

# Option to commute ill health pension into lump sum - Classic Scheme

This option is available to all members (including fixed term appointees)

**You should obtain independent financial advice before completing this form if you are in any doubt about how commutation will affect your financial affairs.**

## AUTHORITY

- *I wish to commute my ill health retirement pension into a lump sum which, together with my ill health retirement lump sum, (if applicable) is to be paid immediately.*
- *I understand and accept the conditions set out in Rule 3.4b of my employer's pension scheme.<sup>[1]</sup>*
- *I accept that by paying my ill health retirement benefits in this form, my employer will be discharged from any obligation to provide further benefits, except for:*
  - *a pension at the annual rate of any Guaranteed Minimum Pension (GMP);<sup>[2]</sup> and*
  - *any widow's or widower's, children's invalidity or dependant's pension which may be due on my death.<sup>[3]</sup>*
- *I understand and accept that JSS may need to contact my doctor for further information.*

Signature

Date

Full name in CAPITAL letters

Full address (for future correspondence)

Postcode

Employer

<sup>[1]</sup> See over

<sup>[2]</sup> Under section 14(1) of the Pension Schemes Act 1993.

<sup>[3]</sup> Under section 4 of my employer's pension scheme.

Please return this form to:-

JSS Pensions Administration

Polaris House, North Star Avenue, Swindon, SN2 1UY Fax (01793) 411992\*

\* you may wish to fax this form for speed in which case you should post the original for JSS records

## SUMMARY OF RULES

The medical retirement rules of your employer's pension scheme are the same as the rules of the Principal Civil Service Pension Scheme, a copy of which is held by your employers and by JSS Pensions Administration.

Rule 3.4b and extracts of the most important cross referenced rules are as follows:

**3.4b Where a civil servant who is retired on medical grounds with benefits under rules 3.4(i) or 3.4(ii), or a person in the classic scheme whose preserved benefits are brought into immediate payment under the provisions of rule 3.14, has a medically assessed life expectancy of less than 12 months, he or she may elect, before the aforementioned benefits are due to come into payment, to commute his/her ill health pension into a lump sum payment. The lump sum payment shall be an amount equal to five times the annual rate of the ill health pension, less an amount equal to any ill health lump sum and, where appropriate, less the annual amount of any guaranteed minimum pension payable under section 14(1) of the Pension Schemes Act 1993. The ill health lump sum, if applicable, the lump sum resulting from commutation and, where appropriate, a pension equal to any guaranteed minimum pension will be put into payment immediately. An election made under this rule shall not affect the value of any benefits payable under Parts 1 or 2 of section 4. For the purposes of determining benefits under rules 4.7a, 4.8(iv), 4.21e, 4.21f(iv), 4.30, 4.31, 4.54 and 11.7, the pre-commutation value of the ill health pension shall be used.**

Widows and widowers benefits are calculated in the normal way.