not eligible to claim his post 30 April 2014 benefits. This meant he could not claim his post 30 April 2014 benefits until he left NICS employment.
- Information on the restrictions on transferring from the Scheme into a defined contribution scheme were available on the CSP'S website.

## **Adjudicator's Opinion**

25. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by CSP. The Adjudicator's findings are summarised below.
26. Rule 3.3b makes it clear that the right to take partial retirement can only be exercised once, so the Adjudicator was satisfied that CSP's understanding of the rule was correct. The service and benefits accrued post 30 April 2014 formed a separate period of entitlement which was not subject to rule 3.3b, but instead rule 3.1.
27. The Rules do not provide a definition for the term 'retire'. Under these circumstances and where a definition is lacking, the Pensions Ombudsman has said, in the past, that the natural meaning of the word should apply. The Oxford English Dictionaries definition of retire is to "leave one's job and cease to work, typically on reaching the normal age for leaving service". In this case, the Adjudicator's view was that the natural meaning of the word retire should apply.
28. Rule 3.11 states that if a member opts out of the Scheme after reaching the Scheme's NRA, without requesting a transfer of benefits, the benefits will then be preserved. The benefits are then payable under rule 3.1 which requires a member to retire before the rule can take effect. Given the natural meaning of the word retire, Mr N is required to leave his current NICS employment before he can claim his post 30 April 2014 benefits. While he remains in NICS employment he will remain ineligible to claim the post 30 April 2014 benefits, despite being a member of the DC Scheme.
29. While the status "active opt-out member" is not specifically quoted in any correspondence the Adjudicator believed it was an efficient way to describe Mr N's status in relation to the Rules that apply to his current situation. CSP's decision to refer to Mr N as an "active opt-out member" was perfectly reasonable and does not amount to maladministration.
30. CSP did incorrectly inform Mr N that by opting out of the Scheme he would be eligible to claim his post 30 April 2014 benefits. Mr N inferred that this misstatement led him to opt out of the Scheme and join the DC Scheme. This amounted to maladministration on the part of CSP. The normal course of action would be to put Mr

N back into the position he would have been in had the error not occurred. To do this, Mr N would be required to opt out of the DC Scheme and back into the Scheme. This option was readily available to Mr N, once he was aware of the provision of the misstatement, but he choose to remain in the DC Scheme.

31. Despite the provision of the misstatement, the Adjudicator believed that it was likely that Mr N would have opted out of the Scheme and into the DC Scheme in any event. This was supported by Mr N confirming that, given the opportunity, he would have joined the DC as early as April 2014 if he was permitted to. Mr N also claimed that there was no benefit in his remaining in the Scheme past his NRA, because no late retirement uplift was applied to his benefits. So, there was no financial loss to consider from the maladministration that had occurred.
32. In 2018 amendments were made to the GB PCSPS rules to allow classic members of the pre 2002 GB PCCPS to join the DC Scheme. The Rules of the Scheme mirror those of the GB PCSPS and were not amended until December 2018. The earliest Mr N was able to join the DC Scheme was therefore, 1 February 2019. CSP cannot be held responsible for the time it took to have the GB PCSPS rules amended. In any event, Mr N still accrued valuable benefits in the Scheme which would become payable when he left NICS employment.
33. Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr N provided his further comments which did not change the outcome. In summary he said:-
  - He understands, and accepts, that rule 3.3b can only be exercised once, and that it cannot be invoked to claim his post 30 April 2014 benefits. However, he had not expressed any intent to claim his post 30 April 2014 benefits in this way. Instead, he wished to claim these benefits under rule 1.15h (i), paid via rule 3.1.
  - There was no need to rely on the Oxford Dictionaries definition of the word 'retire' because a definition was provided by rule 1.3c (i).
  - When he made the decision to opt out of the Scheme and into the DC Scheme, rule 1.4a (ii) states that the Scheme is not to apply to him as he is no longer regarded as a civil servant for the purposes of the Scheme. At this point, he should not be viewed as an active member of the Scheme. Instead, he should be treated as retired and eligible to claim his post 30 April 2014 benefits.
  - CSP used the "fabricated" term "Active-opt out" which should not be used as an effective way to describe his current circumstances within the Scheme. He believes that rule 3.3b v (vi) (b), accurately describes his circumstances between May 2014 to 31 January 2019. Additionally, rule 1.13B, states that an "eligible person" is an individual eligible to join the Scheme through NICS employment. He considered this to fit his circumstances, so he did not understand why the term "Active-opt out" was required.

