



PM/85/26

PRIME MINISTER

Assassination and Death in Service

1. I was surprised to see Peter Rees' minute of 27 March to you about the compensation to dependants of Embassy staff assassinated abroad. I am sorry that you have been troubled at this stage.
2. On 9 July last year your Private Secretary wrote to mine asking me to set in hand a Review so that recommendations could be put to you in due course. My Private Secretary duly replied confirming that the Review was in hand. Since then FCO and Treasury officials have indeed produced a report. It did not immediately lead to agreed recommendations. Ministers have since been in correspondence about the recommendations which should be forwarded to you. Neither Janet Young's nor my own views are properly reflected in the Chief Secretary's minute.
3. I have no doubt that the best way to proceed is for the FCO and Treasury to have further bilateral discussions. Indeed, in a separate letter of 27 March to Janet Young, Peter Rees himself suggests this on one particular issue. He also suggests in his minute to you that further work will be needed on definitions.
4. On the substance of the matter, I am convinced that as employers we must make quite clear that in the rare and tragic circumstances of assassinations overseas, we are prepared to make proper provision for widows and orphans. Taken together the menu of ideas in the officials' report still seems to be below the lower end of the range of analogues which we have examined. We are not talking about large sums of money. Indeed, the Criminal Injuries Compensation Scheme to some extent already provides cover. But the amount cannot be foreseen or calculated in advance.

/ 5. ...



5. I shall wish to look particularly carefully at comparisons in both the private and public sectors. I attach at Annex A a brief summary of our investigations to date.

6. For a start, these bear out your view, with which I agree, that 45% of pensionable pay is rather little.

7. The comparisons show that it is not just the Police and Firemen who have modern terms, although I do indeed see a close analogy between the concept of an 'attack situation' for Firemen and the new concept of 'outrage' for Embassy staff.

8. Likewise, the provision for total lump sum compensation is not only below the arrangements for Police and Firemen, but below the compensation paid routinely by the major employers of expatriates following death from any cause overseas.

9. Incidentally, there is a mistake in the figures in paragraph 10 of Peter Rees' minute of 27 March.

This of course will have a bearing on the substance of the argument.

10. I am copying this minute to the recipients of Peter Rees' minute of 27 March.

A handwritten signature in black ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

Foreign and Commonwealth Office
4 April 1985

A Firemen

"Augmented pension" comprising a gratuity of 2 x annual pensionable pay for all officers (based on pay of an officer with 30 years' service) plus pension of 50% of officer's average pensionable pay, plus pension/lump sum commutation facility. Under the Fire Brigade's new scheme, now being introduced, a gratuity of 5 years pensionable pay will be paid.

B Police Scheme

"Augmented pension" comprising a gratuity of 2 x pensionable pay for all officers (based on pay of a constable with 30 years' service) plus a pension of 50% of average pensionable pay. The police are likely to be granted a new scheme similar to that of the firemen.

C Armed Forces

Gratuity equivalent to 3 years x rate of invalidity retirement pay (which exceeds pensionable pay) plus pension of 90% of officer's full career pension, plus a separate War Widows pension (from DHSS).

D Shell

On death in service (from any cause) widow receives a gratuity of 4 years pensionable pay, plus pension of 60% of the former employee's service projected to retirement age, plus a pension/lump sum commutation facility, plus children's education provision.

E Barclays International

For death in service a gratuity of 4 years' salary plus pension of 50% of employee's service projected to retirement age, plus children's education provision. There is also a benevolent fund.

F Burmah Oil

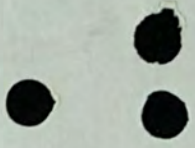
For normal death in service a gratuity of 4 years' salary. For accidental death or murder, 8 years' salary, plus a pension of 50% of employee's service projected to retirement age, plus children's education provision.

G BP

Gratuity of 3 years' salary plus pension of 66% of employee's service projected to retirement age.

H Unilever

Gratuity of 2 years' pensionable pay plus discretion to pay an additional gratuity of 3 years' pensionable pay, plus pension of 50% of employee's service projected to retirement age, plus children's education provision.



BY APPOINTMENT

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