

additional tax-free lump sum, subject to the following conditions:

- (a) if he gives Service on or after 31st March 1978 ;
- (b) if his health is satisfactory on leaving the Service ;
- (c) if he retires before the age of 55 years.

2. Subject to the provisions of Clause 3, the maximum sum which can be realised will be the difference between the terminal grant actually awarded on leaving the Service and the 34 year (officers) or 37 year (ratings) rate of terminal grant for his rank under the pension code current at the date of retirement or discharge.

3. The amount of retired pay or pension to be temporarily given up to secure the capital sum will be determined in accordance with the table in Clause 10. Temporary surrender of more than 50 per cent. of retired pay or pension will not be permitted.

4. At the age of 55 years the retired pay or pension surrendered under the provisions of Clause 3 will be restored and Pensions Increases will be awarded on the full basic retired pay or pension awarded on retirement or discharge.

General Conditions

5. Resettlement commutation may be exercised only once and application must be made within 12 months of retirement or discharge.

6. A Rating who has commuted part of his pension under the provisions of this Schedule will not be permitted to commute under the scheme for life commutation until after the age of 55 years (if he gave service on or before 31st March 1978).

7. Officers whose last day of service is before 6th April 1996 may be permitted at one and the same time to commute retired pay under both the resettlement arrangement and the life commutation arrangements provided that:

- (a) the maximum amount has been or is currently being taken up under the provisions of this Schedule.
- (b) the total pension given up does not exceed 50 per cent. of the basic award of retired pay and the element surrendered for life does not exceed 50 per cent. of the retired pay attributable to reckonable service before 6th April 1980.

8. Officers who give service on or before 31st March 1978 may after attaining the age of 55 years apply to commute under the life commutation provisions.

9. Invaliding and Service attributable retired pay and pensions will not normally be eligible for commutation under the provisions of this schedule.

10. Table for determining amount of retired pay or pension to be surrendered:

Age nearest birthday at retirement	Divisor for determining the total sum to be surrendered from date of commutation to age 55
20	0.266
21	0.273
22	0.280
23	0.287
24	0.295
25	0.303
26	0.312
27	0.321
28	0.331
29	0.341
30	0.352
31	0.363
32	0.375
33	0.388
34	0.402
35	0.416
36	0.431
37	0.447
38	0.464
39	0.482
40	0.501
41	0.521
42	0.542
43	0.564
44	0.588

45	0.614
46	0.642
47	0.671
48	0.702
49	0.736
50	0.773
51	0.813
52	0.856
53	0.901
54	0.949
55	1.000

Where retirement is exactly 6 months after a birthday, take age at following birthday. The total pension to be surrendered between the date of commutation and age 55 is found by dividing the capital sum to be raised by the appropriate divisor in the table above.

SCHEDULE X

1. The awards under the provisions of this Schedule are outside the scope of the Armed Forces Pension Scheme.

Section 1. Service Gratuities for Short Career Officers

Gratuities for Short Career Medical and Dental Officers

2. An officer entering the Medical or Dental Branches of the Royal Navy on a short career commission of 3 or 5 years' duration may, if the full period of Active List service undertaken is satisfactorily completed be awarded a gratuity of £1,065 for each year of service.

3. Women Medical and Dental Officers leaving on marriage or for compassionate reasons where the Secretary of State for Defence is satisfied that such reasons necessitate retirement may be awarded a gratuity proportionate to the length of Active List service actually completed.

4. An officer appointed to a short career commission in the Medical or Dental Branches of the Royal Navy whose professional training has been completed with assistance from Navy Department funds under a scheme for the entry of student doctors and student dentists, may, on satisfactory completion of Active List service subsequent to full registration be granted a gratuity calculated as follows:

- (a) in respect of service on the Active List completed after full registration as set out in Clause 2 above with an addition (b);
- (b) in respect of the period under training prior to full registration including in the case of Medical Officers, the period between provisional and full registration: at the rate of £425 a year abated by (c);
- (c) a sum representing the net amount expended from Navy Department Funds on tuition and maintenance during the period under training prior to full registration or in the case of Medical Officers the period under training prior to provisional registration.

Gratuities for Other Officers

5. Other officers serving on gratuity earning commissions and R.N.R. officers recalled in peacetime for service with the Royal Navy for a minimum period of 2 years, may on satisfactory completion of full paid service on or after 1st April 1980 be granted a gratuity of £885 for each year of service.

Section II

Gratuities for Supplementary List Aircrew Serving On Pensionable Commissions

6. Officers serving on Type B pensionable commissions who exercise their options to leave the Service at their 8 or 12 year breakpoints which occur on or after 6th April 1978 will be entitled to either: A preserved pension and preserved tax-free terminal grant payable at the age of 60 years in accordance with Schedule III based on reckonable service from 6th April 1978, plus an immediate tax-free gratuity of £4,320 if leaving on completion of 8 years' satisfactory service, or a tax-free gratuity of £5,000 if leaving on completion of 12 years' satisfactory service, plus where eligible, a tax-free resettlement grant under the provisions of Section V of this Schedule; or a preserved pension and preserved tax-free terminal grant payable at the age of 60 years in accordance with Schedule III based on all reckonable service from the age of 21 years. In addition those officers who have completed at least 9 years