- He believed that he had suffered from “age discrimination” because he was unable to join the DC Scheme until February 2019, when younger colleagues were able to join the DC Scheme as early as 2002. He also believes that the McCloud judgment should be taken into consideration as further proof that he had suffered a form of age discrimination.
  - The Scheme closed to new entrants and future accrual on 1 April 2022. So, he did not believe that the Rules applied to him any longer, because he is not an active member. Therefore, he should be entitled to claim his post 30 April 2014 benefits.
34. CSP agreed with the Adjudicator’s opinion. CSP provided the additional comments and explained that:-
- Following the Scheme’s closure, on 1 April 2022, Mr N was eligible to opt into the Alpha Scheme, a career average revalued earnings scheme, introduced in 2015. In order to opt into the Alpha Scheme, Mr N would need to opt out of the DC Scheme.
  - Despite the closure of the Scheme, the post 30 April 2015 benefits must still be administered in accordance with the Rules. Therefore, they are only payable when Mr N leaves NICS employment.

### **Ombudsman’s decision**

35. Mr N’s complaint concerns CSP’s interpretation and application of the Rules. He argues that after he opted out of the Scheme, in January 2019, he ceased to be an active member of the Scheme. He believes that his status, within the Scheme, should be viewed as retired because he took partial retirement on 30 April 2014. So, he should be entitled to claim his post 30 April 2014 benefits.
36. CSP has explained that because Mr N’s pre-30 April 2014 benefits were paid via rule 3.3b, his post 30 April 2014 benefits are only payable via rule 3.1. Rule 3.1 states that a member is required to have “retired” before it can take effect. The Rules do not provide a formal definition for retired, however, Mr N claims that rule 1.3c (i) does provide a satisfactory definition.
37. Having reviewed the Rules, I do not agree with Mr N’s assertion. Rule 1.3c demonstrates the circumstances which an individual is required to meet if they are to be re-enrolled back into the Classic section of the Scheme upon re-employment with the NICS. The Rules do not provide an explicit definition for “retired”. Therefore, I agree that the natural meaning of “retired” should apply in this case, that is to mean leaving employment. Therefore, I am satisfied that once Mr N leaves NICS employment he will then be eligible to claim his post 30 April 2014 benefits through rule 3.1.



38. Mr N has said that when he left his former full-time post on 30 April 2014, and began receiving his pre-30 April 2014 benefits, he should have been considered to be fully retired for the purpose of the Scheme.
39. I appreciate Mr N's interpretation of his circumstances, however, in April 2014, he took partial retirement instead of full retirement. This was made possible by his pre-30 April 2014 benefits being brought into payment by rule 3.3b. Consequently, on 1 May 2014, he was re-employed by NICS and re-enrolled back into the Scheme through rule 1.3c. Therefore, between 30 April 2014 to 31 January 2019, the Scheme regarded Mr N as both a "civil servant in service and a civil servant whose pension has come into payment". So, it would not be appropriate to refer to his status, during that time, as fully retired, because he was not.
40. Mr N believes that by opting out of the Scheme, on 31 January 2019, and into the DC Scheme, he satisfies rule 1.4 (iv), which states that the Scheme should no longer apply to him. Therefore, he argues that his status from 31 January 2019, onwards should also have been considered as fully retired for the purpose of the Scheme.
41. I agree with Mr N in so far as the Scheme did not apply to him while he was a member of the DC Scheme. However, if he wished to, he was still eligible to opt out of the DC Scheme and back into the Scheme. In any event, regardless of which Scheme Mr N was a member of, the Rules, specifically rule 3.1, still require him to retire in order for his post 30 April 2014 benefits to become payable. So, despite not being a member of the Scheme from 31 January 2019, Mr N is not fully retired for reasons I have explained above.
42. I understand that Mr N has argued that the term "Active-opt out" should not be used to describe his current status within the Scheme. He believes that rule 1.13B, "eligible person" is more appropriate. Furthermore, the Scheme has since closed on 1 April 2022. So, Mr N has said that the term no longer applies because he, nor anyone else, is eligible to re-join the Scheme.
43. Rule 3.3b (vi) (b) describes how Mr N was viewed by the Rules, in relation to the Scheme, between 1 May 2014 to 31 January 2019. After he opted out of the Scheme, and into the DC Scheme, there was no accurate term to describe his status. Rule 1.13B refers to an individual, in civil service employment, who is eligible to opt into the Scheme. It does not account for an individual who has opted out of the Scheme and is then entitled to opt back into the Scheme.
44. I agree that Active-opt out is not a term, or phrase, quoted in the Rules, or any official membership communications. However, I find that it was, at the time, an entirely appropriate way to describe Mr N's circumstances between 1 February 2019 and 1 April 2022. It is not possible for one set of scheme rules to cover, and provide definitions, for both the Scheme and the DC Scheme in such a way that Mr N has suggested. I am therefore satisfied that despite opting out of the Scheme he was still eligible to opt back into the Scheme up until 1 April 2022, due to the provision of rule

