

Application for Life Commutation (Officers)

(All parts must be completed and in BLOCK CAPITALS)

(Please forward the completed form to SPVA Pensions, MP480, Kentigern House, 65 Brown Street, Glasgow, G2 8EX)

Part 1

Service

RN/RM ☐ Service number Marital status

Army ☐ Surname

RAF ☐ Forenames

Paymaster General reference number

Age next birthday Date of birth Last day of Service

Annual amount of Basic Retired Pay £ Rank on retirement

Amount already commuted, Resettlement £ Life £

Amount to be commuted £ Telephone numbers

Address Home

Work

Postcode

Part 2

All questions must be answered (use a separate sheet if necessary)

Have you consulted any physician or surgeon (apart from service doctors while you were serving) in the last 5 years? ☐ Yes ☐ No If yes, give names, addresses and your reasons for consulting them, with dates

Are you currently receiving any treatment or medicine from a doctor? ☐ Yes ☐ No Give details if known

Among the immediate members of your family and your near relatives has death or disablement been caused by the same disease on more than one case? ☐ Yes ☐ No If yes, state ages at death and cause

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Have you any intention of changing occupation?

☐

Yes

If yes, what will be your new occupation?

☐

No

If no, what is your present occupation?

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Have you suffered from diabetes?

☐

Yes

☐

No

Do you require insulin?

☐

Yes

☐

No

Have you any intention of going abroad?

☐

Yes

If yes, to what part of the world, for how long and with what purpose?

☐

No

Have you had a chest X-ray?

☐

Yes

If yes, what was the result?

☐

No

Have you had spitting of blood, tuberculosis, bronchitis, or any other disease of the respiratory organs?

☐

Yes

☐

No

Have you suffered from raised blood pressure, shortness of breath, pains in the chest, palpitation of the heart, dropsy, varicose veins or coronary artery disease?

☐

Yes

☐

No

Have you suffered from abdominal pain, obstruction of the bowels, vomiting blood or passing it from the bowel, jaundice, piles, rupture, gastric or duodenal ulcer?

☐

Yes

☐

No

Have you suffered from stricture, stone or any disease of the bladder or kidneys?

☐

Yes

☐

No

Have you suffered from pains in the head, giddiness, fainting or other fits, any form of paralysis or convulsions, epilepsy, insanity, or any other disease of the nervous system?

☐

Yes

☐

No

Have you had malaria fever, chronic diarrhoea, dysentery or gout?

☐

Yes

☐

No

Have you suffered any wound or any other serious personal injury, or undergone any surgical operation?

☐

Yes

If yes, of what nature?

☐

No

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Do you know of anything in your habits of life or the state of your health (apart from what is disclosed in your answers to the above questions) which might affect your prospects of life?

☐

Yes

If yes, give details?

☐

No

What is your daily consumption of:

Tobacco

Alcohol

Part 3

Note: An affirmative answer to either of the following questions must be accompanied by a full statement on a separate sheet.

Have you been adjudicated bankrupt?

☐

Yes

☐

No

Has a receiving order ever been made against you?

☐

Yes

☐

No

Declaration (to be signed before a witness)

I wish to commute part of my Service Retired Pay and hereby declare that the details given are to the best of my knowledge true and correct. I understand that should I have willfully made a false declaration for this application will be deemed void and I may then be liable to forfeit the whole of my Service Retired Pay, and imprisonment or a fine, or both.

Signature of Applicant

Date

Part 4

Witnessed

The above declaration was signed in my presence and I have no reason to doubt that the individual is other than as stated above.

Date

Name of Witness

Address

Postcode

Signature of Witness

Guide To Life Commutation for Officers

Regulations

1. The life commutation of an Officer's Service Retired Pay is governed by the Pension Commutation Acts of 1871, 1882 and 1984, subject to any other conditions that may be laid down from time to time by the Defence Council.
2. These notes contain a detailed summary of the life Commutation Scheme for Officers. It is recommended that they are retained for future reference purposes.

What is life commutation?

