

- (iv) When promoted to warrant rank, the deferred pay which has accrued to his credit by reason of his service before promotion, plus accrued interest thereon to date of payment, will become payable to an officer on the date when the engagement which is current at the time of his promotion would have been completed had he not been promoted, provided that where an engagement or re-engagement has not been completed before a further re-engagement has been entered into, deferred pay will be payable on the date the original engagement or re-engagement would have expired.

4. Deferred pay which has accrued to the credit of an officer will not be payable in the following circumstances, and will be forfeited to the Crown:—

- (i) On resignation or retirement from the Active List before attaining the age of 40 years, or if over the age of 40 years, if the officer has completed less than 6 years' service as Commissioned Officer, Commissioned Officer from warrant rank, or Warrant Officer on the Active List. The provisions of this subclause will not, however, apply to sums which have accrued to the credit of an officer prior to the date of his promotion to warrant rank.
- (ii) On dismissal from the Service, with or without disgrace, by sentence of Court-martial.
- (iii) On being discharged "Run."

5. An officer whose services are dispensed with on account of misconduct, or who is invalided from the Service for causes due to misconduct or causes within his own control, will not be entitled to any payment on account of deferred pay, but the Naval Board will consider each case on its merits and may authorize payment to him of any sum not exceeding the amount of deferred pay to which he would otherwise have been entitled.

6. Deferred pay will be subject to any deductions for the time being in force on account of employment taxation.

7. Deferred pay will accumulate at compound interest at the rates in force from time to time and under the terms for crediting of interest on moneys invested in the Common Fund of the Public Trustee.

8. Deferred pay shall not be credited to an officer in either of the following circumstances:—

- (i) During sick leave granted without pay.
- (ii) When placed on the half-pay list.
- (iii) When full hospital stoppages are enforced (Article 143, clause 3).

Article 134: Cancel, and substitute:—

134. Deferred pay: Men.—Deferred pay shall be allowed to accumulate to the credit of every rating other than those serving under loan agreements (Category (ii), Article 50) at the following rates, which have been in force as from 1st July, 1936:—

Rating or Relative Rating.	Per Diem. s. d.
Chief Petty Officer over six years	2 10
Chief Petty Officer under six years	2 7
Petty Officer	2 3
Leading Seaman	2 0
Able Seaman	1 9
Ordinary Seaman (over 18)	1 3
Boy	0 6

2. Deferred pay will accumulate at compound interest at the rates in force from time to time and under the terms for crediting of interest on moneys invested in the Common Fund of the Public Trustee.

3. Deferred pay will be subject to any deductions for the time being in force on account of employment taxation.

4. Subject to the provisions of clauses 5 and 7, all deferred pay and accumulated interest standing to the credit of a rating may be paid to him—

- (a) On completion of any engagement or re-engagement; or
- (b) On discharge from the Service;

but any rating who re-engages for a further term of service may exercise the option of allowing the amount which is standing to his credit on the date when he completes his current engagement to remain so that it will further accumulate by way of quarterly additions and compound interest until he expresses his desire to withdraw it. Notwithstanding the provisions of clause 5 (a), (d), and (e), every rating shall have a vested interest