

(b) Retired pay will be awarded at the rate appropriate to 16 years' reckonable service with one deduction at the appropriate rate shown below for each year, and proportionately by quarters of a year, by which his reckonable service is less than 16 years:

	£ a year
Lieutenant	33
Lieutenant-Commander	44
Commander	55

8. *Voluntary Retirement.* An officer with at least 16 years' reckonable service who retires at his own request on or after reaching the age of 40 years and before reaching the age of 50 years may be granted retired pay at the rates set out in Clauses 5 and 6 abated by 7½ per cent. At other ages the retired pay will be as indicated in Clauses 5 and 6.

An officer who has not served for at least 5 years after the grant of his permanent or pensionable commission will not be eligible for retired pay on voluntary retirement but may be awarded any service pension or gratuity for which he may be eligible by virtue of rating's service.

9. *Invaliding.* (a) An officer with at least 16 years' reckonable service will, on invaliding, be granted retired pay at the rate set out in Clauses 5 and 6.

(b) Officers invalided with less than 16 years' reckonable service, but with at least 10 years' qualifying service, will be eligible for an award of retired pay calculated as the proportion of the appropriate 16 year rate which their reckonable service, measured in complete periods of 3 months, bears to 16 years.

10. *Retirement for Incapacity, Unsuitability, or Inefficiency.* (a) *Not within an officer's control.* An officer who is retired for incapacity, unsuitability or for inefficiency, not due to causes within his own control, and having at least 16 years' reckonable service, may be granted retired pay as for a compulsory retirement on account of non-employment.

(b) *Within an officer's control.* An officer who is retired for incapacity, unsuitability or inefficiency due to causes within his own control, but not amounting to misconduct, and having at least 16 years' reckonable service, may be granted an award of retired pay at such rate as the Secretary of State for Defence may determine, but not in any event exceeding the rate which would have been admissible had he retired voluntarily.

11. *Retirement, etc. for misconduct.* (a) An officer who is retired for misconduct with at least 16 years' reckonable service, may be granted retired pay at such rates as the Secretary of State for Defence may determine, but not in any event exceeding 90 per cent. of the rate of retired pay which would have been admissible had he retired at his own request.

(b) *Dismissal, etc.* An officer with at least 16 years' reckonable service who is dismissed the Service or dismissed with disgrace by sentence of Court Martial or whose name has been removed from the List of Officers or who has been allowed to resign his commission to avoid trial by Court Martial, may be granted a compassionate allowance at the discretion of the Secretary of State for Defence but not in any event exceeding 90 per cent. of the rate of retired pay which would have been admissible had he retired at his own request.

12. The Secretary of State for Defence may, in the exercise of his discretion under Sub-Clause 10(b) and Clause 11, grant a gratuity, or compassionate gratuity, in place of retired pay or compassionate allowance.

13. *Special rules relating to officers promoted from the lower deck.* An officer promoted to a permanent commission while serving on a normal regular engagement may on retirement be granted either:

- (a) Retired pay under the conditions set out in this Section, or
 - (b) Retired pay under the current rules for the award of ratings' pensions;
- whichever is more to his advantage.

SECTION III

Terminal Grants in Addition to Service Retired Pay

14. An officer retired from the Active List on or after 1st April 1970 and awarded retired pay under Section II of this Schedule, may be awarded a terminal grant, in addition to his retired pay, under the following conditions:

- (a) The standard rate of grant will be three times the annual amount of the retired pay awarded under Section II of this Schedule.
- (b) Except as provided in Clause 6 of Schedule III, an officer can qualify only once for a grant.
- (c) The grant will be free of income tax.

15. A terminal grant under Clause 14 shall not be admissible in the case of an officer to whom Clause 11(b) applies, but a tax-free compassionate grant not exceeding three times the annual amount of the compassionate allowance may be awarded at the discretion of the Secretary of State for Defence.

16. In the event of eligibility for full pay continuing after formal retirement, payment of terminal grant will not be made before the day following that in respect of which full pay was last payable.

SECTION IV

Service Gratuities for Permanent Officers (other than Officers on the Special Duties List) and for Officers holding Pensionable Commissions on the Supplementary List

17. Permanent officers, other than those on the Special Duties List, and Pensionable Supplementary List Officers may on retirement on or after 1st April 1970 if ineligible for service retired pay, be granted a gratuity as follows:

- (a) On compulsory retirement for age or non-employment or on retirement at own request, with at least 10 years' qualifying service:

For the first 10 years' qualifying service	£1,720
For each further year's qualifying service an addition of	£345

An officer who has not served for at least 5 years after the grant of his permanent or pensionable commission will not be eligible for a gratuity on voluntary retirement but may, if he had previous rating service, be awarded any gratuity for which he may be eligible under the conditions relating to the award of gratuities to ratings.

- (b) On invaliding with less than the 10 years' service required to qualify for retired pay, a gratuity at the rate of £290 for each complete year of qualifying service.
- (c) If retirement on account of incapacity, unsuitability or inefficiency not due to causes within his control:
 - (i) If with 10 or more years' qualifying service, a gratuity at the discretion of the Secretary of State for Defence not exceeding the amount which would have been admissible under sub-paragraph (a) above.
 - (ii) If with less than 10 but not less than 2 years' qualifying service, a gratuity at the discretion of the Secretary of State for Defence not exceeding £140 for the first 2 years' qualifying service with additions at the rate of £140 for each additional complete year of qualifying service.
- (d) If retired for incapacity, unsuitability or inefficiency or other cause within his own control, but not amounting to misconduct, with at least 10 years' qualifying service, a gratuity of such amount as the Secretary of State for Defence may determine, but not in any event exceeding the amount which would have been admissible under sub-paragraph (a) above had the officer retired at his own request.