3. Life Commutation is the surrender, for the remainder of the individual's life, of a proportion of Retired Pay in exchange for the payment of a capital sum.

How much can be commuted?

4. Life Commutation is being gradually phased out over a period extending to about the year 2020. It is not available to officers whose service commenced after 31 March 1978. The maximum amount of Service Retired Pay which may be commuted is set below:

- a. **Retirement on or after 6 April 1980.** An officer who retired on or after 6 April 1980 may, provided he gave service on and before after 31 March 1978, commute up to 50% of that part of

Service Retired Pay earned by reckonable service given prior to 6 April 1980.

5. The following awards of Service Retired Pay cannot be commuted:

- a. Additional Service Retired Pay which has been awarded wholly in respect of an attributable disability and which is calculated according to the degree of disablement.
 - b. Additions to Service Retired Pay authorised under various Pension increases.
 - c. Special pensions not classified as Service Retired Pay.
 - d. The proportion of Service Retired Pay based on purchased added years.
 - e. Preserved awards of pension.

6. An officer who has:

- a. Been adjudicated bankrupt, or
 - b. Had a Receiving Order made against him/ her, or
 - c. Is indebted to Public Funds must disclose the facts and circumstances at the time of his/ her application. Applicants who have such orders against them may be precluded from undertaking Life Commutation.

7. Applications may be submitted within 9 months prior to retirement. Although they will not be processed until the first day of the officers retirement.

8. The applicant will be required to give the SPVA such information about his/ her age, health, and habits as is usual for someone proposing to insure their life. Applicants who are about to retire must ensure that a final release medical is carried out, and that the Service medical authorities know that their medical documents will be required by the SPVA as part of the Life Commutation process.

How much Capital can be realised?

9. The amount of capital realised by commutation will depend upon the medical information available to the SPVA. Commutation will be assessed using the tables shown at Annexes A or B as appropriate, with, if necessary the addition of extra years in the case of impaired life expectancy.

10. If the SPVA approves the application, either on standard terms or on the basis of impaired life expectancy, the applicant will be given notice of the amount which will be payable.
11. Before the capital sum is paid to a successful applicant an administration fee will be deducted.
12. If the applicant should die before all the administration procedures have been completed, **no** capital will be payable as the individuals's Service Retired Pay will have ceased and eligibility to commute under the Life Scheme will have ceased.
13. Due to the phasing out of the Life Commutation Scheme (see paragraph 4) a new Scheme, known as the Resettlement Commutation Scheme, has been introduced for officers serving on or after 31 March 1978 and who are under the age of 55 at the time of retirement. Seperate guidance notes on the Resettlement Commutation Scheme can be obtained from the SPVA.
14. An officer who is under age of 55 at retirement and whose last day of service is on or after 6 April 1996, and who also gave service before 1 April 1978, may commute a portion of his/ her Retired Pay under either Life **or** Resettlement Scheme. Officers will not be permitted to commute under both schemes concurrently.

Additional information

15. **Pension increases.** Officers are reminded that Service Related Pay which has been commuted does not qualify for an award under any Pension Increase measures introduced subsequently.
16. **Forces Family Pensions.** Commutation will not normally reduce any award of Forces Family Pension admissible should the officer pre-decease his wife. However, in some circumstances relating to re-employment and subsequent marriage, the Forces Family Pension may be abated by the amount commuted.
17. **Liability to Taxation.** All questions concerning the liability to UK Income Tax and Capital Gains Tax, in respect of the capital sum realised by commutation, are to be directed to Her Majesty's Revenue and Customs. Currently the capital sum raised by commutation is free from the liability of UK tax. However, any income or profit arising, or deemed to arise, from investment etc of the capital sum is taxable in the normal way. Applicants living outside the UK may be liable for tax under the regulations of their country of residence. Questions concerning the liability to tax are to be directed to the Revenue Department of the country of residence.
18. **Payment Abroad.** Officers permanently resident abroad may have the capital sum credited to a nominated UK bank or building society. Alternatively, where current regulations permit, the capital sum may be sent to an overseas address, however this will be at the applicant's own risk.
19. **Re-Employment in the Armed Forces.** If an Officer, who has commuted a part of his/ her Service Retired Pay, is re-employed on terms which provide for the suspension of Service Retired Pay, an amount equal to the sum commuted will be deducted from his/ her full pay during the period of re-employment.
20. **Re-Employment in the Public Service.** If an officer, who has commuted part of his/ her Service Retired Pay, holds or takes up an appointment in the public service on terms which require his/ her Service Retired Pay to be abated, the rate of abatement of his/ her Service Retired Pay will be the rate, including increases, which would have been in issue had he/ she not undertaken Life Commutation.
21. **Once Life Commutation has been effected it is irrevocable. Under no circumstances will the portion of Service Related Pay that has been commuted be restored or reconverted.**