1.4 d (i). Therefore, the term Active opt-out was a reasonable way of describing Mr N's Scheme status between 1 February 2019 and 1 April 2022.

45. In my view, despite the closure of the Scheme, the post 30 April 2014 benefits are still only payable in accordance with the Rules and are not payable until Mr N leaves NICS employment. The closure of the Scheme does not mean that the Rules are invalid. Mr N's post 30 April 2014 benefits must still be administered in accordance with the Rules. All that has now changed is that he will no longer be regarded as an Active opt-out member. I am therefore satisfied that while Mr N remains in NICS employment, despite the Scheme's closure, he is not entitled to the payment of the post 30 April 2014 benefits.
46. I turn to Mr N's allegations of age discrimination; he believes the recent McCloud judgment is relevant in his case. Mr N has said that he should have been eligible to join the DC Scheme as early as his other, younger, colleagues. He has said that he would have joined the DC Scheme as early as 2014, if he was able to do so.
47. CSP has said that the Rules were only altered in accordance with any amendments made to the GB PCSPS. The GB PCSPS rules were amended in 2018, consequently, CSP applied to the Department of Finance to have the equivalent amendments to the Rules. This was approved in December 2018, and the earliest date that pre 2002 Classic section Scheme members could join the DC Scheme was 1 February 2019. Therefore, Mr N was not eligible to join the DC Scheme any earlier than 1 February 2019.
48. I find that any amendments made, which allowed Mr N to join the DC Scheme, remedied any disparity between Classic section members and those who were eligible to join the DC Scheme before 1 February 2019. Regarding the McCloud judgment, I find that the circumstances of that judgment vary greatly to Mr N's own, and it is not a fit comparison to make. Further, by remaining a member of the Classic scheme Mr N has benefited from accruing advantageous benefits within a final salary scheme. I appreciate that he is unable to claim the post-30 April 2014 benefits until he leaves NICS employment. However, this does not mean that he has experienced any discrimination or financial loss.
49. While this outcome will not be what Mr N had hoped for, I am satisfied that CSP has interpreted and implemented the Rules correctly in his case. Should he wish to claim the post 30 April 2014 benefits he is required to retire from his current NICS post.
50. I do not uphold Mr N's complaint.

**Anthony Arter**

Pensions Ombudsman

20 July 2022

## **Appendix**

### **Extracts from the rules - Principal Civil Service Pension Scheme (Northern Ireland), Section Two (the 1972 Section)**

#### **SECTION 1: INTRODUCTION**

##### **COVERAGE OF THE SCHEME**

###### **1.3c**

- (i) A person re-employed in the civil service, other than on a casual basis, who is in receipt of a pension or lump sum in respect of pensionable service to which the 1972 Section applies ("the previous employment") may elect in writing in such form as may be prescribed by the Department of Finance and employment that the 1972 Section to apply to him in respect of his re-employment provided that at least of conditions (a) to (c) apply to him.

##### **RIGHT TO OPT OUT OF THE SCHEME**

###### **1.4a**

- (i) Under Rule 1.4b or (as the case may be) rule 1.4c below, a person may exercise an option not to be a member of the scheme.
- (ii) As from the effective date of the option, the scheme does not apply to that person, and he is not to be regarded as a civil servant for its purposes.
- (iii) A person who has exercised the option and has not under rule 1.4d elected to re-join the scheme, is referred to in the following provisions as having opted out of the scheme, and any of his service in the civil service at a time when he has opted out is referred to as opted-out service.

