

# Department for International Development: Overseas Superannuation

---

## Introduction

1. This Estimate covers various superannuation payments and grants arising from service overseas. The main components are pensions, UK supplements and increases to overseas service pensions of former officers of the India, Pakistan and Burma civil and military services and their dependants, and to former colonial public servants and dependants; pensions for beneficiaries of certain former overseas pension funds for which the UK assumed responsibility for the take-over of the pensions; police and firemen pension liabilities; and war service credit.
2. Details of expenditure in each of the sections of the Estimate and a breakdown of the request for resource allocation are provided in the Departmental Report.
3. From 2003-04 the provisions of Financial Reporting Standards (“FRS”) 17 ‘Retirement benefits’ have been adopted in the Resource Accounts of overseas pension schemes administered by DFID. The liability to meet future pension costs is now included on the balance sheet. Pension and related payments maturing in the year are accounted for as a decrease in future scheme liabilities on an accruals basis and included in the cash flow statement.
4. The pension payments now include an element of entitlements for pre-independence service previously paid from the DFID departmental resource account.

## Request for Resources

5. The Estimate provision for resource expenditure is the interest cost included in resource expense for the increase during the period in the present value of the scheme liability because the benefits are one period closer to settlement. There are no active members in the schemes, and the schemes are closed. Therefore, there is no further current service cost for benefits accruing included in resource expense.

## Net Cash Requirement

6. The net cash requirement reflects actual payments to pensioners during the year.
7. The administration costs associated with this Estimate are met from the International Development Estimate.
8. Symbols are explained in the Introduction to this booklet.

**Part I**

	£
<b>RfR 1: Overseas superannuation</b>	<b>74,891,000</b>
<b>Total net resource requirement</b>	<b>74,891,000</b>
<b>Net cash requirement</b>	<b>117,672,000</b>

Amounts required in the year ending 31 March 2005 for expenditure by the Department for International Development on:

**RfR 1: Overseas superannuation:**

Pension and superannuation payments, grants and compensation payments, etc. in respect of overseas services; and sundry other services and expenditure.

The **Department for International Development** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete/ surrender
	£	£	£
<b>RfR 1</b>	74,891,000	27,132,000	47,759,000
<b>Total net resource requirement</b>	74,891,000	27,132,000	47,759,000
<b>Net cash requirement</b>	117,672,000	51,645,000	66,027,000

**Part II: Subhead detail**

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Overseas superannuation</b>									
-	74,895	-	74,895	4	74,891	-	-	77,990	51,640
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
A Pensions and associated expenditure									
-	74,895	-	74,895	4	74,891	-	-	77,990	51,640
<b>Total for Estimate:</b>									
-	74,895	-	74,895	4	74,891	-	-	77,990	51,640

## Part II: Resource to cash reconciliation

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Total Resources</b>	74,891	77,990	51,640
<b>Voted capital items</b>			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	-	-	-
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-	-	-
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-74,895	-78,000	-51,689
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	1,160
Increase (-) / Decrease (+) in creditors	-	-	-1,088
Use of provisions	117,676	120,000	116,138
<b>Total accruals to cash adjustments</b>	42,781	42,000	64,521
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net Cash Requirement</b>	117,672	119,990	116,161

## Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2004-05 Provision		2003-04 Provision		2002-03 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	141	<i>141</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	141	<i>141</i>

## Forecast Combined Revenue Account

	2004-05 provision £000	2003-04 provision £000	2002-03 outturn £000
<b>Programme Costs</b>			
<b>Vote Expenditure</b>			
<b>Income</b>			
Contributions receivable	—	—	—
Transfers in	—	10	49
Other Income	4	—	—
<b>Total</b>	<b>4</b>	<b>10</b>	<b>49</b>
<b>Expenditure</b>			
Interest on scheme liability	74,895	78,000	51,548
Increase in liability	—	—	—
Other Expenditure	—	—	—
<b>Net Programme costs</b>	<b>74,891</b>	<b>77,990</b>	<b>51,499</b>
<b>Total net outgoings for the year</b>	<b>74,891</b>	<b>77,990</b>	<b>51,499</b>
<i>of which</i>			
<b>Net resource outturn</b>	<b>74,891</b>	<b>77,990</b>	<b>51,640</b>
<b>CFERS</b>	<b>—</b>	<b>—</b>	<b>-141</b>
<b>Resource budget outturn</b>	<b>74,891</b>	<b>77,990</b>	<b>51,499</b>

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Resource Outturn (Estimates)</b>	74,891	77,990	51,640
<i>Adjustments to remove:</i>			
provision voted for earlier years	—	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	—	—	—
Consolidated Fund Extra Receipts in the OCS	—	—	-141
Other adjustments	—	—	—
<b>Net Operating Cost (Accounts)</b>	74,891	77,990	51,499
<i>Adjustments to remove:</i>			
capital grants to local authorities	—	—	—
capital grants financed from the Capital Modernisation Fund	—	—	—
European Union income and related adjustments	—	—	—
voted expenditure outside the budget	—	—	—
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	—	—	—
resource consumption of non departmental public bodies	—	—	—
unallocated resource provision	—	—	—
Other adjustments	—	—	—
<b>Resource Budget Outturn (Budget)</b>	74,891	77,990	51,499
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	74,891	77,990	51,499

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	—	—	—
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	—	—	—
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	—	—	—
capital spending by non-departmental public bodies	—	—	—
capital grants to local authorities	—	—	—
capital grants financed by the Capital Modernisation Fund	—	—	—
local authority credit approvals	—	—	—
capital spending by levy funded bodies	—	—	—
unallocated capital provision	—	—	—
Other adjustments	—	—	—
<b>Capital Budget Outturn (Budget)</b>	—	—	—
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	—	—	—

## Notes to the Main Estimate *(continued)*

### **Explanation of Accounting Officer responsibilities**

The Treasury has appointed the Permanent Head of the Department for International Development, Suma Chakrabarti, as Accounting Officer of the Overseas Pension Schemes with responsibility for preparing the Estimate for the Schemes.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Pension Schemes' assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

## Analysis of appropriations in aid (A in A)

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 1: Overseas superannuation</b>						
Transfers in	—	—	10	—	4	—
Police receipt	4	—	—	—	—	—
<b>Total RfR 1</b>	<b>4*</b>	<b>—</b>	<b>10</b>	<b>—</b>	<b>4</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from UK police force share of superannuation in respect of retired UK police officers with joint UK and overseas service.

## Notes to the Main Estimate *(continued)*

### Analysis of Consolidated Fund extra receipts

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest payments	—	—	—	—	—	—
Dividends	—	—	—	—	—	—
Miscellaneous (Police Transfer Values not classified as A in A)	—	—	—	—	141	141
<b>Total</b>	—	—	—	—	<b>141</b>	<b>141</b>

## Notes to the Main Estimate *(continued)*

### Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2004-05 of £74,891,000 is 4 per cent lower than the final provision and forecast outturn for 2003-04 of £77,990,000.

### Expenditure resting on the sole authority of the Appropriation Act

The following RfR contains provision sought under the sole authority of Part 1 of the Estimate and the confirming Appropriation Act:

A1 Pensions etc. for Service with the Cotton Research Corporation ■	£134,000
A2 Grants to British subjects in lieu of superannuation and other benefits due to them by the former Shanghai Municipality, payment of which has been suspended; grants to certain pensioners of the former Burma services resident outside Burma ■	£40,000

### Cash which may be retained to offset expenditure

£'000

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid.

2004-05 provision	2003-04 provision	2002-03 outturn
4	430	4