Additional information continued

- 22. Applicants are strongly advised not to commit themselves to expenditure on the expectation that their application for Life Commutation will be successful. In addition, receipt of the money on a particular date should not be anticipated.**
- 23. The rules, rates and element of the administration fee, for commutation are subject to change and may be altered without notice being given to any current or prospective applicant.**

Annex A

Life commutation rates for pensions which qualify for pension increases when the member reaches age 55

Age last birthday	Rates for unimpaired lives per £1 commuted	Rates for impaired lives according to the number of years added to the age of the pension holder									
		1	2	3	4	5	6	7	8	9	10
40	23.37	23.10	22.83	22.55	22.26	21.96	21.66	21.34	21.02	20.70	20.36
41	23.26	22.98	22.70	22.41	22.12	21.81	21.50	21.18	20.85	20.51	20.17
42	23.13	22.85	22.56	22.26	21.96	21.65	21.32	20.99	20.66	20.31	19.96
43	22.99	22.70	22.41	22.10	21.79	21.47	21.14	20.80	20.45	20.10	19.47
44	22.84	22.54	22.24	21.92	21.60	21.27	20.93	20.59	20.23	19.87	19.50
45	22.67	22.37	22.05	21.73	21.40	21.06	20.72	20.36	20.00	19.63	19.25
46	22.49	22.17	21.85	21.52	21.18	20.84	20.48	20.12	19.75	19.37	18.98
47	22.28	21.96	21.63	21.29	20.95	20.59	20.23	19.86	19.48	19.09	18.69
48	22.06	21.73	21.39	21.05	20.69	20.33	19.96	19.58	19.19	18.79	18.39
49	21.82	21.49	21.14	20.78	20.42	20.05	19.67	19.28	18.88	18.48	18.07
50	21.56	21.22	20.86	20.50	20.13	19.75	19.36	18.96	18.56	18.15	17.73
51	21.28	20.93	20.56	20.19	19.81	19.42	19.03	18.62	18.21	17.79	17.37
52	20.98	20.61	20.24	19.86	19.47	19.08	18.67	18.26	17.84	17.42	16.99
53	20.65	20.28	19.90	19.51	19.11	18.71	18.30	17.88	17.46	17.03	16.59
54	20.29	19.91	19.53	19.13	18.73	18.32	17.90	17.47	17.04	16.61	16.17

Annex B

Life commutation rates other cases (pension increases payable immediately)

Age last birthday at commutation	Rate per £1 commuted	Age last birthday at commutation	Rate per £1 commuted	Age last birthday at commutation	Rate per £1 commuted
40	24.76	57	19.13	74	11.70
41	24.49	58	18.73	75	11.25
42	24.22	59	18.32	76	10.80
43	23.94	60	17.90	77	10.36
44	23.65	61	17.48	78	9.93
45	23.35	62	17.05	79	9.50
46	23.04	63	16.62	80	9.08
47	22.73	64	16.18	81	8.67
48	22.41	65	15.74	82	8.26
49	22.08	66	15.29	83	7.87
50	21.74	67	14.85	84	7.48
51	21.39	68	14.40	85	7.10
52	21.03	69	13.95	86	6.74
53	20.67	70	13.50	87	6.38
54	20.30	71	13.05	88	6.02
55	19.92	72	12.60	89	5.67
56	19.53	73	12.15		