###### **1.4d**

- (i) Where in any period of employment in the civil service a person has opted out of the scheme, he may once elect that the scheme is again to apply to him. The election must be in writing, in such form as may be prescribed by the Department of Finance and Personnel.
- (ii) As from the effective date of his election, the person again becomes a civil servant within the meaning of the scheme.

###### **1.4**

Except where otherwise stated this scheme applies to all persons serving full-time or part-time in the civil service except the following:-

- (iv) staff who are covered for their service in the civil service by another occupational pension scheme or the 2002 Section or who have a partnership pension account as defined in rule A.1(4) of that Section.

1.13B

“Section 3(3a) eligible person” means a person who is eligible to be an active member of the 1972 Section of the scheme by virtue of being a person who is in service in an employment or office specified in a list produced for the purposes of section 3(3a) of the Superannuation (Northern Ireland) Order 1972.

1.15h:

- (i) “Full retirement” means the time at which a civil servant who has already partially retired becomes entitled to receive any pension and lump sum payable to him under this scheme to which he is not already entitled under rule 3.3b; and
- (ii) “Partial retirement” means the time at which a civil servant becomes entitled to receive a pension and lump sum under rule 3.3b.

## **SECTION 3: RETIREMENT AND DEATH BENEFITS**

### **ORDINARY RETIREMENT**

3.1 Subject to the other provisions of these rules, a civil servant who retires or, if earlier, reaches the day before his 75th birthday on or after 6th April 2006 shall be paid the following benefits on or after reaching the pension age:

- (a) an annual pension of 1/80th of his pensionable earnings multiplied by the length of his reckonable service;
- (b) a lump sum of 3/80ths of his pensionable earnings multiplied by the length of his reckonable service.

For the limits on reckonable service see rule 2.3.

Where the civil servant is already entitled to receive a pension under rule 3.3b (partial retirement), the reckonable service used to calculate his full retirement pension will be reduced in accordance with rule 3.3b(viii)(c) or (ix)(c).

3.1a This rule applies to a civil servant (including, as appropriate, a person who has opted out of the scheme) who, on or after 1 February 1996,

- (i) retires at, or after, the pension age or, if earlier reaches the day before his 75th birthday after 5th April 2006 with benefits under rule 3.1, or receives early payment of such benefits in the form of both pension and lump sum under rule 3.15; or

- (ii) receives benefits at the pension age under rules 3.11 or 3.26a(ii), or receives early payment of such benefits in the form of both pension and lump sum under rule 3.15; or
- (iii) receives early payment of actuarially reduced benefits under rules 3.10a or 3.10b, or
- (iv) retires early with benefits awarded under rules 2.2, 2.9, 3.1, 3.4 or 4.1; or
- (v) is entitled to receive payment of benefits as a result of exercising the partial retirement option under rule 3.3b.

## **PARTIAL RETIREMENT**

3.3b (i) This rule applies if-

- (a) a civil servant has not retired from an employment that qualifies the civil servant to belong to this scheme.
- (b) if he had so retired the civil servant would be entitled to a pension for life and a lump sum by virtue of –
  - 1. rule 3.1 (normal retirement), provided that he has not reached the day before his 75th birthday, or
  - 2. rule 3.10a (early payment of pension and lump sum with actuarial reduction), if he had opted under that rule to receive immediate payment of a pension and

(v) The option under this rule-

- (a) may only be exercised once,
- (b) may only be exercised by notice in writing in such form as the Department requires, and...

(vi) A civil servant who exercises the option-

- (a) is entitled to a pension payable for life and a lump sum under this rule with effect on and from the day after the relevant last day and
- (b) will be treated both as a civil servant in service and a civil servant who pension has come into payment for the purpose of this scheme.

3.11 A civil servant who resigns or who opts out of the scheme and who

- (i) has two or more years' qualifying service ;or

(ii) is a woman civil servant who resigns on or after 6th April 1978 who leaves the Civil Service after the end of the tax year preceding that in which she attains the age of 60 (notwithstanding that she has not completed 2 years' qualifying service); or

(iii) was formerly entitled to rights under a personal pension scheme in respect of which a transfer payment has been made to this scheme

and who does not opt to transfer the whole or, under rule 6.2 (iv), part of his accrued pension benefits out of this scheme, will be awarded a preserved pension and lump sum in respect of such part of his accrued pension benefits as is not transferred. Subject to rule 3.12, these will be brought into payment when the civil servant reaches the pension, and will be calculated in the way described in rule 3.1.